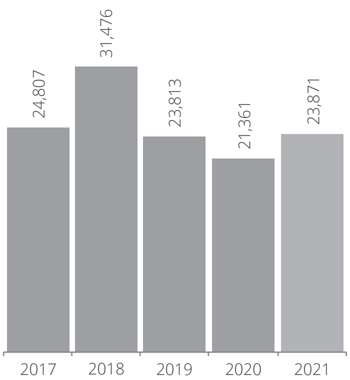
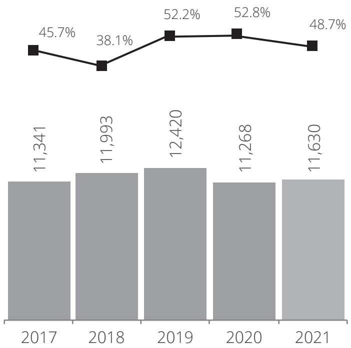
2021

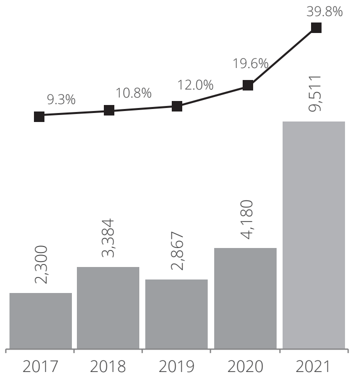
Revenue (S$000)



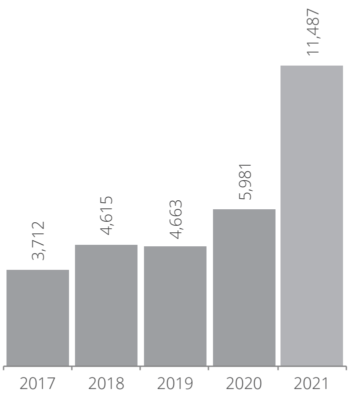
Gross Profit (S$000) &
Gross Profit Margin (%)



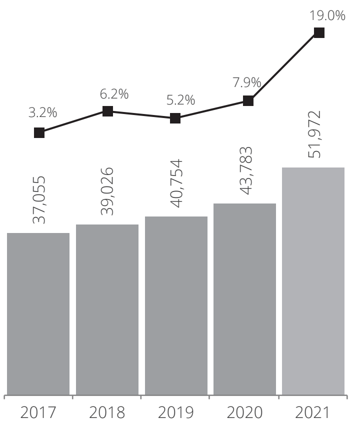
Net Profit (S$000) &
Net Profit Margin (%)



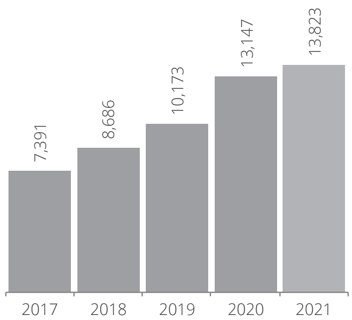
EBITDA (S$000)



Shareholders' Equity (S$000) &
Return on Equity (%)



Cash &
Cash Equivalents (S$000)



Consolidated Income Statement Data
(In S$'000 except per-share amounts)

Years ended 31 Dec	2017	2018	2019	2020	**2021**
Revenue	24,807	31,476	23,813	21,361	**23,871**
Gross profit	11,341	11,993	12,420	11,268	**11,630**
Total other income	206	1,098	647	2,195	**8,361**
Total operating expenses	8,733	9,388	9,369	8,381	**9,524**
Finance costs	-	27	140	134	**108**
Share of loss from equity-accounted joint venture	3	-	-	-	**-**
EBITDA	3,712	4,615	4,663	5,981	**11,487**
Profit before income tax	2,814	3,676	3,558	4,948	**10,359**
Net profit	2,300	3,384	2,867	4,180	**9,511**
Basic earnings per share (cents)	3.65	7.33	6.50	10.47	**28.40**

Consolidated Balance Sheet Data
(In S$'000 except per-share amounts)

Years ended 31 Dec	2017	2018	2019	2020	**2021**
Total Assets	54,049	55,749	54,024	56,085	**71,369**
Working Capital	14,279	15,463	16,496	18,910	**18,995**
Cash and cash equivalents	7,391	8,686	10,173	13,147	**13,823**
Borrowings	-	2,018	1,652	970	**274**
Shareholders' equity	37,055	39,026	40,754	43,783	**51,972**
Net asset value per ordinary share (cents)	115.95	122.12	127.53	137.00	**162.63**

