

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::SECOND QUARTER AND/ OR HALF YEARLY RESULTS**

**Issuer & Securities**

**Issuer/Manager**

CAPTII LIMITED

**Securities**

CAPTII LIMITED - SG1BA0000004 - AWW

**Stapled Security**

No

**Announcement Details**

**Announcement Title**

Financial Statements and Related Announcement

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Wong Tze Leng

**Designation**

Executive Chairman

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

Please see attached.

**Additional Details**

**For Financial Period Ended**

30/06/2020

**Attachments**

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Total size =177KMB

**CAPTII LIMITED**

(Incorporated in the Republic of Singapore)  
(Company registration no.: 200211129W)

**Second Quarter Financial Statements and Dividend Announcement  
for the Period Ended 30 June 2020**

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Set out below are the financial statements for the second quarter ended 30 June 2020

**Consolidated Statement of Comprehensive Income**

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2020	Q2 2019	Inc/(dec)	2020	2019	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>6,103</b>	<b>6,647</b>	<b>(8.2)</b>	<b>10,773</b>	<b>11,807</b>	<b>(8.8)</b>
Cost of Sales	(3,150)	(3,369)	(6.5)	(5,417)	(5,535)	(2.1)
<b>Gross profit</b>	<b>2,953</b>	<b>3,278</b>	<b>(9.9)</b>	<b>5,356</b>	<b>6,272</b>	<b>(14.6)</b>
Other Items of Income:						
Interest Income	41	31	32.3	81	48	68.7
Other Gains	(108)	441	(124.5)	223	466	(52.1)
Other Items of Expense:						
Technical Support Expenses	(947)	(1,170)	(19.1)	(2,012)	(2,178)	(7.6)
Distribution Costs	(303)	(412)	(26.4)	(676)	(848)	(20.3)
Administrative Expenses	(528)	(557)	(5.2)	(1,073)	(1,171)	(8.4)
Other Losses	(1,532)	(146)	949.2	(1,534)	(273)	461.8
Finance Costs	(30)	(33)	(9.0)	(65)	(67)	(3.0)
<b>(Loss)/Profit Before Income Tax</b>	<b>(454)</b>	<b>1,432</b>	<b>(131.7)</b>	<b>300</b>	<b>2,249</b>	<b>(86.6)</b>
Income Tax Expenses	(192)	(86)	123.2	(349)	(320)	9.1
<b>(Loss)/Profit, Net of Tax</b>	<b>(646)</b>	<b>1,346</b>	<b>(148.0)</b>	<b>(49)</b>	<b>1,929</b>	<b>(102.5)</b>
<b>( Loss)/Profit, Net of Tax Attributable to:</b>						
Owners of the Company	(992)	1,294	(176.6)	(440)	1,651	(126.6)
Non-Controlling Interests	346	52	565.3	391	278	40.6
<b>(Loss)/Profit, Net of Tax</b>	<b>(646)</b>	<b>1,346</b>	<b>(148.0)</b>	<b>(49)</b>	<b>1,929</b>	<b>(102.5)</b>

**Consolidated Statement of Comprehensive Income/(Expense)**

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2020	Q2 2019	Inc/(dec)	2020	2019	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>(Loss)/Profit, Net of Tax</b>	<b>(646)</b>	<b>1,346</b>	<b>(148.0)</b>	<b>(49)</b>	<b>1,929</b>	<b>(102.6)</b>
Other Comprehensive (Expenses)/Income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(441)	(318)	(38.7)	(362)	(78)	364.1
<b>Total Comprehensive(Expenses)/Income for the period</b>	<b>(1,087)</b>	<b>1,028</b>	<b>(205.8)</b>	<b>(411)</b>	<b>1,851</b>	<b>(122.2)</b>
<b>Total Comprehensive Income/(Expenses) for the period Attributable to:</b>						
Owners of the Company	(1,383)	1,023	(235.1)	(761)	1,592	(147.8)
Non-Controlling interest	296	5	5820.0	350	259	35.1
<b>Total Comprehensive(Expenses)/Income for the period</b>	<b>(1,087)</b>	<b>1,028</b>	<b>(205.8)</b>	<b>(411)</b>	<b>1,851</b>	<b>(122.2)</b>

