

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

CAPTII LIMITED

Securities

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Executive Chairman

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

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Additional Details

For Financial Period Ended

31/03/2022

Attachments

[Captii Financial Results_Q12022.pdf](#)

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CAPTII LIMITED

(Incorporated in the Republic of Singapore)

(Company registration no.: 200211129W)

**Condensed interim financial statements
for the quarter ended 31 March 2022****A. Condensed consolidated statement of profit or loss and other comprehensive income**

	Note	Group	
		Quarter ended 31 March	
		2022	2021
		S\$'000	S\$'000
Revenue	4	5,344	5,361
Cost of sales		(2,845)	(2,638)
Gross profit		2,499	2,723
Other items of income:			
Interest Income		33	35
Other gains		136	293
Other items of expense:			
Technical support expenses		(1,012)	(1,163)
Distribution costs		(385)	(369)
Administrative expenses		(583)	(530)
Other losses		(32)	(3)
Finance costs		(15)	(29)
Profit before income tax	6	641	957
Income tax expenses	7	(109)	(174)
Profit, net of tax		532	783
Profit, net of tax attributable to:			
Owners of the company		455	740
Non-controlling interests		77	43
Profit, net of tax		532	783

Other comprehensive income

	Note	Group	
		Quarter ended 31 March	
		2022	2021
		S\$'000	S\$'000
Profit, net of tax		532	783
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods (net of tax)			
Currency translation differences on consolidation of foreign entities (net)		(193)	(610)
Total other comprehensive income for the financial period		339	173
Total comprehensive income attributable to:			
Owners of the Company		287	199
Non-Controlling interest		52	(26)
Total other comprehensive income for the financial period		339	173
Earnings per share for profit for the period attributable to the owners of the Company during the financial period:		cents	cents
Basic and diluted earnings per share		1.42	2.32

B. Condensed interim statements of financial position

	Note	Group	Group	Company	Company
		As at	As at	As at	As at
		31/3/2022	31/12/2021	31/3/2022	31/12/2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-Current Assets					
Plant and equipment	11	1,603	1,811	-	-
Investment property	12	2,124	2,137	-	-
Intangible assets	10	10,595	10,645	-	-
Investments in subsidiaries		-	-	34,778	34,778
Other financial assets	9	27,164	28,523	-	-
Deferred tax assets		1,022	1,025	-	-
Total non-current assets		42,508	44,141	34,778	34,778
Current assets					
Inventories		4	4	-	-
Trade and Other receivables		11,363	11,384	8,970	10,450
Other non-financial assets		1,875	2,017	48	28
Cash and cash equivalents		13,829	13,823	1,432	141
Total current assets		27,071	27,228	10,450	10,619
Total assets		69,579	71,369	45,229	45,397
EQUITY AND LIABILITIES					
Equity					
Share capital	14	31,948	31,948	31,948	31,948
Retained earnings		29,127	28,672	10,651	10,701
Foreign currency translation reserve		(8,816)	(8,648)	-	-
Equity, attributable to owners of the parent		52,259	51,972	42,599	42,649
Non-controlling interest		10,561	10,747	-	-
Total equity		62,820	62,719	42,599	42,649
Non-current liabilities					
Lease liabilities		337	417	-	-
Deferred tax liabilities		(0)	-	-	-
Total non-current liabilities		337	417	-	-
Current liabilities					
Income tax payables		425	548	6	6
Trade and other payables		4,796	6,362	2,623	2,742
Other non-financial liabilities		717	707	-	-
Lease liabilities		336	342	-	-
Borrowings	13	148	274	-	-
Total current liabilities		6,422	8,233	2,630	2,748
Total liabilities		6,759	8,650	2,630	2,748
Total equity and liabilities		69,579	71,369	45,229	45,397