2019	2020	2021
AHEADMOBILE	AHEADMOBILE	AHEADMOBILE
ALTERRA	ALTERRA	ALTERRA
ALTHEA	ALTHEA	ALTHEA
AVANA	AVANA	AVANA
AZSTACK		
BFAB		
CAPTIIVENTURES	CAPTIIVENTURES	CAPTIIVENTURES
CURLEC	CURLEC	CURLEC
COMPUTERGUYS	COMPUTERGUYS	COMPUTERGUYS
DIGIFY	DIGIFY	DIGIFY
GLOBEOSS	GLOBEOSS	GLOBEOSS
MIMOSATEK	MIMOSATEK	MIMOSATEK
		MOMOS
ONONPAY	ONONPAY	ONONPAY
MUSLIMPRO	MUSLIMPRO	MUSLIMPRO
SHOPPERTISE	SHOPPERTISE	SHOPPERTISE
POSTPAY	POSTPAY	POSTPAY
POUCHNATION	POUCHNATION	POUCHNATION
SORABEL		
SENDHELPER	SENDHELPER	SENDHELPER
		TELIO
UANGTEMAN	UANGTEMAN	UANGTEMAN
UNIFIEDCOMMS	UNIFIEDCOMMS	UNIFIEDCOMMS

Captii invests in technology and innovation. In 2021 we continued to focus on managing our businesses and venture investments against the challenging backdrop of further COVID-19 lockdowns and continuing trading and movement restrictions. One new investment was made during the year, bringing the number of investees in our venture investment portfolio at year-end to a total of 15 companies from 7 countries. While many investees weathered the impact of the protracted pandemic by finding new sources of business and funding, or were fortunate enough to benefit from the circumstances, some did not fare so well.

Having battled through the second year of the pandemic, our venture investment portfolio constituents and our existing businesses of Unifiedcomms, PostPay and GlobeOSS, had a mixed 2021. Those that benefited from the circumstances and behavioural changes brought about by the pandemic continued to do well. OOPA, a Captii Ventures investee and associate company, achieved a significantly favourable litigation outcome during the year, culminating in the indirect addition of Telio Vietnam into our venture investment portfolio to deliver a significant positive impact on group results. At year-end 2021, our venture investment portfolio was fair-valued at S$28.5 million versus investment cost of S$8.9 million.

Contents

Dear Captii Shareholder:

On behalf of the board of directors, I am pleased to present the annual report of Captii Limited for the financial year ended 31 December 2021.

Another year of contrasts

Our group entered the 2021 financial year on the back of thirteen consecutive years of profit.

Our Unifiedcomms business generated higher revenue this year while our GlobeOSS business unfortunately did not. GlobeOSS posted revenue of S$8.7 million, a decrease of 6.6% from the S$9.3 million achieved in 2020. Unifiedcomms revenue in contrast increased by 25.9% to S$15.2 million in 2021 compared to the S$12.1 million recorded the year before.

As a result of this, group revenue increased from S$21.4 million in 2020 to S$23.9 million in 2021, an improvement of S$2.5 million.

Gross profit achieved by our group was higher this year, as a result of improved revenue. However the magnitude of the increase was lesser than that of revenue – gross profit rose by 3.2%, as compared to the 11.8% increase in revenue. This reflected the considerably lower average gross profit margin for the year of 48.7%, which resulted from the less favourable sales mix of 2021. This year the lower margin managed service contract revenues of Unifiedcomms was mainly due to higher third-party costs on certain managed service contracts.

Group profit before tax for 2021 came in at S$10.4 million, 109.4% higher compared to the S$4.9 million recorded for 2020. The substantial increase in profit before tax arose from the progress achieved at Captii Ventures which resulted in a substantial increase in the fair value of its venture investment portfolio during the year.

In terms of the bottom-line, group profit after tax for the year was S$9.5 million, representing a 127.5% improvement on the S$4.2 million recorded last year.