1(a)(ii) Notes to Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2020	Q2 2019	Inc/(dec)	2020	2019	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Profit before income tax is stated after (charging)/crediting the following items:</b>						
Fair Value (Loss)/Gain on Investments	(1,527)	441	(446.2)	(1,527)	466	(427.7)
Loss on Disposal of Plant and Equipment	(1)	-	100.0	(1)	-	100.0
Foreign Exchange (Loss)/Gain, net	(155)	(144)	(40.6)	160	(262)	(160.9)
Amortisation of Intangible Assets	(109)	(119)	(7.9)	(215)	(237)	(8.9)
Depreciation of Plant and Equipment	(162)	(172)	(5.5)	(320)	(343)	(6.6)
Depreciation of Right-of-use assets	(41)	-	100.0	(69)	-	100.0
Plant and Equipment Written-Off	(3)	-	100.0	(3)	-	100.0
<b>Components of tax expense recognised in profit and loss include:</b>						
Current Tax Expenses	(176)	(176)	0.2	(316)	(402)	(21.3)
Deferred Tax Income	-	111	(100.0)	-	111	(100.0)
Over adjustments in respect of prior years	-	-	0.0	-	20	(100.0)
Overseas Withholding Tax Expenses	(16)	(21)	(23.8)	(33)	(49)	(32.8)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

**Statements of Financial Position**

	Group		Group		Company		Company	
	As at		As at		As at		As at	
	30/6/2020		31/12/2019		30/6/2020		31/12/2019	
	S\$'000		S\$'000		S\$'000		S\$'000	
<b>ASSETS</b>								
<b>Non-Current Assets</b>								
Plant and Equipment	1,873	1,690	-	-	-	-	-	-
Investment Property	2,276	2,301	-	-	-	-	-	-
Intangible Assets	10,720	10,888	-	-	-	-	-	-
Investments in Subsidiaries	-	-	34,778	34,778	-	-	-	-
Other Financial Assets	10,704	12,073	-	-	-	-	-	-
Deferred Tax assets	1,352	1,362	-	-	-	-	-	-
Trade and Other Receivables	592	599	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>27,517</b>	<b>28,913</b>	<b>34,778</b>	<b>34,778</b>				
<b>Current assets</b>								
Inventories	4	4	-	-	-	-	-	-
Trade and Other Receivables	9,977	11,861	9,721	9,678	-	-	-	-
Other Assets	2,891	3,073	25	4	-	-	-	-
Cash and Cash Equivalents	11,668	10,173	73	282	-	-	-	-
<b>Total Current Assets</b>	<b>24,540</b>	<b>25,111</b>	<b>9,819</b>	<b>9,964</b>				
<b>Total Assets</b>	<b>52,057</b>	<b>54,024</b>	<b>44,597</b>	<b>44,742</b>				
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share Capital	31,948	31,948	31,948	31,948	-	-	-	-
Retained Earnings	16,608	17,048	10,360	10,501	-	-	-	-
Foreign Currency Translation Reserve	(8,563)	(8,242)	-	-	-	-	-	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>39,993</b>	<b>40,754</b>	<b>42,308</b>	<b>42,449</b>				
Non-Controlling Interest	4,683	4,655	-	-	-	-	-	-
<b>Total Equity</b>	<b>44,676</b>	<b>45,409</b>	<b>42,308</b>	<b>42,449</b>				
<b>Non-Current Liabilities</b>								
Lease Liabilities	160	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Current Liabilities</b>								
Income Tax Payables	338	344	-	-	-	-	-	-
Trade and Other Payables	3,821	4,615	2,289	2,293	-	-	-	-
Other Liabilities	1,836	1,931	-	-	-	-	-	-
Lease Liabilities	139	73	-	-	-	-	-	-
Borrowings	1,087	1,652	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>7,221</b>	<b>8,615</b>	<b>2,289</b>	<b>2,293</b>				
<b>Total Liabilities</b>	<b>7,381</b>	<b>8,615</b>	<b>2,289</b>	<b>2,293</b>				
<b>Total Equity and Liabilities</b>	<b>52,057</b>	<b>54,024</b>	<b>44,597</b>	<b>44,742</b>				

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group		Group	
As at 30/6/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,087	-	1,652	-

Amount repayable after one year

Group		Group	
As at 30/6/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

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\$1,087,000 (2019: S\$1,479,000), that is secured by an asset of the subsidiary and coporate guarantee of the company of S\$2,927,000 (2019: S\$2,959,000);
- 2) A facility with outstanding amount of Nil (2019: Nil), that is secured by fixed deposits of the subsidiary amounting to approximately S\$2,277,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,990,000 (2019: S\$2,012,000); and
- 3) A facility with outstanding amount of Nil (2019: S\$173,000), that is secured by an asset of the subsidiary and corporate guarantee of the company of S\$1,301,000 (2019: S\$1,315,000).