C. Condensed interim statements of changes in equity

Statements of changes in equity for the quarter ended 31 March 2022

	Note	Total equity	Attributable to parent Sub-total	Share capital	Retained earnings	Foreign currency translation reserve	Non-controlling interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current quarter:							
Group							
Opening balance at 1 January 2022		62,719	51,972	31,948	28,672	(8,648)	10,747
Total comprehensive income for the financial period		339	287	-	455	(168)	52
Dividend Paid		(238)	-	-	-	-	(238)
Closing balance at 31 March 2022		62,820	52,259	31,948	29,127	(8,816)	10,561
Company							
Opening balance at 1 January 2022		42,649	42,649	31,948	10,701	-	-
Total comprehensive expense for the financial period		(50)	(50)	-	(50)	-	-
Closing balance at 31 March 2022		42,599	42,599	31,948	10,651	-	-

Statements of changes in equity for the quarter ended 31 March 2021

	Note	Total equity	Attributable to parent Sub-total	Share capital	Retained earnings	Foreign currency translation reserve	Non-controlling interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Previous quarter:							
Group							
Opening balance at 1 January 2021		46,901	41,724	31,948	17,937	(8,161)	5,177
Total comprehensive income for the financial period		173	199	-	740	(541)	(26)
Dividend paid		(160)	-	-	-	-	(160)
Closing balance at 31 March 2021		46,914	41,923	31,948	18,677	(8,702)	4,991
Company							
Opening balance at 1 January 2021		41,944	41,944	31,948	9,996	-	-
Total comprehensive expenses for the financial period		(55)	(55)	-	(55)	-	-
Closing balance at 31 March 2021		41,889	41,889	31,948	9,941	-	-

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		Quarter ended 31 March	
		2022	2021
		S\$'000	S\$'000
Operating activities:			
Profit Before Income Tax		641	957
Adjustments for:			
Amortisation of intangible assets	6	70	90
Depreciation of plant and equipment	6	143	159
Depreciation of right-of-use assets	6	88	86
Fair value gain on unquoted investments	6	(135)	(103)
Interest expense		15	29
Interest income		(33)	(35)
Operating cash flow before changes in working capital		789	1,183
Inventories		(1)	-
Trade and other receivables		21	(446)
Other non-financial assets		142	340
Trade and other payables		(1,571)	(272)
Other non-financial liabilities		11	(179)
Net cash flows (used in)/from operations		(609)	626
Income tax paid		(227)	(107)
Net cash flows (used in)/from operating activities		(836)	519
Cash flows from investing activities:			
Purchase of plant and equipment		(37)	(34)
Redemption of investment		-	148
Proceeds From Disposal of Investment		1,520	-
Other financial assets		-	(200)
Payment for development costs		(90)	(70)
Interest income received		33	35
Net cash flows from/(used in) investing activities		1,426	(121)
Cash flows from financing activities:			
Dividend paid to non-controlling interests of subsidiary		(238)	(160)
Cash restricted in use		(3)	(3)
Repayment of interest bearing borrowings		(124)	(180)
Lease liabilities principal portion paid		(86)	(89)
Interest expenses paid		(15)	(29)
Net cash flows used in financing activities		(466)	(461)
Net change in cash and cash equivalents		124	(63)
Cash and cash equivalents at beginning of the financial year (Note 1)		11,332	10,536
Effect of exchange rate changes on cash and cash equivalents		(107)	(364)
Cash and cash equivalents at end of the financial period (Note 1)		11,349	10,109

Explanatory Notes:

Note 1

	Group	
	Quarter ended 31 March	
	2022	2021
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	13,829	12,569
Less: Restricted deposits	(2,480)	(2,460)
Cash and cash equivalents per consolidated statement of cash flows	11,349	10,109

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Captii Limited (the company) is incorporated in Singapore with limited liability. It is listed on Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the period ended 31 March 2022 comprise the company and its subsidiaries (collectively, the group). The primary activities of the company are those of investment holding and the provision of management services.

