

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

CAPTII LIMITED

Securities

CAPTII LIMITED - SG1BA0000004 - AWW

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

10-Nov-2023 17:17:29

Status

New

Announcement Sub Title

Third Quarter Results

Announcement Reference

SG231110OTHRQ5JM

Submitted By (Co./ Ind. Name)

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

30/09/2023

Attachments

[CL Financial Results Q3 2023.pdf](#)

Total size =429K MB

Condensed interim financial statements
for the quarter and nine months ended 30 September 2023

A. Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group		Group	
		Quarter ended 30 September		9 months ended 30 September	
		Q3 2023	Q3 2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4	3,465	5,104	13,653	15,802
Cost of sales		(1,838)	(2,769)	(7,607)	(8,308)
Gross profit		1,627	2,335	6,046	7,494
Other items of income:					
Interest Income		30	40	94	103
Other gains		53	217	188	389
Other items of expense:					
Technical support expenses		(1,130)	(1,081)	(3,379)	(3,083)
Distribution costs		(396)	(358)	(1,202)	(1,056)
Administrative expenses		(535)	(543)	(1,618)	(1,865)
Other losses		34	(71)	(21)	(95)
Finance costs		(5)	(8)	(34)	(34)
(Loss)/Profit before income tax	6	(322)	531	74	1,853
Income tax expenses	7	(68)	(332)	(165)	(561)
(Loss)/Profit, net of tax		(390)	199	(91)	1,292
(Loss)/Profit, net of tax attributable					
Owners of the company		(227)	169	(42)	1,173
Non-controlling interests		(163)	30	(49)	119
(Loss)/Profit, net of tax		(390)	199	(91)	1,292

Other comprehensive (loss)/income

	Note	Group		Group	
		Quarter ended 30 September		9 months ended 30 September	
		Q3 2023	Q3 2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
(Loss)/Profit, net of tax		(390)	199	(91)	1,292
Other comprehensive (loss)/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)		290	(338)	(1,108)	(826)
Total other comprehensive (loss)/income for the financial period		(100)	(139)	(1,199)	466
Total comprehensive (loss)/income attributable to:					
Owners of the company		38	(82)	(982)	536
Non-Controlling interest		(138)	(57)	(217)	(70)
Total other comprehensive (loss)/income for the financial period		(100)	(139)	(1,199)	466
Earnings per share for (loss)/profit for the period attributable to the owners of the company during the financial period:		cents	cents	cents	cents
Basic and diluted earnings per share		(0.71)	0.53	(0.13)	3.67

B. Condensed statements of financial position

	Note	Group	Group	Company	Company
		As at	As at	As at	As at
		30/9/2023	31/12/2022	30/9/2023	31/12/2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-Current Assets					
Plant and equipment	12	732	1,205	-	-
Investment property	13	1,918	2,010	-	-
Intangible assets	11	7,081	7,344	-	-
Investments in subsidiaries		-	-	26,366	26,366
Other financial assets	10	24,187	23,898	-	-
Deferred tax assets		787	804	-	-
Total non-current assets		34,705	35,261	26,366	26,366
Current assets					
Inventories		5	5	-	-
Trade and other receivables		9,050	11,246	7,959	8,425
Other non-financial assets		3,884	3,399	28	47
Cash and cash equivalents		11,145	13,223	732	1,202
Total current assets		24,084	27,873	8,719	9,674
Total assets		58,789	63,134	35,085	36,040
EQUITY AND LIABILITIES					
Equity					
Share capital	15	31,948	31,948	31,948	31,948
Retained earnings		24,324	24,765	1,804	1,962
Foreign currency translation reserve		(11,330)	(10,390)	-	-
Equity, attributable to owners of the parent		44,942	46,323	33,752	33,910
Non-controlling interest		9,877	10,384	-	-
Total equity		54,819	56,707	33,752	33,910
Non-current liabilities					
Lease liabilities		49	176	-	-
Total non-current liabilities		49	176	-	-
Current liabilities					
Income tax payables		31	253	2	5
Trade and other payables		3,073	4,321	1,331	2,125
Other non-financial liabilities		669	479	-	-
Lease liabilities		148	301	-	-
Borrowings	14	-	897	-	-
Total current liabilities		3,921	6,251	1,333	2,130
Total liabilities		3,970	6,427	1,333	2,130
Total equity and liabilities		58,789	63,134	35,085	36,040