As at the end of the financial period/year, the outstanding facilities covered by the guarantee were S\$1,087,000 (2019: S\$1,652,000).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flow**

			Group	
			6 months ended 30 June	
	Q2 2020	Q2 2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities:</b>				
(Loss)/Profit Before Income Tax	(454)	1,432	300	2,249
Adjustments for:				
Amortisation of Intangible Assets	109	119	215	237
Depreciation of Plant and Equipment	162	172	320	343
Depreciation of Right-of-use assets	41	-	69	-
Loss on Disposal of Plant and Equipment	1	-	1	-
Plant and Equipment Written-Off	3	-	3	-
Fair Value (Loss)/Gain on Investments	1,527	(441)	1,527	(466)
Interest Expense	30	33	65	67
Interest Income	(41)	(31)	(81)	(48)
<b>Operating Cash Flow before Changes in Working Capital</b>	<b>1,378</b>	<b>1,284</b>	<b>2,419</b>	<b>2,382</b>
Inventories	4	488	3	484
Trade and Other receivables	73	(4,906)	1,891	(322)
Other Assets	86	1,134	181	844
Trade and Other payables	(218)	1,156	(788)	(2,369)
Other Liabilities	(739)	(264)	(96)	(786)
<b>Net Cash Flows From/(Used in) Operations</b>	<b>584</b>	<b>(1,108)</b>	<b>3,610</b>	<b>233</b>
Income Tax Paid	(51)	(210)	(361)	(530)
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>533</b>	<b>(1,318)</b>	<b>3,249</b>	<b>(297)</b>
<b>Cash Flows From Investing Activities:</b>				
Purchase of Plant and Equipment	(47)	(78)	(309)	(237)
Investment in an Associate	-	-	-	-
Redemption of Investment	-	-	103	116
Other Financial Assets	(72)	(66)	(72)	(66)
Proceeds From Disposal of Plant and Equipment	-	-	-	-
Payment for Development Costs	(84)	(70)	(176)	(142)
Cash Restricted in Use	-	-	-	-
Interest Income Received	41	31	81	48
<b>Net Cash Flows Used in Investing Activities</b>	<b>(162)</b>	<b>(183)</b>	<b>(373)</b>	<b>(281)</b>
<b>Cash Flows From Financing Activities:</b>				
Dividend Paid by a Subsidiary to Non-Controlling Interest	(322)	1	(322)	(48)
Cash Restricted in Use	1	(3)	5	295
Proceeds from Interest Bearing Borrowings	-	149	-	149
Repayment of Interest Bearing Borrowings	(201)	7	(376)	(531)
Lease liabilities principal portion paid	20	-	(68)	-
Interest Expenses Paid	(30)	(33)	(65)	(67)
<b>Net Cash Flows (Used in)/From Financing Activities</b>	<b>(532)</b>	<b>121</b>	<b>(826)</b>	<b>(202)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(161)</b>	<b>(1,380)</b>	<b>2,050</b>	<b>(780)</b>
<b>Cash and Cash Equivalents at Beginning of the Financial Period/Year (Note 1)</b>	<b>9,323</b>	<b>6,774</b>	<b>7,398</b>	<b>6,011</b>
<b>Effect of Exchange Rate Changes On Cash and Cash Equivalents</b>	<b>(72)</b>	<b>(72)</b>	<b>(358)</b>	<b>91</b>
<b>Cash and Cash Equivalents At End of the Financial Period (Note 1)</b>	<b>9,090</b>	<b>5,322</b>	<b>9,090</b>	<b>5,322</b>

**Explanatory Notes:**

**Note 1**

	Group	
	6 months ended 30 June	
	2020	2019
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	11,668	7,690
Less: Restricted Deposits	(2,578)	(2,368)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>9,090</b>	<b>5,322</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity for the Second Quarter ended 30 June 2020**