The principal activities of the group are:

- a) Distribution of information technology and telecommunications products, research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry.
- b) Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions.
- c) Provision of global roaming quality of services management solutions.
- d) Undertake investment in technology companies.
- e) Investment holding and the provision of management services.

2. Basis of Preparation

The condensed interim financial statements for the financial period ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance of the group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the company's functional currency.

2.1. New and amended standards adopted by the group

A number of amendments to Standards have become applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- * Note 12 – Classification of investment property

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- * Note 9 – fair value of unquoted investments
- * Note 10 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- * Note 12 – determination of fair value of investment property using significant unobservable inputs

3. Seasonal operations

The group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The group is organised into the following main business segments:

- * Unifiedcomms – Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.
- * GlobeOSS – Segment for mobile network operation support systems, solutions and managed services.
- * Captii Ventures – Segment for strategic investment in early and late-stage technology ventures.
- * Others – Segment for investment holding and operational headquarters of the group.

These operating segments are reported in a manner consistent with internal reporting provided to those who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

Financial period ended 31 March 2022

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	3,670	1,674	-	-	-	5,344
-inter-segment	-	139	-	15	(154)	-
Revenue from external parties	3,670	1,813	-	15	(154)	5,344
Cost of sales	(1,939)	(1,031)	-	(15)	140	(2,845)
Gross profit	1,731	782	-	0	(14)	2,499
Other items of income:						
Interest income	15	18	-	-	-	33
Other gains	32	(0)	135	33	(64)	136
Other item of expenses:						
Technical support expenses	(585)	(424)	-	(18)	15	(1,012)
Distribution costs	(197)	(190)	-	-	2	(385)
Administrative expenses	(268)	(114)	(25)	(206)	30	(583)
Other losses	(39)	(18)	(4)	(0)	29	(32)
Finance costs	(12)	(3)	-	-	-	(15)
Profit/(Loss) before income tax	677	51	106	(191)	(2)	641
Income tax expenses	(85)	(24)	-	(0)	-	(109)
Profit/(Loss), net of tax	592	27	106	(191)	(2)	532
Profit/(Loss) for the period attributable to:						
Owners of the company	592	14	42	(191)	(2)	455
Non-controlling interest	-	13	64	-	-	77
Profit/(Loss) for the period	592	27	106	(191)	(2)	532
Other information						
Depreciation of plant and equipment	(118)	(24)	-	(1)	-	(143)
Depreciation of right-of-use assets	(65)	(23)	-	-	-	(88)
Amortisation of intangible assets	(160)	-	-	-	90	(70)
Fair value gain on unquoted investments	-	-	135	-	-	135
Other segment items						
Capital expenditure						
- Plant and equipment	36	1	-	-	-	37
- Development costs	90	-	-	-	-	90
Financial period ended 31 March 2022						
Segment assets	32,940	13,835	27,275	54,281	(59,774)	68,557
Unallocated assets						1,022
Consolidated total assets						69,579
Segment liabilities	9,352	2,373	10,646	7,907	(23,519)	6,759
Unallocated liabilities						(0)
Consolidated total liabilities						6,759

4.1 Reportable segments (continued)

Financial period ended 31 March 2021

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	3,550	1,811	-	-	-	5,361
-inter-segment	-	133	-	15	(148)	-
	3,550	1,944	-	15	(148)	5,361
Cost of sales	(1,752)	(1,007)	-	(14)	135	(2,638)
Gross profit	1,798	937	-	1	(13)	2,723
Other items of income:						
Interest income	12	23	-	-	-	35
Other gains	97	10	152	52	(18)	293
Other item of expenses:						
Technical support expenses	(598)	(513)	-	(16)	(36)	(1,163)
Distribution costs	(205)	(166)	-	-	2	(369)
Administrative expenses	(232)	(149)	(17)	(212)	80	(530)
Other losses	(1)	(4)	-	-	2	(3)
Finance costs	(25)	(4)	-	-	-	(29)
Profit/(Loss) before income tax	846	134	135	(175)	17	957
Income tax expenses	(126)	(47)	-	(1)	-	(174)
Profit/(Loss), net of tax	720	87	135	(176)	17	783
Profit/(Loss) for the period attributable to:						
Owners of the company	720	44	135	(176)	17	740
Non-controlling interest	-	43	-	-	-	43
Profit/(Loss) for the period	720	87	135	(176)	17	783
Other information						
Depreciation of plant and equipment	(133)	(25)	-	(1)	-	(159)
Depreciation of right-of-use assets	(62)	(24)	-	-	-	(86)
Amortisation of intangible assets	(182)	-	-	-	92	(90)
Fair value gain on unquoted investments	-	-	103	-	-	103
Other segment items						
Capital expenditure						
- Plant and equipment	32	2	-	-	-	34
- Development costs	70	-	-	-	-	70