C. Condensed statements of changes in equity

Statement of Changes in Equity for the third quarter ended 30 September 2023

	Note	Total equity S\$'000	Attributable to parent Sub-total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Current quarter							
Group							
Opening balance at 1 July 2023		55,608	45,303	31,948	24,950	(11,595)	10,305
Total comprehensive income/(expenses) for the financial period		(100)	38	-	(227)	265	(138)
Dividend Paid		(689)	(399)	-	(399)	-	(290)
Closing Balance at 30 September 2023		54,819	44,942	31,948	24,324	(11,330)	9,877
Company							
Opening balance at 1 July 2023		33,791	33,791	31,948	1,843	-	-
Total comprehensive income for the financial period		360	360	-	360	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
Closing Balance at 30 September 2023		33,752	33,752	31,948	1,804	-	-

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 third quarter ended 30 September 2022

	Note	Total equity S\$'000	Attributable to parent Sub-total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Previous quarter							
Group							
Opening balance at 1 July 2022		63,089	52,590	31,948	29,676	(9,034)	10,499
Total comprehensive income for the financial period		(139)	(82)	-	169	(251)	(57)
Dividend Paid		(551)	(399)	-	(399)	-	(152)
Closing balance at 30 September 2022		62,399	52,109	31,948	29,446	(9,285)	10,290
Company							
Opening balance at 1 July 2022		42,483	42,483	31,948	10,535	-	-
Total comprehensive income for the financial period		409	409	-	409	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 30 September 2022		42,493	42,493	31,948	10,545	-	-

C. Condensed interim statements of changes in equity (continued)

Statements of changes in equity for the nine months ended 30 September 2023

	Note	Total equity S\$'000	Attributable to parent Sub-total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Current period:							
Group							
Opening balance at 1 January 2023		56,707	46,323	31,948	24,765	(10,390)	10,384
Total comprehensive expenses for the financial period		(1,199)	(982)	-	(42)	(940)	(217)
Dividend Paid		(689)	(399)	-	(399)	-	(290)
Closing balance at 30 September 2023		54,819	44,942	31,948	24,324	(11,330)	9,877
Company							
Opening balance at 1 January 2023		33,910	33,910	31,948	1,962	-	-
Total comprehensive income for the financial period		241	241	-	241	-	-
Dividend Paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 30 September 2023		33,752	33,752	31,948	1,804	-	-

Statements of changes in equity for the nine months ended 30 September 2022

	Note	Total equity S\$'000	Attributable to parent Sub-total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000
Previous period:							
Group							
Opening balance at 1 January 2022		62,719	51,972	31,948	28,672	(8,648)	10,747
Total comprehensive income/(loss) for the financial period		466	536	-	1,173	(637)	(70)
Dividend paid		(786)	(399)	-	(399)	-	(387)
Closing balance at 30 September 2022		62,399	52,109	31,948	29,446	(9,285)	10,290
Company							
Opening balance at 1 January 2022		42,649	42,649	31,948	10,701	-	-
Total comprehensive income for the financial period		243	243	-	243	-	-
Dividend paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 30 September 2022		42,493	42,493	31,948	10,545	-	-