	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
<b>Current Quarter</b>						
<b>Group</b>						
Opening Balance at 1 April 2020	46,085	41,376	31,948	17,600	(8,172)	4,709
Total Comprehensive income/(expenses) for the financial period	(1,087)	(1,383)	-	(992)	(391)	296
Dividend Paid	(322)	-	-	-	-	(322)
<b>Closing Balance at 30 June 2020</b>	<b>44,676</b>	<b>39,993</b>	<b>31,948</b>	<b>16,608</b>	<b>(8,563)</b>	<b>4,683</b>
<b>Company</b>						
Opening Balance at 1 April 2020	42,394	42,394	31,948	10,446	-	-
Total Comprehensive expenses for the financial period	(87)	(87)	-	(87)	-	-
<b>Closing Balance at 30 June 2020</b>	<b>42,308</b>	<b>42,308</b>	<b>31,948</b>	<b>10,360</b>	<b>-</b>	<b>-</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity for the Second Quarter ended 30 June 2019**

	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
<b>Previous Quarter</b>						
<b>Group</b>						
Opening Balance at 1 April 2019	43,881	39,595	31,948	15,728	(8,081)	4,286
Total Comprehensive income/(expenses) for the financial period	1,028	1,023	-	1,294	(271)	5
<b>Closing Balance at 30 June 2019</b>	<b>44,909</b>	<b>40,618</b>	<b>31,948</b>	<b>17,022</b>	<b>(8,352)</b>	<b>4,291</b>
<b>Company</b>						
Opening Balance at 1 April 2019	41,918	41,918	31,948	9,970	-	-
Total Comprehensive expenses for the financial period	(62)	(62)	-	(62)	-	-
<b>Closing Balance at 30 June 2019</b>	<b>41,856</b>	<b>41,856</b>	<b>31,948</b>	<b>9,908</b>	<b>-</b>	<b>-</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

**Statements of Changes in Equity for the six months ended 30 June 2020**

	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
<b>Current Period:</b>						
<b>Group</b>						
Opening Balance at 1 January 2020	45,409	40,754	31,948	17,048	(8,242)	4,655
Total Comprehensive income/(expenses) for the financial period	(411)	(761)	-	(440)	(321)	350
Dividend Paid	(322)	-	-	-	-	(322)
<b>Closing Balance at 30 June 2020</b>	<b>44,676</b>	<b>39,993</b>	<b>31,948</b>	<b>16,608</b>	<b>(8,563)</b>	<b>4,683</b>
<b>Company</b>						
Opening Balance at 1 January 2020	42,449	42,449	31,948	10,501	-	-
Total Comprehensive expenses for the financial period	(141)	(141)	-	(141)	-	-
<b>Closing Balance at 30 June 2020</b>	<b>42,308</b>	<b>42,308</b>	<b>31,948</b>	<b>10,360</b>	<b>-</b>	<b>-</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

**Statements of Changes in Equity for the six months ended 30 June 2019**

	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
<b>Previous Period:</b>						
<b>Group</b>						
Opening Balance at 1 January 2019	43,106	39,026	31,948	15,371	(8,293)	4,080
Total Comprehensive income/(expenses) for the financial period	1,851	1,592	-	1,651	(59)	259
Dividend Paid	(48)	-	-	-	-	(48)
<b>Closing Balance at 30 June 2019</b>	<b>44,909</b>	<b>40,618</b>	<b>31,948</b>	<b>17,022</b>	<b>(8,352)</b>	<b>4,291</b>
<b>Company</b>						
Opening Balance at 1 January 2019	42,003	42,003	31,948	10,055	-	-
Total Comprehensive expenses for the financial period	(147)	(147)	-	(147)	-	-
<b>Closing Balance at 30 June 2019</b>	<b>41,856</b>	<b>41,856</b>	<b>31,948</b>	<b>9,908</b>	<b>-</b>	<b>-</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.

	Company	
	As at 30/6/2020	As at 31/12/2019
Ordinary share	31,957,264	31,957,264

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2019, except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of these SFRS(I) and SFRS(I) INT did not result in any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Quarter ended 30 June		6 months ended 30 June	
	2020	2019	2020	2019
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	(3.10)	4.05	(1.38)	5.17
On fully diluted basis (detailing any adjustments made to the earnings) <sup>(2)</sup>	n.a	n.a	n.a	n.a

n.a.: not applicable

<sup>(1)</sup> For comparative purposes, the earnings per ordinary share of the Group has been computed based on the profit, net of tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 31,957,264 shares for financial year ended 31 December 2019 and 31 December 2018.