Financial year ended 31 December 2021

Segment assets	33,101	15,337	28,630	54,499	(61,223)	70,344
Unallocated assets						1,025
Consolidated total assets						71,369
Segment liabilities	9,904	3,606	12,132	7,909	(24,901)	8,650
Unallocated liabilities						-
Consolidated total liabilities						8,650

4.2. Disaggregation of revenue

The group's revenue can be divided into revenue generated from two types of contracts, as described below:

(a) System sales – this refers to contracts that involve the outright purchase by customers of systems comprising the group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(b) Managed services – this refers to contracts that involve the provision of both systems comprising the group's products and technologies as well as the group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as managed service contracts are system maintenance and technical support contracts with existing customers of the group.

Financial period ended 31 March 2022

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Types of goods or service:						
-System sales	212	650	-	-	-	862
-Managed service	3,458	1,024	-	-	-	4,482
Total revenue	3,670	1,674	-	-	-	5,344

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

Geographical information:

-South East Asia #	3,611	1,674	-	-	-	5,285
-South Asia	59	-	-	-	-	59
-Middle East & Africa	0	-	-	-	-	0
-Others	-	-	-	-	-	-
	3,670	1,674	-	-	-	5,344

(#) South East Asia included

-Singapore	164	-	-	-	-	164
-Malaysia	3,344	1,544	-	-	-	4,888
-Others	103	130	-	-	-	233
	3,611	1,674	-	-	-	5,285

Financial period ended 31 March 2021

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Types of goods or service:						
-System sales	345	1,022	-	-	-	1,367
-Managed service	3,205	789	-	-	-	3,994
Total revenue	3,550	1,811	-	-	-	5,361

All the contracts are less than 12 months, and majority of the contracts are recognised over time. Customers are mainly companies in the telecommunication industry.

Geographical information:

-South East Asia #	3,477	1,811	-	-	-	5,288
-South Asia	70	-	-	-	-	70
-Middle East & Africa	3	-	-	-	-	3
-Others	-	-	-	-	-	-
	3,550	1,811	-	-	-	5,361

(#) South East Asia included

-Singapore	144	-	-	-	-	144
-Malaysia	3,201	1,285	-	-	-	4,486
-Others	132	526	-	-	-	658
	3,477	1,811	-	-	-	5,288

Revenue contribution from a single region is disclosed separately when it exceeds 20% of the group's revenue.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 31 March 2022 and 31 December 2021:

	Note	Group		Company	
		As at	As at	As at	As at
		31/3/2022	31/12/2021	31/3/2022	31/12/2021
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at fair value through profit or loss	9	27,164	28,523	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		25,192	25,207	10,401	10,591
		52,356	53,730	10,401	10,591
Financial liabilities					
Trade and other payables and borrowings (Amortised cost)		5,617	7,395	2,623	2,742

6. Profit before taxation

6.1. Significant items	Group	
	Quarter ended 31 March	
	2022	2021
	S\$'000	S\$'000
Profit before income tax is stated after (charging)/crediting the following items:		
Fair value gain on unquoted investments	135	103
Foreign exchange (loss)/gain, net	(26)	178
Amortisation of intangible assets	(70)	(90)
Depreciation of plant and equipment	(143)	(159)
Depreciation of right-of-use assets	(88)	(86)

