

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

CAPTII LIMITED

Securities

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Designation

Executive Chairman

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

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Additional Details

For Financial Period Ended

31/12/2023

Attachments

[CL SGX Financial Results 2023 Full Year.pdf](#)

Total size =419K MB

Condensed financial statements
for the full year ended 31 December 2023

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

	Note	Group	
		12 months ended 31 December	
		2023	2022
		S\$'000	S\$'000
Revenue	4	18,281	23,249
Cost of sales		(9,766)	(11,947)
Gross profit		8,515	11,302
Other items of income:			
Interest Income		169	171
Other gains		140	59
Other items of expense:			
Technical support expenses		(4,653)	(4,548)
Distribution costs		(1,186)	(1,201)
Administrative expenses		(3,100)	(3,272)
Other losses		(11,145)	(4,994)
Finance costs		(28)	(44)
Loss before income tax	6	(11,288)	(2,527)
Income tax expenses	7	(429)	(717)
Loss, net of tax		(11,717)	(3,244)
Loss, net of tax attributable to:			
Owners of the company		(8,416)	(3,508)
Non-controlling interests		(3,301)	264
Loss, net of tax		(11,717)	(3,244)

Other comprehensive loss

	Note	Group	
		12 months ended 31 December	
		2023	2022
		S\$'000	S\$'000
Loss, net of tax		(11,717)	(3,244)
Other comprehensive loss:			
Items that may be reclassified to profit or loss in subsequent periods (net of tax)			
Currency translation differences on consolidation of foreign entities (net)		(1,635)	(1,985)
Total other comprehensive loss for the financial year		(13,352)	(5,229)
Total comprehensive loss attributable to:			
Owners of the company		(9,781)	(5,250)
Non-Controlling interest		(3,571)	21
Total other comprehensive loss for the financial year		(13,352)	(5,229)
Earnings per share for loss for the year attributable to the owners of the company during the financial year:		cents	cents
Basic and diluted earnings per share		(26.34)	(10.98)

B. Condensed statements of financial position

	Note	Group	Group	Company	Company
		As at	As at	As at	As at
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Plant and equipment	12	1,199	1,205	-	-
Investment property	13	1,895	2,010	-	-
Intangible assets	11	2,896	7,344	-	-
Investments in subsidiaries		-	-	25,166	26,366
Other financial assets	10	17,171	23,898	-	-
Deferred tax assets		654	804	-	-
Total non-current assets		23,815	35,261	25,166	26,366
Current assets					
Inventories		5	5	-	-
Trade and other receivables		8,662	11,246	8,644	8,425
Other non-financial assets		4,628	3,399	44	47
Cash and cash equivalents		10,965	13,223	399	1,202
Total current assets		24,260	27,873	9,087	9,674
Total assets		48,075	63,134	34,253	36,040
EQUITY AND LIABILITIES					
Equity					
Share capital	15	31,948	31,948	31,948	31,948
Retained earnings		15,950	24,765	448	1,962
Foreign currency translation reserve		(11,755)	(10,390)	-	-
Equity, attributable to owners of the parent		36,143	46,323	32,396	33,910
Non-controlling interest		6,525	10,384	-	-
Total equity		42,668	56,707	32,396	33,910
Non-current liabilities					
Lease liabilities		343	176	-	-
Deferred tax liabilities		33	-	-	-
Total non-current liabilities		376	176	-	-
Current liabilities					
Income tax payables		45	253	4	5
Trade and other payables		3,364	4,321	1,853	2,125
Other non-financial liabilities		458	479	-	-
Lease liabilities		318	301	-	-
Borrowings	14	846	897	-	-
Total current liabilities		5,031	6,251	1,857	2,130
Total liabilities		5,407	6,427	1,857	2,130
Total equity and liabilities		48,075	63,134	34,253	36,040