Our 14th consecutive year of profit with ROE uplift

2021 represented our fourteenth consecutive year of profitability. Profitability in 2021 had improved compared to 2020 – our group's return on equity (ROE) increased to 19% this year from 7.9% the year before. This improvement in our ROE performance is largely attributable to the non-cash negative goodwill and fair value gain on the Captii Ventures investment portfolio. Without this gain, our group recorded an adjusted ROE of 2.4% in 2021, lower compared to the adjusted ROE of 3.5% generated in 2020.

Growth in system sale and managed service revenues

Efforts to grow the managed service business persisted in 2021. Revenues from this contract type improved by S$1.1 million against last year with the increase being attributable to the higher managed service contract revenues from Unifiedcomms.

Group system sale contract revenue was higher for 2021, with system sale contract performance at both Unifiedcomms and GlobeOSS showing improvement. System sale revenue at GlobeOSS increased by 29% to S$5.5 million in 2021 compared to S$4.3 million recorded in 2020. Unifiedcomms system sale revenue meanwhile improved by 15.3% to S$1.5 million in 2021, as compared to S$1.3 million recorded for 2020.

Driving returns with venture investment

At the start of 2021, we continued to have adequate cash balances to continue with the strategy of augmenting organic growth with growth by strategic investment. The Captii Ventures team identified and screened several candidates for investment throughout 2021. During the year, Captii Ventures completed one further investment to bring the number of investees in the portfolio to fifteen in total. The work to identify, screen and engage on selective investment opportunities will persist in the new year but with greater focus to be placed on managing existing investments to a positive outcome.

Balance sheet strength and dividends

Apart from the one further investment made by Captii Ventures in 2021, during the year we continued to reinvest in GlobeOSS and Unifiedcomms – especially for the PostPay business – for further product development as well as for the acquisition of assets to support the fulfilment of managed service contracts. We continue to have a strong balance sheet at year-end 2021 with ample cash and cash equivalents of S$13.8 million. This was also after declaring and paying to shareholders a dividend for the eleventh year running.

We had on 20 September 2021, paid a tax- exempt interim dividend of 1.25 Singapore Cents per share. In light of the anticipated capital requirements of our group's growth and investment-driven development strategy, no further and final dividend payment has been recommended by our directors for the financial year ended 31 December 2021.

In gratitude

2021 proved to be another challenging year for our group but one that ended on a firmly positive note. We concluded the year with encouraging financial results, mainly from the progress achieved in our venture investing activities at Captii Ventures.

We look forward to doing better in the year ahead and will strive to deliver continued strength in group financial performance for 2022.

For the year that was, I extend my deepest gratitude to the talented and dedicated individuals across all the businesses that make up our group, for your commitment and perseverance. I ask the same from you again in the new financial year ahead, to move our business onward and upward. To you, our shareholder, I thank you for your continued belief and patience in our people and our business. Last but certainly not least, my thanks go to the government agencies and regulatory bodies for their guidance and support.

Wong Tze Leng
Executive Chairman

15 March 2022

An overview of our business

Our group comprises three main segments: Unifiedcomms, GlobeOSS and Captii Ventures.

Throughout 2021, Unifiedcomms continued to address mobile network operators and integrated telecoms service providers with application and platform software, turnkey solutions and systems and a variety of professional and managed services. In 2016 a unit within Unifiedcomms called PostPay (formerly Mobilization) was revitalised into a fresh start- up and given prominence as part of a wider reorganisation of the Unifiedcomms business. PostPay focuses mainly on providing advanced solutions for prepaid credit on a managed service model.

GlobeOSS meanwhile, has developed into Malaysia's leading systems integration and solution provider in the telecoms big data and analytics field.

Unifiedcomms operates primarily in the telecoms-tech markets of three regions: South East Asia (SEA), South Asia (SA) and the Middle East and Africa (MEA) while GlobeOSS focuses exclusively on SEA. For Unifiedcomms, with the exception of Malaysia, Singapore and Pakistan, where engagement with the customer is conducted directly by our own personnel, the majority of our engagements with customers are carried out through various sales channel partners. This two-tier sales and distribution approach enables us to cost-effectively reach customers within each region of focus and to tap into the local knowledge and insights of our partners to build and deliver compelling solutions.

Captii Ventures, the venture investment arm of our group, focuses primarily on the SEA market for start-up investment opportunities. Our venture investment business regularly interacts with other venture capital (VC) management companies in the region and participates in funding rounds as either lead investor or as a co-investor following the lead investor. In 2021 Captii Ventures added one new investee to its portfolio of start-up investments while also supporting existing investees in realising the development plans for their business.