<sup>(2)</sup> Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 30/6/2020		As at 31/12/2019	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share <sup>(1)</sup>	125.15	132.39	127.53	132.83

<sup>(1)</sup> 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.



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Review of results for the second quarter ended 30 June 2020 as compared to corresponding quarter ended 30 June 2019**

##### *Group Revenue*

The Group recorded consolidated revenue of S\$6.103 million for the quarter ended 30 June 2020 ("Q2 2020"), a decrease of 8.2% against the revenue achieved in the corresponding quarter ended 30 June 2019 ("Q2 2019"). The decline in Group revenue for Q2 2020 is attributable to lower revenue recorded by Unifiedcomms.

Unifiedcomms recorded revenue of S\$2.852 million in Q2 2020, a decrease of 37.7% from the S\$4.578 million recorded in Q2 2019. This decline in revenue was due to lower revenues from system sale contract.

In contrast, GlobeOSS posted revenue of S\$3.251 million in Q2 2020, an increase of 57.1% from the S\$2.069 million recorded in Q2 2019. This improvement in revenue was driven by higher revenues from both system sale and managed service contracts.

The Group's sales mix in Q2 2020 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 62.1% of the Group's total revenue in Q2 2020 as compared to 51.6% in Q2 2019. The shift in the Group's sales mix in Q2 2020 is mainly attributable to a 28.1% drop in system sales contract revenues contribution from Unifiedcomms from S\$3.216 million in Q2 2019 to S\$2.314 million.

##### *Group Gross Profit and Gross Profit Margins*

With the lower revenue in Q2 2020, the Group recorded gross profit of S\$2.953 million, a decrease of 9.9% from the S\$3.278 million achieved in Q2 2019. In addition, gross profit margin declined from 49.3% in Q2 2019 to 48.4% in Q2 2020. The decline in gross profit margin is mainly attributable to the lower proportionate contribution of system sale contract revenues by Unifiedcomms, which generally deliver higher gross profit margin, as a result gross profit margin on the Group's system sale contract revenues decreased from 46.2% in Q2 2019 to 42% in Q2 2020.

##### *Interest Income*

The Group recorded higher interest income of S\$0.041 million as compared to S\$0.031 million recorded in Q2 2019, in line with higher bank balances in current reporting quarter.

##### *Other gains*

The Group had not recorded any other gain in Q2 2020, as compared to other gain of S\$0.441 million in Q2 2019 mainly due to:-

- \* Foreign exchange loss of S\$0.155 million in current quarter as a result of unfavourable exchange movements of USD and PKR against SGD in Q2 2020; and
- \* Fair value loss of S\$1.527 million recorded in current quarter under Other losses, from the Group's venture investment portfolio as compared to fair value gain of S\$0.441 million in Q2 2019.

##### *Other Items of Expense*

The Group recorded total expenses of S\$3.34 million in Q2 2020, 44.1% higher than the S\$2.318 million incurred in Q2 2019. This is mainly attributable to fair value loss of \$1.527 million assessed on the Group's venture investment portfolio in current quarter, as certain investees's businesses and capital raising activities were severely impacted by the CoVid-19 pandemic. This fair value loss is unrealised and has no cash impact to the Group.

The increase in other losses resulting from the above fair value loss was partly mitigated by lower expenses recorded in overall operating expenses as a result of lower payroll related cost, stemming from Covid 19 related government subsidy allowances received and reduction in headcounts.

##### *Group Net Profit and EBITDA*

The Group recorded higher net loss of S\$0.646 million and LBITDA of S\$0.153 million in Q2 2020, as compared to S\$1.346 million in net profit and S\$1.725 million in EBITDA recorded by the Group in Q2 2019. The higher net loss and LBITDA recorded in Q2 2020 are mainly attributable to the flow-down effects of the lower revenue, gross profit margin, other income, and higher operating expenses recorded in Q2 2020.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

**Review of results for the second quarter ended 30 June 2020 as compared to corresponding quarter ended 30 June 2019 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for Q2 2020, together with comparative results for Q2 2019 is provided below:

Table 8.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 June

	Q2 2020 S\$'000	Sales mix %	Q2 2019 S\$'000	Sales mix %
Unifiedcomms	2,852	46.7	4,578	68.9
GlobeOSS	3,251	53.3	2,069	31.1
Captii Ventures	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>6,103</b>	<b>100.0</b>	<b>6,647</b>	<b>100.0</b>