C. Condensed statements of changes in equity

Statements of changes in equity for the year ended 31 December 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 year:							
Group							
Opening balance at 1 January 2023		56,707	46,323	31,948	24,765	(10,390)	10,384
Total comprehensive loss for the financial year		(13,352)	(9,781)	-	(8,416)	(1,365)	(3,571)
Dividend paid		(687)	(399)	-	(399)	-	(288)
Closing balance at 31 December 2023		42,668	36,143	31,948	15,950	(11,755)	6,525
Company							
Opening balance at 1 January 2023		33,910	33,910	31,948	1,962	-	-
Total comprehensive loss for the financial year		(1,115)	(1,115)	-	(1,115)	-	-
Dividend paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 31 December 2023		32,396	32,396	31,948	448	-	-

Statements of changes in equity for the year ended 31 December 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 year:							
Group							
Opening balance at 1 January 2022		62,719	51,972	31,948	28,672	(8,648)	10,747
Total comprehensive loss for the financial year		(5,229)	(5,250)	-	(3,508)	(1,742)	21
Dividend paid		(783)	(399)	-	(399)	-	(384)
Closing balance at 31 December 2022		56,707	46,323	31,948	24,765	(10,390)	10,384
Company							
Opening balance at 1 January 2022		42,649	42,649	31,948	10,701	-	-
Total comprehensive loss for the financial year		(8,340)	(8,340)	-	(8,340)	-	-
Dividend paid	8	(399)	(399)	-	(399)	-	-
Closing balance at 31 December 2022		33,910	33,910	31,948	1,962	-	-

D. Condensed consolidated statement of cash flows

	Note	Group	
		12 months ended 31 December	
		2023	2022
		S\$'000	S\$'000
Operating activities:			
Loss before income tax		(11,288)	(2,527)
Adjustments for:			
Amortisation of intangible assets	6	208	245
Depreciation of plant and equipment	6	354	461
Depreciation of right-of-use assets	6	328	347
Fair value loss on unquoted investments	6	6,773	2,074
Impairment loss on plant and equipment	6	-	15
Impairment loss on goodwill	6	4,200	2,800
Interest expense		28	44
Interest income		(169)	(171)
Operating cash flow before changes in working capital		434	3,288
Inventories		2	(1)
Trade and other receivables		2,004	138
Other non-financial assets		(1,411)	(1,382)
Trade and other payables		(762)	(2,001)
Other non-financial liabilities		(6)	(228)
Net cash flows from (used in) operations		261	(186)
Income tax paid		(485)	(844)
Net cash flows (used in) operating activities		(224)	(1,030)
Cash flows from investing activities:			
Purchase of plant and equipment		(192)	(218)
Proceeds from disposal of unquoted investments		135	2,455
Investment in unquoted investments		(338)	(50)
Payment for development costs		(296)	(337)
Interest received		169	171
Net cash flows (used in) from investing activities		(522)	2,021
Cash flows from financing activities:			
Dividend paid to non-controlling interests of subsidiary		(288)	(384)
Dividend paid to equity owners	8	(399)	(399)
Cash restricted in use		(35)	(38)
Proceeds from interest bearing borrowings		846	897
Repayment of interest bearing borrowings		(846)	(257)
Lease liabilities principal portion paid		(331)	(380)
Interest expenses paid		(28)	(44)
Net cash flows used in financing activities		(1,081)	(605)
Net change in cash and cash equivalents		(1,827)	386
Cash and cash equivalents at beginning of the financial year (Note 1)		10,831	11,332
Effect of exchange rate changes on cash and cash equivalents		(342)	(887)
Cash and cash equivalents at end of the financial year (Note 1)		8,662	10,831

Explanatory Notes:

Note 1

	Group	
	12 months ended 31 December	
	2023	2022
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	10,965	13,223
Less: Restricted deposits	(2,303)	(2,392)
Cash and cash equivalents per consolidated statement of cash flows	8,662	10,831

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 year ended 31 December 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 financial statements for the financial year ended 31 December 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 4 – revenue recognised over time
- * 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
- * Note 16 – expected credit loss allowance on receivables

3. Seasonal operations

The group's businesses were 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 year ended 31 December 2023