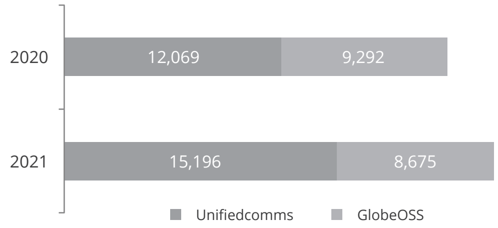
As at end-2021, there are a total of 173 people that are employed in our group. The majority of these personnel are located in Malaysia, where our operational headquarters is situated, while the rest work out of Singapore, Pakistan, Brunei, Thailand, Indonesia and Vietnam.

Generally a positive year for group revenue

2021 was a positive year for our business in terms of group revenue growth but a mixed one when we examine the performance of each of our business segments. Our group achieved consolidated revenue of S$23.9 million in 2021, an increase of 11.8% as compared to the S$21.4 million recorded for 2020.

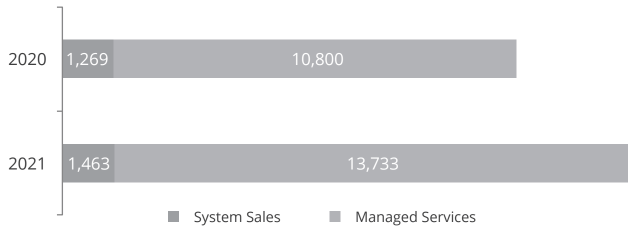
Unifiedcomms posted an increase of 25.9% in revenue, turning in total revenue of S$15.2 million in 2021 versus S$12.1 million the year before. In contrast, GlobeOSS recorded revenue of S$8.7 million in 2021, a decrease of 6.6% from the S$9.3 million achieved for 2020.

Revenue by BU (S$'000)



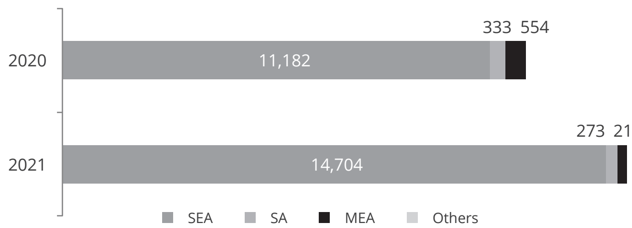
Unifiedcomms delivered an improvement in both system sale and managed service contract revenues in 2021. Managed service revenues increased by 27.2%, from S$10.8 million in 2020 to S$13.7 million in 2021, while system sale revenues increased by 15.3%, from S$1.3 million in 2020 to S$1.5 million in 2021.

Unifiedcomms Revenue by Type of Contract (S$'000)



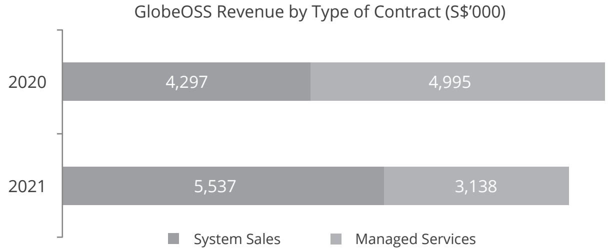
The Unifiedcomms customer base has traditionally been concentrated in the SEA region. This has not changed in 2021, with Unifiedcomms SEA region revenues accounting for 96.8% of the total revenue achieved for the year.

Unifiedcomms Revenue by Geographical Regions (S$'000)

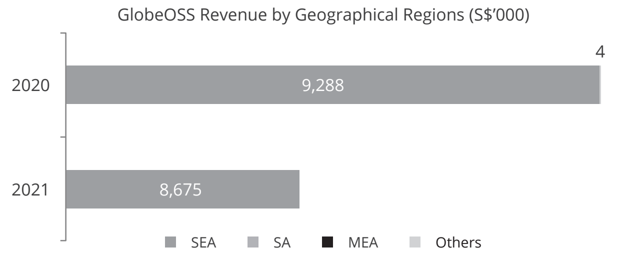


The GlobeOSS business experienced a decline in managed service contract revenues in 2021. Managed service contract revenues decreased to S$3.1 million in 2021 from S$5 million achieved for 2020. GlobeOSS system sale contract revenues however increased by 28.9%, from S$4.3 million in 2020 to S$5.5 million in 2021.