*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.*

*Others - Segment for operational headquarters of the Group and investment holding.*

Table 8.2: Group consolidated revenue as analysed by geographical segment for the quarter ended 30 June

External Sales	Q2 2020			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	2,509	3,251	-	5,760
South Asia (SA)	85	-	-	85
Middle East & Africa (MEA)	258	-	-	258
Others	-	-	-	-
<b>Total</b>	<b>2,852</b>	<b>3,251</b>	<b>-</b>	<b>6,103</b>

External Sales	Q2 2019			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	4,220	2,069	-	6,289
SA	134	-	-	134
MEA	224	-	-	224
Others	-	-	-	-
<b>Total</b>	<b>4,578</b>	<b>2,069</b>	<b>-</b>	<b>6,647</b>

Table 8.3: Group consolidated revenue as analysed by contract type for the quarter ended 30 June

External Sales	Q2 2020			Q2 2019		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	2,314	3,789	6,103	3,216	3,431	6,647
Gross Profit	973	1,980	2,953	1,485	1,793	3,278
Gross Profit (%)	42.0%	52.3%	48.4%	46.2%	52.3%	49.3%

(1) System Sale – 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.

(2) Managed Service – 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 a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Review of results for the six months ended 30 June 2020 as compared to corresponding financial period ended 30 June 2019**

##### *Group Revenue*

The Group recorded consolidated revenue of S\$10.773 million for the six months ended 30 June 2020 ("6M 2020"), a decrease of 8.8% against the revenue achieved in the corresponding period ended 30 June 2019 ("6M 2019"). The decline in Group revenue for 6M 2020 is attributable to lower revenue recorded by Unifiedcomms.

Unifiedcomms recorded revenue of S\$5.667 million in 6M 2020, a decrease of 24.7% from the S\$7.530 million recorded in 6M 2019. This decline in revenue was due to lower revenues from system sale contract.

In contrast, GlobeOSS posted revenue of S\$5.106 million in 6M 2020, an increase of 19.4% from the S\$4.277 million recorded in 6M 2019. This improvement in revenue was driven by higher revenues from both system sale and managed service contracts.

The Group's sales mix in 6M 2020 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 72.4% of the Group's total revenue in 6M 2020 as compared to 56.4% in 6M 2019. The shift in the Group's sales mix in 6M 2020 is mainly attributable to a 42.3% drop in system sales contract revenues contribution from Unifiedcomms from S\$5.147 million in 6M 2019 to S\$2.968 million.

##### *Gross Profit and Gross Profit Margins*

With the lower revenue in 6M 2020, the Group recorded lower gross profit of S\$5.356 million, a decrease of 14.6% from the S\$6.272 million achieved in 6M 2019. In addition, gross profit margin declined from 53.1% in 6M 2019 to 49.7% in 6M 2020. The decline in gross profit margin is mainly attributable to the lower proportionate contribution of system sale contract revenues by Unifiedcomms, which generally deliver higher gross profit margin, as a result gross profit margin on the Group's system sale contract revenues decreased from 56.5% in 6M 2019 to 50.2% in 6M 2020.

Gross profit margin recorded by the Group on its managed service contract revenues also decreased to 49.5% in 6M 2020 from 50.5% in 6M 2019. This decrease in managed service gross profit margin was mainly due to higher third-party cost being incurred on certain contracts.

##### *Interest Income*

The Group recorded higher interest income of S\$0.081 million as compared to S\$0.048 million recorded in 6M 2019, in line with higher bank balances in current reporting period.

##### *Other gains*

The Group recorded other gains of S\$0.223 million in 6M 2020, 52.1% lower than the S\$0.466 million recorded in 6M 2019. This is mainly attributable to fair value loss of S\$1.527 million recorded in 6M 2020 under Other losses, from the Group's venture investment portfolio as compared to fair value gain of S\$0.466 million in 6M 2019. This decrease was partly mitigated by the foreign exchange gain of S\$0.16 million in 6M 2020 as a result of a favourable exchange rate movement of USD against SGD, the Group's reporting currency in 6M 2020.

##### *Other Items of Expense*

The Group recorded total expenses of S\$5.36 million in 6M 2020, 18.1% higher than the S\$4.537 million incurred in 6M 2019. This is mainly attributable to fair value loss of \$1.527 million assessed on the Group's venture investment portfolio in current quarter, as certain investees' businesses and capital raising activities were severely impacted by the CoVid-19 pandemic. This fair value loss is unrealised and has no cash impact to the Group.