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	11,743	6,538	-	-	-	18,281
-inter-segment	-	476	-	602	(1,078)	-
Revenue from external parties	11,743	7,014	-	602	(1,078)	18,281
Cost of sales	(6,636)	(3,586)	-	(53)	509	(9,766)
Gross profit	5,107	3,428	-	549	(569)	8,515
Other items of income:						
Interest income	67	102	-	-	-	169
Other gains	259	11	0	278	(408)	140
Other item of expenses:						
Technical support expenses	(2,525)	(2,108)	-	(64)	44	(4,653)
Distribution costs	(417)	(778)	-	-	9	(1,186)
Administrative expenses	(2,032)	(564)	(359)	(869)	724	(3,100)
Other losses	(4,491)	(2)	(6,863)	(1,201)	1,412	(11,145)
Finance costs	(22)	(6)	-	-	-	(28)
Profit/(Loss) before income tax	(4,054)	83	(7,222)	(1,307)	1,212	(11,288)
Income tax expenses	(410)	17	(0)	(36)	-	(429)
Profit/(Loss), net of tax	(4,464)	100	(7,222)	(1,343)	1,212	(11,717)
Profit/(Loss) for the year attributable to:						
Owners of the company	(4,464)	52	(3,874)	(1,343)	1,212	(8,416)
Non-controlling interest	-	48	(3,349)	-	-	(3,301)
Profit/(Loss) for the year	(4,464)	100	(7,222)	(1,343)	1,212	(11,717)
Other information						
Impairment loss on goodwill	(4,200)	-	-	-	-	(4,200)
Impairment loss on investment in subsidiary	-	-	-	(1,200)	1,200	-
Depreciation of plant and equipment	(285)	(74)	-	(2)	7	(354)
Depreciation of right-of-use assets	(242)	(86)	-	-	-	(328)
Amortisation of intangible assets	(458)	-	-	-	250	(208)
Fair value loss on unquoted investments	-	-	(6,773)	-	-	(6,773)
Other segment items						
Capital expenditure						
- Plant and equipment	187	5	-	-	-	192
- Development costs	296	-	-	-	-	296

Financial year ended 31 December 2023

Segment assets	20,252	13,581	17,208	41,391	(45,011)	47,421
Unallocated assets						654
Consolidated total assets						48,075
Segment liabilities	6,068	2,625	10,576	3,853	(17,748)	5,374
Unallocated liabilities						33
Consolidated total liabilities						5,407

4.1 Reportable segments (continued)

Financial year ended 31 December 2022

	Unifiedcomms S\$'000	GlobeOSS S\$'000	Captii Ventures S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	14,935	8,314	-	-	-	23,249
-inter-segment	-	539	-	652	(1,191)	-
	14,935	8,853	-	652	(1,191)	23,249
Cost of sales	(8,073)	(4,426)	-	(56)	608	(11,947)
Gross profit	6,862	4,427	-	596	(583)	11,302
Other items of income:						
Interest income	69	102	-	-	-	171
Other gains	170	9	61	259	(440)	59
Other item of expenses:						
Technical support expenses	(2,374)	(2,137)	-	(66)	29	(4,548)
Distribution costs	(410)	(799)	-	-	8	(1,201)
Administrative expenses	(2,024)	(602)	(423)	(1,007)	784	(3,272)
Other losses	(3,121)	(3)	(2,145)	(8,413)	8,688	(4,994)
Finance costs	(31)	(13)	-	-	-	(44)
Profit/(Loss) before income tax	(859)	984	(2,507)	(8,631)	8,486	(2,527)
Income tax expenses	(541)	(142)	1	(35)	-	(717)
Profit/(Loss), net of tax	(1,400)	842	(2,506)	(8,666)	8,486	(3,244)
Profit/(Loss) for the year attributable to:						
Owners of the company	(1,400)	429	(2,357)	(8,666)	8,486	(3,508)
Non-controlling interest	-	413	(149)	-	-	264
Profit/(Loss) for the year	(1,400)	842	(2,506)	(8,666)	8,486	(3,244)
Other information						
Impairment loss on goodwill	(2,800)	-	-	-	-	(2,800)
Impairment loss on plant and equipment	(15)	-	-	-	-	(15)
Impairment loss on receivables	(7)	-	-	-	-	(7)
Impairment loss on investment in subsidiary	-	-	-	(8,412)	8,412	-
Depreciation of plant and equipment	(398)	(90)	-	(2)	29	(461)
Depreciation of right-of-use assets	(252)	(95)	-	-	-	(347)
Amortisation of intangible assets	(601)	-	-	-	356	(245)
Fair value loss on unquoted investments	-	-	(2,074)	-	-	(2,074)
Other segment items						
Capital expenditure						
- Plant and equipment	195	23	-	-	-	218
- Development costs	337	-	-	-	-	337
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 31 December 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	1,069	3,988	-	-	-	5,057
-Managed service	10,674	2,550	-	-	-	13,224
Total revenue	11,743	6,538	-	-	-	18,281