GlobeOSS Revenue by Type of Contract (S$'000)

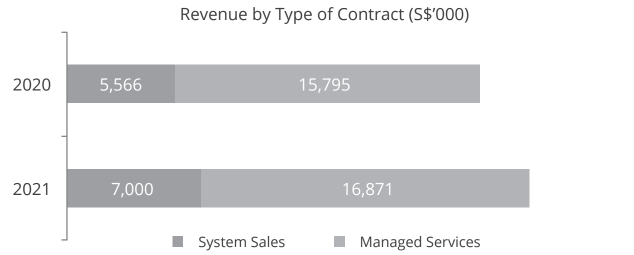


GlobeOSS continues to have both its system sale and managed service business concentrated in the SEA region. The decrease in GlobeOSS revenue from the SEA region reflects the S$1.9 million decrease in managed service contract revenues between 2020 and 2021, that had more than offset the improvement in system sales contract revenues.



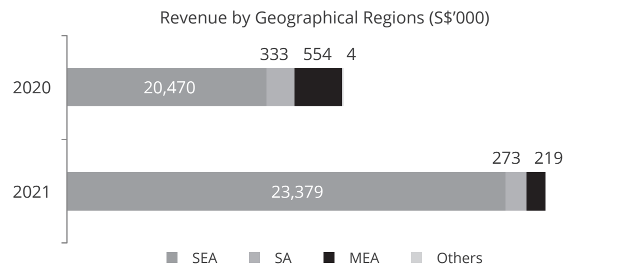
Growth in both system sale and managed service revenues

The increase in group revenue this year against last year was mainly attributable to the 27.2% or S$2.9 million increase in Unifiedcomms managed service contract revenues and the 28.9% or S$1.2 million increase in GlobeOSS system sale contract revenues.



We expected 2021 to be a difficult year for Unifiedcomms and GlobeOSS on the system sale front. However contrary to earlier expectations, market conditions improved in the second half of the year, especially for GlobeOSS. Coupled with improved success rates for sales opportunities, significant growth in GlobeOSS system sale contract revenue was delivered in the second half of the year.

SEA once again served as the principal driver for the improvement in group revenue for the year, growing by 14.2% or S$2.9 million against last year's contribution. The region that turned in a disappointing performance was MEA, which had its contribution fall from S$0.6 million to S$0.2 million. The SA region's contribution to the total group revenue was maintained at S$0.3 million this year.



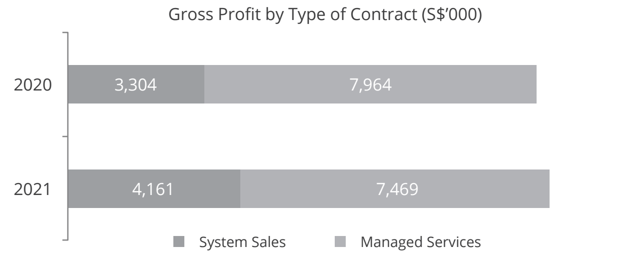
In 2021, SEA, our group's home region, continues to be the largest geographic source of revenue, accounting for 97.9% of group revenue.

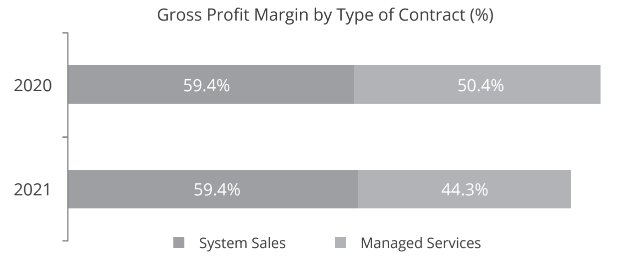
Higher gross profit achieved, in line with higher revenue

In line with the higher consolidated revenue of S$23.9 million for 2021, a 11.8% gain on 2020 revenue results, absolute gross profit achieved for the year was higher compared to 2020.

Group gross profit for 2021 was S$11.6 million, up by S$0.4 million or 3.2% against what was recorded in 2020. Gross profit grew slower than revenue due to the sales mix achieved in 2020 – where the lower gross profit margin Unifiedcomms managed service contract revenues accounted for the majority of the improvement in group revenue. This, by extension, acted to reduce the overall gross profit margin earned on group consolidated revenue to 48.7% as compared to 52.8% achieved the year before.