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Quarter ended 31 March	
	2022	2021
	S\$'000	S\$'000
Components of tax expense recognised in profit and loss include:		
Current tax expenses	(96)	(155)
Overseas withholding tax expenses	(13)	(19)
Total income tax expenses	(109)	(174)

8. Net asset value

	As at 31/3/2022	As at 31/12/2021	As at 31/3/2022	As at 31/12/2021
	Group cents	Group cents	Company cents	Company cents
Net asset value per ordinary share ⁽¹⁾	163.53	162.63	133.30	133.46

⁽¹⁾ For comparative purposes, the net asset value per ordinary share of the group and the company has been computed based on the net asset value of the group and the company attributable to owners of the company at the relevant financial year and the existing issued share capital of 31,957,264 shares.

9. Other financial assets

Financial assets at fair value through profit or loss comprise the following:

	Group	
	As at	As at
	31/3/2022	31/12/2021
	S\$'000	S\$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss	27,164	28,523

9.1. Fair value measurement

The group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

For fair value measurements (Level 3) recognised in the statement of financial position, the group adopted the following valuation methodologies in estimating the fair values of the investments:

- Cost approach;
- Option Pricing Model; and
- Implied Enterprise Value

The group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

The following table presented the assets measured at fair value:

	Level	Group	
		As at	As at
		31/3/2022	31/12/2021
		S\$'000	S\$'000
Enterprise application technology			
Unquoted convertible preference shares in Singapore	3	2,035	2,031
Unquoted convertible loan notes in Singapore	3	8,240	8,240
Unquoted convertible preference shares in Malaysia	3	452	1,992
Unquoted convertible preference shares in Indonesia	3	3,072	3,131
Marketplace technology			
Unquoted convertible preference shares in Singapore	3	625	625
Unquoted convertible loan notes in Vietnam	3	12,730	12,495
Unquoted convertible preference shares in Korea	3	10	9
Total other financial assets		27,164	28,523

10. Intangible assets

	Group			
	Deferred development costs	Intellectual property	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 31 December 2021				
Cost	9,329	17	10,383	19,729
Accumulated amortisation and impairment	(8,575)	(17)	(492)	(9,084)
Net book amount	754	-	9,891	10,645
3 months ended 31 March 2022				
Opening net book amount	754	-	9,891	10,645
Additions	90	-	-	90
Capitalisation of development equipment	-	-	-	-
Amortisation charge	(70)	-	-	(70)
Foreign exchange adjustments	(9)	-	(61)	(70)
Closing net book amount	765	-	9,830	10,595
At 31 March 2022				
Cost	9,360	17	10,319	19,696
Accumulated amortisation and impairment	(8,595)	(17)	(489)	(9,101)
Net book amount	765	-	9,830	10,595

10.1 Deferred development costs

Deferred development costs mainly comprise staff costs, operating expenses and depreciation expenses for the development of the group's proprietary software and these have an average remaining amortisation period of 2 years (2021: 2 years).

10.2 Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

10.3 Goodwill

Goodwill acquired through business combination has been allocated to its subsidiaries, Unified Communications Pte Ltd, Postpay Asia Sdn Bhd, Postpay Sdn Bhd, Postpay Technology Sdn Bhd, Adzentrum Sdn Bhd, Unified Communications (Private) Limited and Ahead Mobile Sdn Bhd for the purpose of impairment testing. The carrying amount is disclosed above.

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value-in-use. The recoverable amount of the CGU has been measured based on the value-in-use method.

The value-in-use was determined by management using discounted cash flows to be generated from the continuing use of the CGU. Value in use as at 31 March 2022 was determined similarly to the 31 December 2021 goodwill impairment test, and was based on the following key assumptions:

Unobservable inputs	As at	As at
	31/3/2022	31/12/2021
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	10.37%	10.37%
Growth rates based on management estimate forecasts and not exceeding the average long-term growth rate for the relevant markets	2%	2%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 Years	5 Years

The value-in-use is a recurring fair value measurement (Level 3).