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 #	11,452	6,538	-	-	-	17,990
-South Asia	92	-	-	-	-	92
-Middle East & Africa	199	-	-	-	-	199
-Others	-	-	-	-	-	-
	11,743	6,538	-	-	-	18,281

(#) South East Asia included

-Singapore	509	-	-	-	-	509
-Malaysia	10,520	5,872	-	-	-	16,392
-Others	423	666	-	-	-	1,089
	11,452	6,538	-	-	-	17,990

Financial year ended 31 December 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	1,027	5,236	-	-	-	6,263
-Managed service	13,908	3,078	-	-	-	16,986
Total revenue	14,935	8,314	-	-	-	23,249

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 #	14,562	8,314	-	-	-	22,876
-South Asia	175	-	-	-	-	175
-Middle East & Africa	198	-	-	-	-	198
-Others	-	-	-	-	-	-
	14,935	8,314	-	-	-	23,249

(#) South East Asia included

-Singapore	587	-	-	-	-	587
-Malaysia	13,464	7,038	-	-	-	20,502
-Others	511	1,276	-	-	-	1,787
	14,562	8,314	-	-	-	22,876

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

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

Unifiedcomms recorded a higher loss after tax in 2023 as compared to 2022. This was mainly due to lower revenue from managed service contracts in SEA region and higher impairment loss on goodwill recorded in 2023.

GlobeOSS recorded a decline in profit after tax in 2023 as compared to 2022. This was mainly due to the lower revenues from both system sale contracts and managed service contracts in SEA region.

Captii Ventures recorded a higher loss after tax in 2023 as compared to 2022. This was mainly due to higher fair value loss on its venture investment portfolio in 2023.

Others recorded a lower loss after tax in 2023 as compared to 2022. This was mainly due to lower impairment loss on investment in a subsidiary recorded in 2023.

For further information, please refer to note 2 (Review of performance of the group).

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the group as at 31 December 2023 and 31 December 2022:

	Note	Group		Company	
		As at	As at	As at	As at
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at fair value through profit or loss	10	17,171	23,898	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		19,627	24,469	9,043	9,627
		36,798	48,367	9,043	9,627
Financial liabilities					
Trade and other payables and borrowings (Amortised cost)		4,871	5,695	1,853	2,125

6. Profit before taxation

6.1. Significant items	Group	
	12 months ended 31 December	
	2023	2022
	S\$'000	S\$'000
Profit before income tax is stated after (charging)/crediting the following items:		
Fair value loss on unquoted investments	(6,773)	(2,074)
Foreign exchange loss, net	(161)	(90)
Amortisation of intangible assets	(208)	(245)
Depreciation of plant and equipment	(354)	(461)
Depreciation of right-of-use assets	(328)	(347)
Impairment loss on receivables	-	(7)
Impairment loss on plant and equipment	-	(15)
Impairment loss on goodwill	(4,200)	(2,800)