D. Condensed consolidated statement of cash flows

	Note	Group			
		9 months ended 30 September			
		Q3 2023	Q3 2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:					
Profit before income tax		(322)	531	74	1,853
Adjustments for:					
Amortisation of intangible assets	6	54	58	166	189
Depreciation of plant and equipment	6	83	113	287	386
Depreciation of right-of-use assets	6	82	84	248	259
Fair value loss gain on unquoted investments	6	(3)	71	16	92
Interest expense		5	8	34	34
Interest income		(30)	(40)	(94)	(103)
Operating cash flow before changes in working capital		(131)	825	731	2,710
Inventories		(0)	(6)	1	(7)
Trade and other receivables		393	783	2,202	1,474
Other non-financial assets		139	167	(485)	796
Trade and other payables		(275)	(172)	(1,243)	(3,454)
Other non-financial liabilities		201	(177)	190	(65)
Net cash flows used in operations		327	1,420	1,396	1,454
Income tax paid		(76)	(341)	(394)	(675)
Net cash flows used in operating activities		251	1,079	1,002	779
Cash flows from investing activities:					
Purchase of plant and equipment		(44)	(67)	(112)	(183)
Proceeds from disposal of investment		135	-	135	1,520
Other financial assets		-	(13)	(133)	(50)
Payment for development costs		(73)	(89)	(255)	(266)
Interest income received		30	40	94	103
Net cash flows (used in)/from investing activities		48	(129)	(271)	1,124
Cash flows from financing activities:					
Dividend paid to non-controlling interests of subsidiary		(290)	(152)	(290)	(387)
Dividend paid to equity owners	8	(399)	(399)	(399)	(399)
Cash restricted in use		(2)	(1)	(6)	(5)
Repayment of interest bearing borrowings		(4)	(54)	(856)	(260)
Lease liabilities principal portion paid		(89)	(111)	(281)	(305)
Interest expenses paid		(5)	(8)	(34)	(34)
Net cash flows used in financing activities		(789)	(725)	(1,866)	(1,390)
Net change in cash and cash equivalents		(490)	225	(1,135)	513
Cash and cash equivalents at beginning of the financial period/year (Note 1)		9,302	11,107	10,831	11,332
Effect of exchange rate changes on cash and cash equivalents		36	(517)	(848)	(1,030)
Cash and cash equivalents at end of the financial period (Note 1)		8,848	10,815	8,848	10,815

Explanatory Notes:

Note 1

	Group	
	9 months ended 30 September	
	2023	2022
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	11,145	13,202
Less: Restricted deposits	(2,297)	(2,387)
Cash and cash equivalents per consolidated statement of cash flows	8,848	10,815

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 financial period ended 30 September 2023 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 30 September 2023 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 2022.

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 2022.

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 13 – 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 10 – fair value of unquoted investments
- * Note 11 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts
- * Note 13 – 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 30 September 2023

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	9,034	4,619	-	-	-	13,653
-inter-segment	-	359	-	166	(525)	-
Revenue from external parties	9,034	4,978	-	166	(525)	13,653
Cost of sales	(5,219)	(2,709)	-	(40)	361	(7,607)
Gross profit	3,815	2,269	-	126	(164)	6,046
Other items of income:						
Interest income	47	47	-	-	-	94
Other gains	181	14	86	176	(269)	188
Other item of expenses:						
Technical support expenses	(1,864)	(1,477)	-	(50)	12	(3,379)
Distribution costs	(686)	(524)	-	-	8	(1,202)
Administrative expenses	(791)	(378)	(71)	(553)	175	(1,618)
Other losses	(240)	(1)	(17)	(1)	238	(21)
Finance costs	(13)	(21)	-	-	-	(34)
Profit/(Loss) before income tax	449	(71)	(2)	(302)	(0)	74
Income tax expenses	(136)	(27)	-	(2)	-	(165)
Profit/(Loss), net of tax	313	(98)	(2)	(304)	(0)	(91)
Profit/(Loss) for the year attributable to:						
Owners of the company	313	(48)	(2)	(304)	(0)	(42)
Non-controlling interest	-	(49)	(0)	-	-	(49)
Profit/(Loss) for the year	313	(98)	(2)	(304)	(0)	(91)
Other information						
Depreciation of plant and equipment	(227)	(59)	-	(1)	-	(287)
Depreciation of right-of-use assets	(183)	(65)	-	-	-	(248)
Amortisation of intangible assets	(415)	-	-	-	249	(166)
Fair value loss on unquoted investments	-	-	(16)	-	-	(16)
Other segment items						
Capital expenditure						
- Plant and equipment	109	3	-	-	-	112
- Development costs	255	-	-	-	-	255
Financial period ended 30 September 2023						
Segment assets	23,526	12,968	24,246	40,773	(43,511)	58,002
Unallocated assets						787
Consolidated total assets						58,789
Segment liabilities	4,782	2,054	10,105	3,370	(16,341)	3,970
Consolidated total liabilities						3,970