Management also performed sensitivity analysis over the key inputs above and noted that no reasonably possible change in any of these inputs would cause the recoverable amount of the CGU to fall below its carrying amount.

11. Plant and equipment

	Group			
	Computers, telecommunication s, research and development equipment	Office equipment, furniture, motor vehicle and renovation	Right-of-use assets	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 31 December 2021				
Cost	9,418	247	1,288	10,953
Accumulated amortisation and impairment	(8,503)	(95)	(544)	(9,142)
Net book amount	915	152	744	1,811
3 months ended 31 March 2022				
Opening net book amount	915	152	744	1,811
Additions	33	4	-	37
Depreciation charge	(135)	(8)	(88)	(231)
Foreign exchange adjustments	(7)	(1)	(6)	(14)
Closing net book amount	806	147	650	1,603
At 31 March 2022				
Cost	9,354	246	1,282	10,882
Accumulated depreciation and impairment	(8,548)	(99)	(632)	(9,279)
Net book amount	806	147	650	1,603

During the financial period ended 31 March 2022, the group acquired assets amounting to S\$37,000 (31 March 2021: S\$34,000).

12. Investment property

The group's investment property represents a commercial property, held for long-term rental yield and/or capital appreciation and is not substantially occupied by the group.

	Group	
	As at	As at
	31/3/2022	31/12/2021
	S\$'000	S\$'000
Cost		
Beginning of financial year	2,567	2,611
Currency translation differences	(16)	(44)
End of financial period/year	2,551	2,567
Fair value loss movement		
Beginning of financial year	430	305
Impairment loss during the financial period/year	-	130
Currency translation differences	(3)	(5)
End of financial period/year	427	430
Net book value	2,124	2,137

12.1 Valuation

The fair value of the investment property was measured at the end of every year based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by an external, independent and qualified professional valuer. There has been no change to the valuation technique during the year.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows

Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs	Price per square foot. S\$265
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by S\$214,000; higher by S\$214,000

13. Borrowings

	Group	
	As at	As at
	31/3/2022	31/12/2021
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	148	274
Unsecured	-	-
Amount repayable after one year		
Secured	-	-
Unsecured	-	-

Details of any collateral

The company has issued financial guarantee to the financial institutions for the following facilities granted to the group's subsidiaries:-

- 1) A facility with outstanding amount of S\$148,000 (2021: S\$274,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$2,897,000 (2021: S\$2,922,000);
- 2) A facility with outstanding amount of Nil (2021: Nil), that is secured by fixed deposits of the subsidiary amounting to approximately S\$2,343,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,313,000 (2021: S\$1,325,000); and
- 3) A facility with outstanding amount of Nil (2021: S\$117,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$1,287,000 (2021: S\$1,299,000).

As at the end of the financial period/year, the outstanding facilities covered by the guarantee were S\$148,000 (2021: S\$274,000).

14. Share Capital

	31/3/2022		31/12/2021	
	Number of shares	Amount	Number of shares	Amount
	000	S\$'000	000	S\$'000
Group and Company				
Ordinary shares of no par value:				
Balance at beginning and end of the period/year	31,957	31,948	31,957	31,948

The company did not hold any treasury shares as at 31 March 2022.

The company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and 31 December 2021.

15. Expected credit loss allowance on receivables

There has been no change to the expected credit losses approach and assumptions as compared to previous financial year. As at 31 March 2022. No significant loss allowance was provided for the reporting period.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION

1. Review

The condensed interim consolidated statement of financial position of Captii Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial period ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

2.1 Review of performance of the group for the financial period ended 31 March 2022 as compared to corresponding financial period ended 31 March 2021

Group revenue

The group recorded consolidated revenue of S\$5.344 million for the quarter ended 31 March 2022 ("Q1 2022"), a 0.3% marginal decrease against the revenue recorded in the corresponding quarter ended 31 March 2021 ("Q1 2021"). The decline in group revenue for Q1 2022 is attributable to lower revenue recorded by GlobeOSS.