Managed service contract average gross profit margin decreased to 44.3% in 2021 as compared to 50.4% achieved the year before. This was primarily due to higher third-party costs on certain Unifiedcomms managed service contracts. Meanwhile gross profit margin earned on system sales contract revenues was flat at 59.4%.





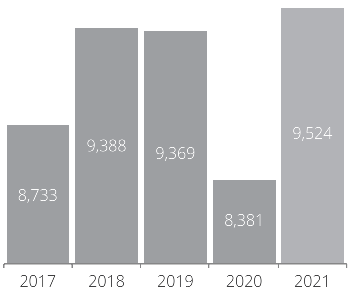
The sales mix of our group in 2021 meets our goal of having greater than fifty percent of group revenue being derived from managed service contracts. This year's managed service contract revenues accounted for 70.7% of group revenue, a decrease from 73.9% achieved in 2020.

Higher opex this year, before and after exceptional Items

Our group's operating expenditure for the year increased to S$9.5 million this year as compared to S$8.4 million last year.

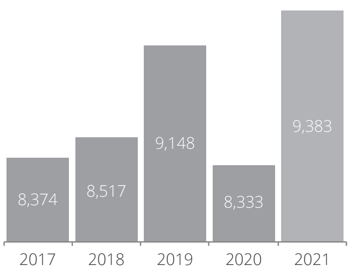
This year, we had a fair value loss assessed on our group's investment property to take into our income statement. The fair value loss on our sole investment property had arisen following an open market valuation of the property at end-2021. Moreover, we continued to have a foreign exchange loss primarily due to the continually weakening of the Pakistan Rupee against the Singapore Dollar.

Operating Expenditure (S$'000)



Even after excluding the effect of exceptional items such as the fair value loss on our investment property, our opex for 2021 was higher at S$9.4 million compared to S$8.3 million in 2020. This increase was due to higher payroll cost coupled with lower COVID-19 related government subsidy allowances received in 2021.

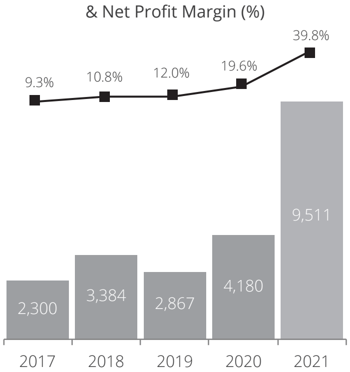
Operating Expenditure before Exceptional Items (S$'000)



Improved bottom line, both organic and from investment

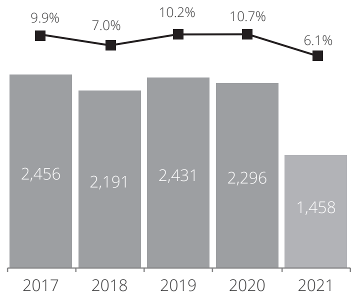
2021 marks our fourteenth consecutive year of being in the black. Group net profit for the year, at S$9.5 million, is 127.5% higher than the S$4.2 million recorded in 2020. This substantial increase in our group's bottom line was largely attributable to a fair value gain on the remeasurement of the group's previously held interest in OOPA Pte Ltd ('OOPA'), and a negative goodwill arising on the step-up interest on the acquisition of OOPA. These exceptional gains amounting to S$6.1 million resulted in a significant increase in the fair value of our group's venture investment portfolio under Captii Ventures, but had no cash impact on our business.

Profit for the Year (S$'000)
& Net Profit Margin (%)



When the bottom line numbers are examined more closely, to exclude exceptional gains such as the fair value gain and negative goodwill enjoyed on the acquisition of OOPA, and gains or losses such as those to do with fair value movements of the other Captii Ventures portfolio investments, the profit performance of Unifiedcomms and GlobeOSS is made more apparent. The 'adjusted' net profit generated by Unifiedcomms and GlobeOSS businesses have declined from S$2.5 million in 2017 to S$1.5million in 2021.