4.1 Reportable segments (continued)

Financial period ended 30 September 2022

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	11,118	4,684	-	-	-	15,802
-inter-segment	-	408	-	175	(583)	-
	11,118	5,092	-	175	(583)	15,802
Cost of sales	(5,956)	(2,720)	-	(43)	411	(8,308)
Gross profit	5,162	2,372	-	132	(172)	7,494
Other items of income:						
Interest income	50	53	-	-	-	103
Other gains	99	-	325	218	(253)	389
Other item of expenses:						
Technical support expenses	(1,717)	(1,360)	-	(52)	46	(3,083)
Distribution costs	(569)	(493)	-	-	6	(1,056)
Administrative expenses	(890)	(375)	(53)	(763)	216	(1,865)
Other losses	(156)	1	(90)	(1)	151	(95)
Finance costs	(25)	(9)	-	-	-	(34)
Profit/(Loss) before income tax	1,954	189	182	(466)	(6)	1,853
Income tax expenses	(473)	(75)	-	(13)	-	(561)
Profit/(Loss), net of tax	1,481	114	182	(479)	(6)	1,292
Profit/(Loss) for the period attributable to:						
Owners of the company	1,481	59	118	(479)	(6)	1,173
Non-controlling interest	-	55	64	-	-	119
Profit/(Loss) for the period	1,481	114	182	(479)	(6)	1,292
Other information						
Depreciation of plant and equipment	(315)	(69)	-	(2)	-	(386)
Depreciation of right-of-use assets	(191)	(68)	-	-	-	(259)
Amortisation of intangible assets	(454)	-	-	-	265	(189)
Fair value gain on unquoted investments	-	-	(92)	-	-	(92)
Other segment items						
Capital expenditure						
- Plant and equipment	168	15	-	-	-	183
- Development costs	266	-	-	-	-	266

Financial year ended 31 December 2022

Segment assets	26,883	14,729	23,949	42,110	(45,341)	62,330
Unallocated assets						804
Consolidated total assets						63,134
Segment liabilities	6,917	3,022	10,028	4,277	(17,817)	6,427
Consolidated total liabilities						6,427

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 30 September 2023

	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	694	3,093	-	-	-	3,787
-Managed service	8,340	1,526	-	-	-	9,866
Total revenue	9,034	4,619	-	-	-	13,653

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 #	8,813	4,619	-	-	-	13,432
-South Asia	71	-	-	-	-	71
-Middle East & Africa	150	-	-	-	-	150
-Others	-	-	-	-	-	-
	9,034	4,619	-	-	-	13,653

(#) South East Asia included

-Singapore	385	-	-	-	-	385
-Malaysia	8,105	4,072	-	-	-	12,177
-Others	323	547	-	-	-	870
	8,813	4,619	-	-	-	13,432

Financial period ended 30 September 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	716	2,223	-	-	-	2,939
-Managed service	10,402	2,461	-	-	-	12,863
Total revenue	11,118	4,684	-	-	-	15,802

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 #	10,840	4,684	-	-	-	15,524
-South Asia	142	-	-	-	-	142
-Middle East & Africa	136	-	-	-	-	136
-Others	-	-	-	-	-	-
	11,118	4,684	-	-	-	15,802

(#) South East Asia included

-Singapore	431	-	-	-	-	431
-Malaysia	10,025	4,139	-	-	-	14,164
-Others	384	545	-	-	-	929
	10,840	4,684	-	-	-	15,524

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 30 September 2023 and 31 December 2022:

	Note	Group		Company	
		As at	As at	As at	As at
		30/9/2023	31/12/2022	30/9/2023	31/12/2022
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at fair value through profit or loss	9	24,187	23,898	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		20,195	24,469	8,691	9,627
		44,382	48,367	8,691	9,627
Financial liabilities					
Trade and other payables and borrowings (Amortised cost)		3,271	5,695	1,331	2,125

6. Profit before taxation

6.1. Significant items	Group		Group	
	Quarter ended 30 September		9 months ended 30 September	
	Q3 2023	Q3 2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax is stated after (charging)/crediting the following items:				
Fair value gain on unquoted investments	3	(71)	(16)	(92)
Foreign exchange gain, net	61	205	28	313
Amortisation of intangible assets	(54)	(58)	(166)	(189)
Depreciation of plant and equipment	(83)	(113)	(287)	(386)
Depreciation of right-of-use assets	(82)	(84)	(248)	(259)

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		Group	
	Quarter ended 30 September		9 months ended 30 September	
	Q3 2023	Q3 2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Components of tax expense recognised in profit and loss include:				
Current tax expenses	(55)	(317)	(126)	(507)
Overseas withholding tax expenses	(13)	(15)	(39)	(54)
Total income tax expenses	(67)	(332)	(164)	(561)

8. Dividends

	Group	
	9 months ended 30 September	
	2023	2022
	S\$'000	S\$'000
Ordinary dividends paid:		
Interim exempt 2023 dividend of 1.25 cents per share (2022: Interim exempt 2022 dividend of 1.25 cents per share)	(399)	(399)

9. Net asset value

	As at 30/9/2023	As at 31/12/2022	As at 30/9/2023	As at 31/12/2022
	Group cents	Group cents	Company cents	Company cents
Net asset value per ordinary share ⁽¹⁾	140.63	144.95	105.62	106.11

⁽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.