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	
	12 months ended 31 December	
	2023	2022
	S\$'000	S\$'000
Components of tax expense recognised in profit and loss include:		
Current tax expenses	(213)	(475)
Deferred tax expenses	(161)	(221)
Overseas withholding tax expenses	(55)	(21)
Total income tax expenses	(429)	(717)

8. Dividends

	Group	
	12 months ended 31 December	
	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 31/12/2023	As at 31/12/2022	As at 31/12/2023	As at 31/12/2022
	Group cents	Group cents	Company cents	Company cents
Net asset value per ordinary share ⁽¹⁾	113.10	144.95	101.37	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
	31/12/2023	31/12/2022
	S\$'000	S\$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss	17,171	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
		31/12/2023	31/12/2022
		S\$'000	S\$'000
Enterprise application technology			
Unquoted convertible preference shares in Singapore	3	701	1,071
Unquoted convertible loan notes in Singapore	3	8,769	6,535
Unquoted convertible preference shares in Malaysia	3	129	155
Unquoted convertible preference shares in Indonesia	3	3,377	4,001
Marketplace technology			
Unquoted convertible loan notes in Vietnam	3	4,195	12,136
Total other financial assets		17,171	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
12 months ended 31 December 2023				
Opening net book amount	769	-	6,575	7,344
Additions	296	-	-	296
Impairment loss during the period	-	-	(4,200)	(4,200)
Amortisation charge	(208)	-	-	(208)
Foreign exchange adjustments	(56)	-	(280)	(336)
Closing net book amount	801	-	2,095	2,896
At 31 December 2023				
Cost	8,875	17	9,209	18,101
Accumulated amortisation and impairment	(8,074)	(17)	(7,114)	(15,205)
Net book amount	801	-	2,095	2,896

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 31 December 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
	31/12/2023	31/12/2022
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	14.68%	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
12 months ended 31 December 2023				
Opening net book amount	660	94	451	1,205
Additions	190	2	543	735
Depreciation charge	(308)	(46)	(328)	(682)
Foreign exchange adjustments	(34)	(5)	(20)	(59)
Closing net book amount	508	45	646	1,199
At 31 December 2023				
Cost	8,570	181	1,160	9,911
Accumulated depreciation and impairment	(8,062)	(136)	(514)	(8,712)
Net book amount	508	45	646	1,199

During the financial year ended 31 December 2023, the group acquired assets amounting to S\$192,000 (31 December 2022: S\$218,000). There are no material capital commitments at 31 December 2023.

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 31/12/2023	As at 31/12/2022
	S\$'000	S\$'000
Cost		
Beginning of financial year	2,415	2,567
Currency translation differences	(138)	(152)
End of financial year	2,277	2,415
Fair value loss movement		
Beginning of financial year	405	430
Currency translation differences	(23)	(25)
End of financial year	382	405
Net book value	1,895	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\$235
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by S\$190,000; higher by S\$190,000

14. Borrowings

	Group	
	As at	As at
	31/12/2023	31/12/2022
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	846	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 S\$846,000 (2022: S\$897,000), that is secured by fixed deposits of the subsidiary amounting to approximately S\$1,987,000 (2022: S\$2,055,000) and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of S\$1,781,000 (2022: S\$1,864,000).

As at the end of the financial year, the outstanding facilities covered by the guarantee were S\$846,000 (2022: S\$897,000).

The fair value of these guarantees at 31 December 2023 was insignificant.

15. Share Capital

	31/12/2023		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 year	31,957	31,948	31,957	31,948

The company did not hold any treasury shares as at 31 December 2023.

The company's subsidiaries do not hold any shares in the company as at 31 December 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 31 December 2023, no significant loss allowance was provided for the reporting year.

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 31 December 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 financial year ended 31 December 2023 as compared to corresponding financial year ended 31 December 2022

Group revenue

The group recorded consolidated revenue of S\$18.281 million for the financial year ended 31 December 2023 ("2023"), a 21.4% decrease against the revenue recorded in the corresponding financial year ended 31 December 2022 ("2022"). The decline in group revenue for 2023 is attributable to lower revenue recorded by both Unifiedcomms and GlobeOSS.