The increase in other losses resulting from the above fair value loss was partly mitigated by lower expenses recorded in overall operating expenses as a result of lower payroll related cost, stemming from Covid 19 related government subsidy allowances received, reduction in headcounts and absence of foreign exchange loss.

##### *Net Profit and EBITDA*

The Group recorded higher net loss of S\$0.049 million and EBITDA of S\$0.888 million in 6M 2020 as compared to S\$1.929 million in net profit and S\$2.848 million in EBITDA recorded by the Group in 6M 2019. The higher net loss and lower EBITDA recorded in 6M 2020 are mainly attributable to the flow-down effects of the lower revenue, gross profit margin, other income and higher operating expenses recorded in 6M 2020.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

**Review of results for the six months ended 30 June 2020 as compared to corresponding financial period ended 30 June 2019 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for 6M 2020, together with comparative results for 6M 2019 is provided below:

Table 8.4: Group revenue as analysed by business unit for the six months ended 30 June

	2020 S\$'000	Sales mix %	2019 S\$'000	Sales mix %
Unifiedcomms	5,667	52.6	7,530	63.8
GlobeOSS	5,106	47.4	4,277	36.2
Captii Ventures	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>10,773</b>	<b>100.0</b>	<b>11,807</b>	<b>100.0</b>

*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 operational headquarters of the Group and investment holding.*

Table 8.5: Group revenue as analysed by geographical segment for the six months ended 30 June

External Sales	2020			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	5,174	5,102	-	10,276
South Asia (SA)	193	-	-	193
Middle East & Africa (MEA)	300	-	-	300
Others	-	4	-	4
<b>Total</b>	<b>5,667</b>	<b>5,106</b>	<b>-</b>	<b>10,773</b>

External Sales	2019			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	7,018	4,274	-	11,292
SA	288	-	-	288
MEA	224	-	-	224
Others	-	3	-	3
<b>Total</b>	<b>7,530</b>	<b>4,277</b>	<b>-</b>	<b>11,807</b>

Table 8.6: Group revenue as analysed by contract type for the quarter ended 30 June

External Sales	2020			2019		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	2,968	7,805	10,773	5,147	6,660	11,807
Gross Profit	1,491	3,865	5,356	2,908	3,364	6,272
Gross Profit (%)	50.2%	49.5%	49.7%	56.5%	50.5%	53.1%

(1) System Sale – 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.

(2) Managed Service – 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 a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)**

**Review of the Group's financial position as at 30 June 2020 as compared to the Group's financial position as at 31 December 2019**

Non-cash current assets of the Group decreased from \$14.938 million as at 31 December 2019 to S\$12.872 million as at 30 June 2020. This 13.8% decrease in non-cash current assets was mainly due to a decrease in trade and other receivables as a result of lower revenue recorded and collections.

Total non-current assets of the Group decreased from S\$28.913 million as at 31 December 2019 to S\$27.517 million as at 30 June 2020 representing a decrease of 5.1%. This decrease was mainly due to a reduction in fair value of S\$1.527 million in the Group's venture investment portfolio recorded as other financial assets. The fair value movements assessed on the Group's venture investment portfolio, which are unrealised, is a result of changes in estimated fair valuation of the Group's venture investments as certain investees of the Group's venture investment portfolio were impacted by the CoViD-19 pandemic on both their businesses and capital raising activities.

Total liabilities of the Group decreased from S\$8.615 million as at 31 December 2019 to S\$7.381 million as at 30 June 2020. This 14.3% decrease in total liabilities is attributable to a decrease in trade and other payables and borrowings, following repayments in the reporting period.

**Review of the Group's cash flow for the quarter and six months ended 30 June 2020 as compared to the corresponding period ended 30 June 2019**

The Group's net cash flow from operations for Q2 2020 was S\$0.584 million, in contrast with the net cash flow used in operations of S\$1.108 million for Q2 2019. This significant increase was primarily due to a lower working capital of S\$0.794 million for Q2 2020, as compared to S\$2.392 million for Q2 2019, which was contributed by higher collection from trade receivables.