10. Other financial assets

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

	Group	
	As at	As at
	30/9/2023	31/12/2022
	S\$'000	S\$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss	24,187	23,898

10.1. 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
		30/9/2023	31/12/2022
		S\$'000	S\$'000
Enterprise application technology			
Unquoted convertible preference shares in Singapore	3	1,088	1,071
Unquoted convertible loan notes in Singapore	3	6,538	6,535
Unquoted convertible preference shares in Malaysia	3	130	155
Unquoted convertible preference shares in Indonesia	3	4,074	4,001
Marketplace technology			
Unquoted convertible loan notes in Vietnam	3	12,357	12,136
Total other financial assets		24,187	23,898

11. Intangible assets

	Group			
	Deferred development costs	Intellectual property	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 31 December 2022				
Cost	9,112	17	9,767	18,896
Accumulated amortisation and impairment	(8,343)	(17)	(3,192)	(11,552)
Net book amount	769	-	6,575	7,344
9 months ended 30 September 2023				
Opening net book amount	769	-	6,575	7,344
Additions	255	-	-	255
Impairment loss during the period	-	-	-	-
Amortisation charge	(166)	-	-	(166)
Foreign exchange adjustments	(48)	-	(304)	(352)
Closing net book amount	810	-	6,271	7,081
At 30 September 2023				
Cost	8,934	17	9,316	18,267
Accumulated amortisation and impairment	(8,124)	(17)	(3,045)	(11,186)
Net book amount	810	-	6,271	7,081

11.1 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 (2022: 2 years).

11.2 Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

11.3 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 30 September 2023 was determined similarly to the 31 December 2022 goodwill impairment test, and was based on the following key assumptions:

Unobservable inputs	As at	As at
	30/9/2023	31/12/2022
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	14.54%	14.54%
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).

12. Plant and equipment

	Group			
	Computers, telecommunications, 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 2022				
Cost	8,916	213	1,221	10,350
Accumulated amortisation and impairment	(8,256)	(119)	(770)	(9,145)
Net book amount	660	94	451	1,205
9 months ended 30 September 2023				
Opening net book amount	660	94	451	1,205
Additions	110	2	-	112
Depreciation charge	(251)	(36)	(248)	(535)
Foreign exchange adjustments	(27)	(5)	(18)	(50)
Closing net book amount	492	55	185	732
At 30 September 2023				
Cost	8,721	187	1,097	10,005
Accumulated depreciation and impairment	(8,229)	(132)	(912)	(9,273)
Net book amount	492	55	185	732

During the financial period ended 30 September 2023, the group acquired assets amounting to S\$112,000 (31 December 2022: S\$218,000).

13. 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 30/9/2023	As at 31/12/2022
	S\$'000	S\$'000
Cost		
Beginning of financial year	2,415	2,567
Currency translation differences	(111)	(152)
End of financial period/year	2,304	2,415
Fair value loss movement		
Beginning of financial year	405	430
Currency translation differences	(19)	(25)
End of financial period/year	386	405
Net book value	1,918	2,010

13.1 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 period/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\$249
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by S\$201,000; higher by S\$201,000

14. Borrowings

	Group	
	As at	As at
	30/9/2023	31/12/2022
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	-	897
Unsecured	-	-

Details of any collateral

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

- 1) A facility with outstanding amount of Nil (2022: S\$897,000), that is secured by fixed deposits of the subsidiary amounting to approximately S\$1,965,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,801,000 (2022: S\$1,864,000).

As at the end of the financial period/year, the outstanding facilities covered by the guarantee were Nil (2022: S\$897,000).

15. Share Capital

	30/9/2023		31/12/2022	
	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 30 September 2023.

The company's subsidiaries do not hold any shares in the Company as at 30 September 2023 and 31 December 2022.

16. 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 30 September 2023, no significant loss allowance was provided for the reporting period.