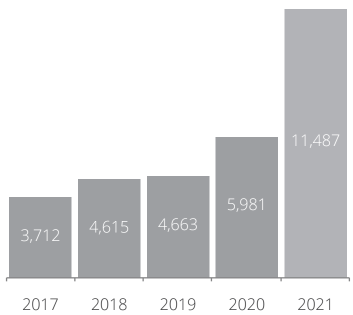
Net Profit before Fair Value Effect (S$'000)
& Net Profit Margin before Fair Value Effect (%)



In terms of bottom line, our group recorded a net profit margin of 39.8% for 2021 versus 19.6% for 2020. If the effect of any fair value gain or loss is removed, our group net profit margin for 2021 decreased to 6.1% from the 10.7% achieved in 2020.

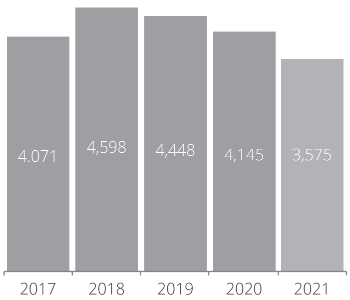
The flow-down effect of the changes in group net profit before and after exceptional items and fair value movements is clearly reflected in our EBITDA results for the year.

EBITDA (S$'000)



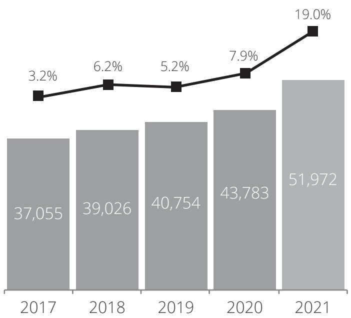
EBITDA improved to S$11.5 million in 2021, an increase of 92.1% in tandem with the 127.5% increase in net profit. A significant proportion of this EBITDA improvement is accounted for by the impact on group net profit of the fair value gain and negative goodwill enjoyed on the acquisition of OOPA. Removing the effect of non-cash items in 2021, the cash generation performance at our underlying business can be identified. EBITDA before exceptional items and fair value gain stood at S$3.6 million for 2021 – a decrease of 13.8% against what was achieved in 2020.

EBITDA before Exceptional Items &
Fair Value Effect (S$'000)



Because of the higher net profit delivered in 2021, our group's return on equity (ROE) for the year improved sharply to 19% from the 7.9% recorded in 2020. This double-digit outcome for 2021 was certainly a welcome result after several years of disappointing returns. Of course this positive outcome was aided by the outsized contribution from the fair value gain and negative goodwill on the Captii Ventures investment portfolio. Without the benefit of these gains our group would have had a much lower ROE for 2021.

Shareholders Equity (S$'000)
& Return on Equity (%)



This year the contribution of system sale contracts was considerably higher, arising from growth in revenue performance of both Unifiedcomms and GlobeOSS. Managed service contracts showed steady revenue growth at Unifiedcomms. With the performance of our businesses being maintained if not improved further in 2022, we are optimistic of our being able to also further extend our dividend payout track record – to at minimum, maintain the dividend per share that was paid to all shareholders last year.

Investing in (external) technology and innovation

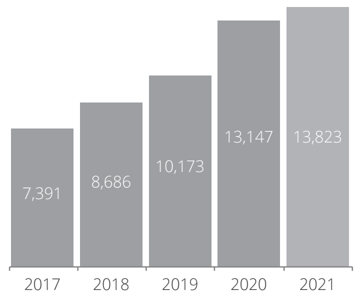
As at end-2021, we continued to have more than sufficient capital to augment our organic growth plans with growth by strategic investment. This remains an essential element of our current business plan that targets sustained, double-digit group profit growth and a significant uplift of our ROE performance.

Throughout 2021, Captii Ventures persisted in identifying and evaluating many investment opportunities in the SEA region. As a direct result of these efforts by Venture Investment team, we have a total of fifteen investments in technology ventures and start-ups as at end-2021. Out of these fifteen investments, one was made during the year while an existing investment in OOPA which was subject to litigation proceedings throughout 2020 and 2021, secured good progress following a favourable judgement being awarded by the High Court of Singapore. This resulted in OOPA becoming a subsidiary of our group, and Telio becoming an indirect portfolio investee of significant value for Captii Ventures.