GlobeOSS recorded revenue of S\$1.674 million in Q1 2022, a decrease of 7.6% from the S\$1.811 million recorded in Q1 2021. This decline in revenue was due to lower revenue from system sale contracts.

In contrast, Unifiedcomms posted revenue of S\$3.67 million in Q1 2022, an increase of 3.4% from the S\$3.55 million recorded in Q1 2021. This improvement in revenue was mainly driven by higher revenue from managed service contracts.

The group's sales mix in Q1 2022 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 83.9% of the group's total revenue in Q1 2022 as compared to 74.5% in Q1 2021. The higher contribution of managed service contracts to the group's sales mix in Q1 2022 was mainly attributable to a 36.9% drop in system sale contract revenues of both GlobeOSS and Unifiedcomms from S\$1.367 million in Q1 2021 to S\$0.862 million in Q1 2022.

Gross profit and gross profit margins

With lower revenue, the group recorded gross profit of S\$2.499 million in Q1 2022, a decrease of 8.2% from the S\$2.723 million achieved in Q1 2021. In addition, gross profit margin declined from 50.8% in Q1 2021 to 46.8% in Q1 2022.

The decrease in group gross profit margin is mainly attributable to the lower gross profit margin recorded on the group's managed service contract revenues, which decreased to 42.8% in Q1 2022 from 45.3% in Q1 2021. This decrease in gross profit margin was mainly due to higher third-party costs on certain managed service contracts.

The group recorded gross profit margin on its system sales contract revenues of 67.2% in Q1 2022, slightly higher against the 66.7% recorded in Q1 2021.

Interest income

The group recorded slightly lower interest income of S\$0.033 million in Q1 2022 as compared to S\$0.035 million earned in Q1 2021.

Other gains and other item of expense

The group recorded net total expenses of S\$1.891 million in Q1 2022, 5% higher than the S\$1.801 million incurred in Q1 2021. This is mainly attributable to the absence in Q1 2022 of a net foreign exchange gain such as that recorded in Q1 2021 arising from the favourable exchange rate movement of USD against SGD, the group's reporting currency.

Net profit and EBITDA

The group recorded net profit of S\$0.532 million and EBITDA of S\$0.924 million in Q1 2022, as compared to S\$0.783 million in net profit and S\$1.286 million in EBITDA in Q1 2021. The lower net profit and EBITDA recorded in Q1 2022 was due to the flow-down effects of the lower gross profit margin and higher net total expenses recorded in Q1 2022.

2. Review of performance of the group (continued)

2.1 Review of performance of the group for the financial period ended 31 March 2022 as compared to corresponding financial period ended 31 March 2021 (continued)

Detailed segmental breakdown of group revenue and gross profit

The detailed segmental breakdown of the group's revenue and gross profit for Q1 2022, together with comparative results for Q1 2021 is provided below:

Table 2.1: Group revenue as analysed by business unit for the quarter ended 31 March

	2022 S\$'000	Sales mix %	2021 S\$'000	Sales mix %
Unifiedcomms	3,670	68.7	3,550	66.2
GlobeOSS	1,674	31.3	1,811	33.8
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	5,344	100.0	5,361	100.0

Table 2.2: Group revenue as analysed by contract type for the quarter ended 31 March

External sales	2022			2021		
	System sale (1)	Managed service (2)	Group	System sale (1)	Managed service (2)	Group
Revenue	862	4,482	5,344	1,367	3,994	5,361
Gross profit	579	1,920	2,499	912	1,811	2,723
Gross profit (%)	67.2%	42.8%	46.8%	66.7%	45.3%	50.8%