17. 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 consolidated statement of financial position of Captii Limited and its subsidiaries as at 30 September 2023 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 third quarter ended 30 September 2023 as compared to corresponding quarter ended 30 September 2022

Group revenue

The group recorded consolidated revenue of S\$3.465 million for the quarter ended 30 September 2023 ("Q3 2023"), a 32.1% decrease against the revenue recorded in the corresponding quarter ended 30 September 2022 ("Q3 2022"). The decline in group revenue for Q3 2023 is attributable to lower revenue recorded by both GlobeOSS and Unifiedcomms.

GlobeOSS recorded revenue of S\$0.769 million in Q3 2023, a decrease of 49.4% from the S\$1.52 million recorded in Q3 2022. This decrease in revenue was due to lower revenues from both system sale and managed service contracts.

Unifiedcomms recorded revenue of S\$2.696 million in Q3 2023, a decrease of 24.8% from the S\$3.584 million recorded in Q3 2022. This decrease in revenue was due to lower managed service contract revenues.

The group's sales mix in Q3 2023 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 87.9% of the group's total revenue in Q3 2023 as compared to 80.4% in Q3 2022. The higher contribution of managed service contracts to the group's sales mix in Q3 2023 was mainly attributable to a 58.3% drop in system sale contract revenues of GlobeOSS from S\$1.001 million in Q3 2022 to S\$0.417 million in Q3 2023.

Group gross profit and gross profit margins

With the lower revenue recorded in Q3 2023, the group recorded lower gross profit of S\$1.627 million, a decrease of 30.3% from the S\$2.335 million realised in Q3 2022. This impact was partly mitigated by higher gross profit margin of 47% in Q3 2023 against 45.7% in Q3 2022.

The improvement in group gross profit margin is mainly attributable to the higher gross profit margin recorded on the group's system sale contract revenues, which increased to 68.3% in Q3 2023 from 63.8% in Q3 2022. This improvement in gross profit margin was mainly due to the lower proportionate contribution of system sale contract revenues by GlobeOSS, which generally yield lower gross profit margin as a result of its typically higher third party costs.

In addition, gross profit margin recorded by the group on its managed service contract revenues also increased to 44% in Q3 2023 from 41.3% in Q3 2022. This improvement in managed service contract gross profit margin is attributable to the lower revenue contribution of certain lower-margin managed service contracts.

Interest income

The group recorded interest income of S\$0.03 million in Q3 2023, flat against what was recorded in Q3 2022.

Other gains and other item of expense

The group recorded net total expenses of S\$1.979 million in Q3 2023, 7.3% higher than the S\$1.844 million incurred in Q3 2022. This is mainly attributable to the lower net foreign exchange gain as a result of a less favourable exchange rate movement of USD against SGD, the group's reporting currency.

The higher net operating expenses was partly mitigated by absence of fair value loss of S\$0.071 assessed on the group's venture investment in Q3 2022.

Net (loss)/profit and (LBITDA)/EBITDA

The group recorded a net loss of S\$0.39 million and LBITDA of S\$0.128 million in Q3 2023, as compared to S\$0.199 million in net profit and S\$0.754 million in EBITDA in Q3 2022. The net loss and negative EBITDA results recorded in Q3 2023 are mainly attributable to the flow-down effects of the lower revenue and higher net total expenses.

2. Review of performance of the group (continued)

2.1 Review of performance of the group for the third quarter ended 30 September 2023 as compared to corresponding quarter ended 30 September 2022

Detailed segmental breakdown of group revenue and gross profit

The detailed segmental breakdown of the group's revenue and gross profit for Q3 2023, together with comparative results for Q3 2022 is provided below:

Table 2.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 September

	Q3 2023 S\$'000	Sales mix %	Q3 2022 S\$'000	Sales mix %
Unifiedcomms	2,696	77.8	3,584	70.2
GlobeOSS	769	22.2	1,520	29.8
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	3,465	100.0	5,104	100.0

Table 2.2: Group consolidated revenue as analysed by contract type for the quarter ended 30 September

External Sales	Q3 2023			Q3 2022		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	417	3,048	3,465	1,001	4,103	5,104
Gross Profit	285	1,342	1,627	639	1,696	2,335
Gross Profit (%)	68.3%	44.0%	47.0%	63.8%	41.3%	45.7%