Unifiedcomms recorded revenue of S\$11.743 million in 2023, a decrease of 21.4% from the S\$14.935 million recorded in 2022. This decrease in revenue was due to lower managed service contract revenues.

GlobeOSS recorded revenue of S\$6.538 million in 2023, a decrease of 21.4% from the S\$8.314 million recorded in 2022. This decrease in revenue was due to lower system sale and managed service contract revenues.

The group's sales mix in 2023 showed an 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 2023 as compared to 73.1% in 2022. The lower contribution of managed service contracts to the group's sales mix in 2023 is mainly attributable to the decrease in managed service contract revenues of the group, which declined by 22.1% from S\$16.986 million in 2022 to S\$13.224 million in 2023.

Gross profit and gross profit margins

With the lower revenue recorded in 2023, the group recorded lower gross profit of S\$8.515 million, a decrease of 24.7% from the S\$11.302 million realised in 2022. In addition, gross profit margin had decreased from 48.6% in 2022 to 46.6% in 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 55.2% in 2023 from 61.2% in 2022. This was mainly due to lower Unifiedcomms system sale contracts gross profit margin in 2023, which caused by higher third-party component costs incurred in 2023.

The group's gross profit margin on managed service contract revenues decreased from 44% in 2022 to 43.3% in 2023. This decrease in gross profit margin was mainly due to higher third-party costs on certain managed service contracts.

Interest income

The group recorded interest income of S\$0.169 million in 2023, flat against what was recorded in 2022.

Other gains and other item of expense

The group recorded net total expenses of S\$19.972 million in 2023, 42.7% higher than the S\$14 million incurred in 2022. This is mainly attributable to:-

- * Higher fair value loss of S\$6.773 million assessed on the group's venture investment portfolio in 2023 as compared to the fair value loss of S\$2.074 million recorded in 2022; and
- * Higher impairment loss on goodwill of S\$4.2 million relating to the acquisition of Ahead Mobile Sdn Bhd in 2012 as compared to impairment on goodwill of S\$2.8 million recorded in 2022.

This impairment loss represented the amount by which the carrying amount of cash-generating unit ("CGU") had exceeded its recoverable amount. The lower CGU's recoverable amount for 2023 as compared to 2022 was caused by certain managed services contracts (under the CGU) that are now believed to produce lower than expected profitability and returns. This impairment loss has no cash impact.

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

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

The group recorded a net loss of S\$11.717 million and LBITDA of S\$10.539 million in 2023 as compared to S\$3.244 million in net loss and S\$1.601 million in LBITDA recorded in 2022. The higher net loss and LBITDA results recorded in 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)

2.1 Review of performance of the group for the financial year ended 31 December 2023 as compared to corresponding financial year ended 31 December 2022 (continued)

Detailed segmental breakdown of group revenue and gross profit

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

Table 2.1: Group revenue as analysed by business unit for the financial year ended 31 December

	2023 S\$'000	Sales mix %	2022 S\$'000	Sales mix %
Unifiedcomms	11,743	64.2	14,935	64.2
GlobeOSS	6,538	35.8	8,314	35.8
Captii Ventures	-	-	-	-
Others	-	-	-	-
Total	18,281	100.0	23,249	100.0

Table 2.2: Group revenue as analysed by contract type for the financial year ended 31 December

External sales	2023			2022		
	System sale (1)	Managed service (2)	Group	System sale (1)	Managed service (2)	Group
Revenue	5,057	13,224	18,281	6,263	16,986	23,249
Gross profit	2,790	5,725	8,515	3,834	7,468	11,302
Gross profit (%)	55.2%	43.3%	46.6%	61.2%	44.0%	48.6%