Table 2.3: Group net total expenses for the quarter ended 31 March

	Group	
	2022 S\$'000	2021 S\$'000
Other gains	136	293
Technical support expenses	(1,012)	(1,163)
Distribution costs	(385)	(369)
Administrative expenses	(583)	(530)
Other losses	(32)	(3)
Finance cost	(15)	(29)
Net total expenses	(1,891)	(1,801)

2. Review of performance of the group (continued)

2.2 Review of the group's financial position as at 31 March 2022 as compared to the group's financial position as at 31 December 2021

Non-cash current assets of the group decreased from S\$13.405 million as at 31 December 2021 to S\$13.242 million as at 31 March 2022, a 1.2% marginal decrease.

Total non-current assets of the group decreased from S\$44.141 million as at 31 December 2021 to S\$42.508 million as at 31 March 2022. This 3.7% decrease in non-current assets is attributable to the decrease in venture investments of the group, following the disposal of one venture investment in the reporting period.

Total liabilities of the group decreased from S\$8.65 million as at 31 December 2021 to S\$6.759 million as at 31 March 2022. This 21.8% decrease in total liabilities is attributable to the decrease in trade and other payables following repayments made in the reporting period.

2.3 Review of the group's cash flow for the quarter ended 31 March 2022 as compared to the corresponding quarter ended 31 March 2021

The group's net cash flow used in operations for Q1 2022 was S\$0.609 million, in contrast with the net cash flow from operations of S\$0.626 million for Q1 2021. This was mainly due to the unfavourable working capital movement of S\$1.398 million for Q1 2022, as compared to S\$0.557 million for Q1 2021. This higher cash outflow from operations is mainly attributable to the higher repayment of trade and other payables in the current quarter.

The group's net cash flow from investing activities for Q1 2022 was S\$1.426 million, in contrast with the net cash flow used in investing activities of S\$0.121 million in Q1 2021. This was primarily due to proceeds received from the disposal of a venture investment in the current quarter.

The group's net cash flow used in financing activities for Q1 2022 was S\$0.466 million, flat against what was recorded in Q1 2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No profit forecast has been issued for the financial period under review.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic continues to affect many countries in our group's regions of focus, although many territories have relaxed movement and travel restrictions. The uncertainty of economic recovery from the shock caused by COVID-19 and the prospect of another economic slowdown or a slow recovery, especially in the group's regions of focus, have weighed on the minds of management and the directors of the group when considering the outlook for the remainder of the financial year.

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. This is because these businesses operate primarily in the field of telecommunications, an essential service in any economy today. In addition, Unifiedcomms and GlobeOSS businesses have been made capable of fully-functioning under a work-from-home mode of operation, well ahead of movement control restrictions or lockdown orders being enforced. The group's primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout COVID-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and management of the group are hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough. Some managed service contracts of the group which have been impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, the group's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by COVID-19. On a more positive note, the group had in the current quarter successfully materialised certain unrealised fair value gains recorded in prior years by disposing one venture investment. As a result of this exit, disposal proceeds of S\$1.5m were received and are reflected in the consolidated statement of cash flows for the current quarter. Moreover, a number of other investees in the portfolio continued to grow strongly through the period under review, and contributed to the improvement in value of the overall venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the group remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of COVID-19 on the group financial performance. Management of the group continues to take an active and measured approach to managing risks to protect the group's people and assets, and will sustain these efforts until the effects of the lingering pandemic abate.

5. Dividend information**5a. Current Financial Period Reported on**

Any dividend declared for the current financial period reported on? None

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

5c. Date Payable

Not applicable.

5d. Books Closure Date

Not applicable.

6. Interested person transactions

Name of the Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		Quarter ended 31 March		Quarter ended 31 March	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Nil	Nil	Nil		Nil	

The group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the board of directors of the company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the company which may render the financial statements for the financial period ended 31 March 2022 to be false or misleading in any material aspect.

On behalf of the board of directors

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Executive Director

Singapore
11 May 2022