Table 2.3: Group net total expenses for the quarter ended 30 September

	Group	
	Q3 2023 S\$'000	Q3 2022 S\$'000
Other gains	53	217
Technical support expenses	(1,130)	(1,081)
Distribution costs	(396)	(358)
Administrative expenses	(535)	(543)
Other losses	34	(71)
Finance cost	(5)	(8)
Net total expenses	(1,979)	(1,844)

2. Review of performance of the group (continued)

2.2 Review of performance of the group for the nine months ended 30 September 2023 as compared to corresponding financial period ended 30 September 2022

Group revenue

The group recorded consolidated revenue of S\$13.653 million for the nine months ended 30 September 2023 ("9M 2023"), a 13.6% decrease against the revenue recorded in the corresponding period ended 30 September 2022 ("9M 2022"). The decline in group revenue for 9M 2023 is attributable to lower revenue recorded by both Unifiedcomms and GlobeOSS.

Unifiedcomms recorded revenue of S\$9.034 million in 9M 2023, a decrease of 18.7% from the S\$11.118 million recorded in 9M 2022. This decrease in revenue was due to lower managed service contract revenues.

GlobeOSS recorded revenue of S\$4.619 million in 9M 2023, a decrease of 1.4% from the S\$4.684 million recorded in 9M 2022. This decrease in revenue was due to lower managed service contract revenues.

The group's sales mix in 9M 2023 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 72.3% of the group's total revenue in 9M 2023 as compared to 81.4% in 9M 2022. The lower relative contribution of managed service contracts to the group's sales mix in 9M 2023 is mainly attributable to the improvement in system sale contract revenues of the group, which had improved 28.9% from S\$2.939 million in 9M 2022 to S\$3.787 million in 9M 2023.

Gross profit and gross profit margins

With the lower revenue recorded in 9M 2023, the group recorded lower gross profit of S\$6.046 million, a decrease of 19.3% from the S\$7.494 million realised in 9M 2022. In addition, gross profit margin had decreased from 47.4% in 9M 2022 to 44.3% in 9M 2023.

The decrease in group gross profit margin is mainly attributable to the lower gross profit margin recorded on the group's system sale contract revenues, which decreased to 45.2% in 9M 2023 from 68.3% in 9M 2022. This decrease in gross profit margin was mainly due to the higher proportionate contribution of system sale contract revenues by GlobeOSS, which generally yield lower gross profit margin as a result of its typically higher third party costs.

The gross margin impact from the above system sale contracts was partly mitigated by the higher gross profit margin on managed service contract revenues of 43.9% in 9M 2023, versus the 42.7% recorded in 9M 2022. This improvement in managed service contract gross profit margin is attributable to the lower revenue contribution of certain lower-margin managed service contracts.

Interest income

The group recorded interest income of S\$0.094 million in 9M 2023, flat against what was recorded in 9M 2022.

Other gains and other item of expense

The group recorded net total expenses of S\$6.066 million in 9M 2023, 5.6% higher than the S\$5.744 million incurred in 9M 2022. This is mainly attributable to:-

- * Higher technical support expenses and distribution costs, due to an increase in headcount from GlobeOSS; and
- * Lower net foreign exchange gain as a result of a less favourable exchange rate movement of USD against SGD, the group's reporting currency.

The above impact was partly mitigated by lower administrative expenses recorded in 9M 2023, in relation to lower corporate personnel costs.

Net (loss)/profit and EBITDA

The group recorded a net loss of S\$0.091 million and EBITDA of S\$0.715 million in 9M 2023 as compared to S\$1.292 million in net profit and S\$2.618 million in EBITDA recorded in 9M 2022. The net loss and lower EBITDA results recorded in 9M 2023 are mainly attributable to the flow-down effects of lower revenue, lower gross profit margin and higher net total expenses.