Table 2.3: Group net total expenses for the financial year ended 31 December

	Group	
	2023 S\$'000	2022 S\$'000
Other gains	140	59
Technical support expenses	(4,653)	(4,548)
Distribution costs	(1,186)	(1,201)
Administrative expenses	(3,100)	(3,272)
Other losses	(11,145)	(4,994)
Finance cost	(28)	(44)
Net total expenses	(19,972)	(14,000)

2. Review of performance of the group (continued)

2.2 Review of the group's financial position as at 31 December 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\$13.295 million as at 31 December 2023. This 9.2% 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\$23.815 million as at 31 December 2023. This decrease of 32.5% in non-current assets is attributable to:-

- * Decrease in venture investments of the group, following a reduction in fair value of S\$6.773 million in the group's venture investment portfolio recorded as other financial assets; and
- * Impairment loss on goodwill (classified as intangible assets) amounting to S\$4.2 million.

Total liabilities of the group decreased from S\$6.427 million as at 31 December 2022 to S\$5.407 million as at 31 December 2023. This 15.9% decrease in total liabilities is attributable to the decrease in trade and other payables following repayments made in the reporting year.

2.3 Review of the group's cash flow for the financial year ended 31 December 2023 as compared to the corresponding year ended 31 December 2022

The group's net cash flow from operations for 2023 was S\$0.261 million, in contrast with the net cash flow used in operation of S\$0.186 million for 2022. This increase was primarily due to lower working capital incurred of S\$0.173 million for 2023, as compared to S\$3.474 million for 2022, as higher repayment was made to the trade and other payables in 2022.

The group's net cash flow used in investing activities for 2023 was S\$0.522 million, in contrast with the net cash flow from investing activities of S\$2.021 million in 2022. This was primarily due to lower proceeds from the disposal of a venture investment in 2023 as compared to 2022.

The group's net cash flow used in financing activities for 2023 amounted to S\$1.081 million as compared to S\$0.605 million for 2022. The higher net cash used in financing activities was mainly due to higher repayment of borrowings in 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 economic uncertainty due to geo-political tensions, supply chain disruption, and rising inflation and interest rates, especially in the group's regions of focus, continue to weigh on the minds of management and the directors of the group when considering the outlook for the next twelve months.

The operations of Unifiedcomms and GlobeOSS in the financial year under review had been minimally impacted by geo-political tensions and supply chain disruption. However, due to the diminished expected performance of certain managed service contracts the value of Unifiedcomms as a CGU was adversely affected. The change in user behaviour in certain Unifiedcomms applications services, followed by the intensified pricing pressure within the telecommunication industry had directly and indirectly impacted the expected profitability of these managed service contracts, resulting in a significant reduction in the valuation of Unifiedcomms as a CGU in 2023. With the said lower CGU valuation, an impairment loss on goodwill of S\$4.2 million in relation to this business was provided and reflected in the financial year under review, though this impairment loss has no cash flow impact to the group.

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 valuation of start-ups continues to be challenging. Such an environment for business market valuations for some of our investees had resulted in a substantial reduction in the fair value of Captii Ventures' investment portfolio, translating to a fair value loss of S\$6.773 million in the financial year under review.

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?

An interim dividend has been declared on 11 August 2023 and paid out on 20 September 2023.

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)

5b. Corresponding period of the immediate preceding financial year

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

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)

5c. Date payable

Not applicable.

5d. Books closure date

Not applicable.

6. A breakdown of sales

	Group	
	As at	As at
	31/12/2023	31/12/2022
	S\$'000	S\$'000
(a) Sales reported for first half year	10,188	10,698
(b) Profit, net of tax, before deducting non-controlling interest reported for first half year	299	1,093
(c) Sales reported for second half year	8,093	12,551
(d) Loss, net of tax, before deducting non-controlling interest reported for second half year	(12,016)	(4,337)

7. 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)	
		12 months ended 31 December		12 months ended 31 December	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	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)	198	211	Nil	Nil

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

8. 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.

9. 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).

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company hereby confirms that as at the date of this announcement, to the best of its knowledge, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

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 year ended 31 December 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
21 February 2024