The Group's net cash flow from operations for 6M 2020 was S\$3.610 million, as compared to S\$0.233 million for 6M 2019, an increase of 1,449.4%. This significant increase was primarily due to a favourable change in working capital of S\$1.191 million for 6M 2020, in contrast with the unfavourable working capital change of S\$2.149 million for 6M 2019, which was contributed by higher collection from trade receivables.

The Group's net cash flow used in investing activities for Q2 2020 was S\$0.162 million, as compared to S\$0.183 million for Q2 2019. The lower net cash used in investing activities was mainly due to the lower investment in plant and equipment in Q2 2020, as compared to Q2 2019.

The Group's net cash flow used in investing activities for 6M 2020 was S\$0.373 million, as compared to S\$0.281 million for 6M 2019. The higher net cash used in investing activities was mainly due to the higher investment in plant and equipment in 6M 2020, as compared to 6M 2019.

The Group's net cash flow used in financing activities for Q2 2020 was S\$0.532 million, in contrast with the net cash flow from financing of S\$0.121 million for Q2 2019. This increase was mainly due to absence of proceeds from borrowings and dividend payout to Non-Controlling Interest in Q2 2020.

The Group's net cash flow used in financing activities for 6M 2020 was S\$0.826 million, as compared to S\$0.202 million for 6M 2019. This increase was mainly due dividend payout to Non-Controlling Interest and leases repayment.

**9. 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.

**10. 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 has resulted in many countries in our Group's regions of focus imposing movement and travel restrictions, including the movement control order in Malaysia and the 'circuit-breaker' lockdown in Singapore. Such restrictions have adversely affected many businesses that are prohibited to trade, or that have been asked to significantly alter the scope of their operations within government-prescribed safety limits. The uncertainty of economic recovery from the shock caused by COVID-19 and the prospect of a protracted economic slowdown globally, 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 financial year.

The impact of CoViD-19 on Unifiedcomms and GlobeOSS has fortunately been minimal in the year to-date. 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 the 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 in the months ahead. The possibility remains however, that larger system sale contracts that have yet to be committed this year, may be deferred by customers to next year, or even abandoned entirely if macroeconomic and industry conditions deteriorate significantly. Some managed service contracts of the Group which are impacted by government restrictions or directives arising from CoViD-19 policy measures, may meanwhile continue to show weaker performance than before.

At Captiv Ventures, the Group' venture investment business, the climate for either business development or funding has become more challenging since the CoViD-19 pandemic set in. As a result certain investee in the Group's venture investment portfolio have been affected with dampened valuations in the year to-date, as a fair value loss of S\$1.527 million was recorded in Q2 2020. If the adverse microeconomic and funding environment persists to the end of the year, other investees in the venture investment portfolio may face difficulty in raising further capital, while those that successfully raise may be faced with further dampened valuations. Management has taken active, early measures to perform impact assessment as well as in assisting investees to plan and manage through a more hostile environment for both business and funding. Investment management activities to assist investees and protect our investments will be the priority at Captiv Ventures for the remainder of the year.

Against this negative macroeconomic backdrop for the future, the Group remains optimistic and will continue to work closely with customers and investees, to minimise any potential negative impact of CoViD-19-related developments on Group financial performance. Management of the Group has in recent months taken an active and measured approach to managing risks to protect the Group's people and assets, and will sustain these efforts until the pandemic resolves.

Management will further the work it has been doing to strengthen the Group's managed service contract portfolio and will invest even more selectively in the venture investment business. Interest in internet-driven application services for enterprises, in the broad domain of fintech, as well as in internet and handset-app delivered digital media, have been heightened in the current environment. These areas will continue to be the focus for the Group's venture investment activities, and is expected complement the organic growth strategies of the Unifiedcomms and GlobeOSS businesses.

**11. Dividend****(a) Current Financial Year Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	1.25 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	1.25 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

**(c) Date payable**

To be announced at a later date

**(d) Books closure date**

To be announced at a later date

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13. Interested Person Transactions**

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year 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)	
	6 months ended 30 June		6 months ended 30 June	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
AESBI Power Systems Sdn Bhd *	90	120	Nil	Nil

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

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

**16. A breakdown of sales.**

Not applicable.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Not applicable.

**19. Negative Confirmation pursuant to rule 705(5).**

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 June 2020 to be false or misleading.

**20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Wong Tze Leng  
Executive Chairman

Anton Syazi Ahmad Sebi  
Executive Director

**BY ORDER OF THE BOARD**

Wong Tze Leng  
Executive Chairman  
12 August 2020