2. Review of performance of the group (continued)

2.2 Review of performance of the group for the nine months ended 30 September 2023 as compared to corresponding financial period ended 30 September 2022 (continued)

Detailed segmental breakdown of group revenue and gross profit

The detailed segmental breakdown of the group's revenue and gross profit for 9M 2023, together with comparative results for 9M 2022 is provided below:

Table 2.4: Group revenue as analysed by business unit for the nine months ended 30 September

	2023 S\$'000	Sales mix %	2022 S\$'000	Sales mix %
Unifiedcomms	9,034	66.2	11,118	70.4
GlobeOSS	4,619	33.8	4,684	29.6
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	13,653	100.0	15,802	100.0

Table 2.5: Group revenue as analysed by contract type for the nine months ended 30 September

External sales	2023			2022		
	System sale (1)	Managed service (2)	Group	System sale (1)	Managed service (2)	Group
Revenue	3,787	9,866	13,653	2,939	12,863	15,802
Gross profit	1,712	4,334	6,046	2,007	5,487	7,494
Gross profit (%)	45.2%	43.9%	44.3%	68.3%	42.7%	47.4%

Table 2.6: Group net total expenses for the nine months ended 30 September

	Group	
	2023 S\$'000	2022 S\$'000
Other gains	188	389
Technical support expenses	(3,379)	(3,083)
Distribution costs	(1,202)	(1,056)
Administrative expenses	(1,618)	(1,865)
Other losses	(21)	(95)
Finance cost	(34)	(34)
Net total expenses	(6,066)	(5,744)

2. Review of performance of the group (continued)

2.3 Review of the group's financial position as at 30 September 2023 as compared to the group's financial position as at 31 December 2022

Non-cash current assets of the group decreased from S\$14.65 million as at 31 December 2022 to S\$12.939 million as at 30 September 2023. This 11.7% decrease in non-cash current assets was mainly due to a decrease in trade and other receivables as a result of lower revenue recorded.

Total non-current assets of the group decreased from S\$35.261 million as at 31 December 2022 to S\$34.705 million as at 30 September 2023. This decrease of 1.6% in non-current assets is attributable to:-

- * On-going depreciation charges on plant and equipment; and
- * Reduction in value of the group's MYR denominated intangible assets and investment property due to foreign exchange movements.

Total liabilities of the group decreased from S\$6.427 million as at 31 December 2022 to S\$3.97 million as at 30 September 2023. This 38.2% decrease in total liabilities is attributable to the decrease in trade and other payables following repayments made in the reporting period.

2.4 Review of the group's cash flow for the quarter and nine months ended 30 September 2023 as compared to the corresponding quarter ended 30 September 2022

The group's net cash flow from operations for Q3 2023 was S\$0.327 million, as compared to S\$1.42 million for Q3 2022. This decrease was mainly due to a loss before tax of S\$0.322 million in Q3 2023, in contrast with the profit before tax of S\$0.531 million in Q3 2022.

The group's net cash flow from operations for 9M 2023 was S\$1.396 million, flat against what was recorded in 9M 2022.

The group's net cash flow from investing activities for Q3 2023 was S\$0.048 million, in contrast with the net cash flow used in investing activities of S\$0.129 million in Q3 2022. This was primarily due to proceeds from the disposal of a venture investment in Q3 2023.

The group's net cash flow used in investing activities for 9M 2023 was S\$0.271 million, in contrast with the net cash flow from investing activities of S\$1.124 million in 9M 2022. This was primarily due to lower proceeds from the disposal of a venture investment in 9M 2023 as compared to 9M 2022.

The group's net cash flow used in financing activities for Q3 2023 amounted to S\$0.789 million as compared to S\$0.725 million for Q3 2022. The higher net cash used in financing activities was mainly due to higher dividend payout by a subsidiary to non-controlling interest in Q3 2023.

The group's net cash flow used in financing activities for 9M 2023 amounted to S\$1.866 million as compared to S\$1.39 million for 9M 2022. The higher net cash used in financing activities was mainly due to higher repayment of borrowings in 9M 2023.

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 risk and uncertainty of the economy going into recession due to geo-political tensions, supply chain disruption, and rising inflation and interest rates, 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 operations of Unifiedcomms and GlobeOSS in the financial year under review had been minimally impacted by geo-political tensions and supply chain disruption. On the business front, both Unifiedcomms and GlobeOSS 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 and certain managed service contracts that have yet to be committed in the financial year under review, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough.

At Captii Ventures, the group's venture investment business, the climate for business development and funding continues to be challenging for start-ups in certain industries.

Against this negative 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 economic uncertainty on group financial performance.

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)	
		9 months ended 30 September		9 months ended 30 September	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Temasya House Sdn Bhd	A subsidiary of Advance Synergy Realty Sdn. Bhd. (a subsidiary of Advance Synergy Berhad, the group's ultimate holding corporation)	150	159	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 30 September 2023 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
10 November 2023