Reviewing our 2021 balance sheet positions

Now to turn to our group's balance sheet as at the end of the 2021 financial year: we ended 2021 with higher current assets of S$27.2 million, as compared to S$25.3 million as at end-2020. This was mainly attributable to the increase in trade and other receivables from S$9.7 million to S$11.4 million as a result of higher revenue achieved by our group in respect of major system sale contracts that were awarded to and billed by the GlobeOSS business late in 2021. After the repayment of borrowings, group cash and cash equivalents as at end-2021 was S$13.8 million as compared to S$13.1 million as at end-2020.

Cash and Cash Equivalents (S$'000)



Our total non-current assets increased from S$30.7 million as at 31 December 2020 to S$44.1 million as at 31 December 2021, representing an increase of 43.6%. This was mainly due to increase in other financial assets as a result of the significant increase in the fair value and negative goodwill relating to acquisition of OOPA being reflected in the Captii Ventures investment portfolio.

Total liabilities of our group as at 31 December 2021 increased from S$7.1 million to S$8.7 million. This increase was mainly due to the higher cost of sales incurred related to the system sale contracts awarded in late 2021. This increase was partly offset by a reduction in borrowings and lease liabilities, following repayments in the reporting year.

Reviewing movements in group cash

Our group's net cash generated from operations for 2021 was S$3.7 million, a decrease of 34.4% as compared to the net cash generated from operations of S$5.6 million in the previous year. This decrease is mainly attributable to a less favourable working capital change of S$0.1 million for 2021, as compared to S$1.5 million for 2020. This decline was mainly due to lower collections of trade receivables for 2021 as compared to 2020.

Our group's net cash used in investing activities for 2021 amounted to S$0.4 million, a decrease of 27.2% as compared to the S$0.5 million invested in 2020. The lower net cash used in investing activities this year is attributable to the lower investment in plant and equipment invested for new managed service contracts.

The group's net cash used in financing activities for 2021 amounted to S$1.6 million, in line against what was recorded in 2020.

2021: a positive year overall but disappointing for some

We expected system sale market conditions to continue to be somewhat challenging for our group in 2021 and for our managed service contract portfolio to deliver significant growth. This proved not to be the case this year yet again as GlobeOSS managed to secure an increase in system sale contract revenues but experienced an offsetting decline in managed service contract revenues. Unifiedcomms meanwhile, achieved higher managed service contract revenues, with the outperformance of a new contract more than offseting the underperformance of certain existing managed service contract, at Unifiedcomms. However, this improvement in revenue performance came at the expense of thinning margins.

Although the growth in system sale business at GlobeOSS in 2021 had significantly augmented the slower than desired growth of our group's managed service contract portfolio, we do not expect this to be the trend that can readily be extended in the years ahead. Significant uncertainty and lumpiness is still to be expected in the contribution of system sale contracts to our group's future results. The need for our group to continue to strengthen our managed service contract portfolio and to continue to grow our venture investing business as the basis for delivering steady, if not rapid yet sustainable future growth, remains.

Challenges and opportunities in 2021 and beyond

The COVID-19 pandemic continues to affect many countries in our group's regions of focus, though certain territories have relaxed movement and travel restrictions.

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current financial year has fortunately remained minimal. Contracts in-hand continue to be progressed and management of the group are hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current financial year, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions do not improve quickly or significantly enough. Some managed service contracts of the group which have been impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, our group's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by COVID-19. As a result of the settlement achieved at OOPA in 2021, a significant fair value gain on our group's venture investment portfolio has been reflected in the results for the current financial year. A number of other investees continued to grow strongly through the year and contributed to the significant improvement in value of the Captii Ventures investment portfolio.

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

Wong Tze Leng
Executive Chairman

Anton Syazi Ahmad Sebi
Executive Director

15 March 2022

SUSTAINABILITY REPORT

STATEMENT ON SUSTAINABILITY

As a subsidiary of Advance Synergy Berhad ('ASB'), a company listed on Bursa Malaysia, Captii aligns its sustainability strategy with its parent company in three focus areas: Sustaining Growth - Caring for the Environment; Empowering Lives - Caring for our People; and Nurturing Communities - Caring for the Society. We identify with these action areas and they serve as focal points for us.

Captii's board of directors and management are committed to establish and maintain an effective sustainability management system which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The board evaluates the environmental, social and governance ("ESG") risks and opportunities relevant to the company during the formulation of their overall business strategy, objectives and performance measurements.

Management identifies the type of relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG factors based on the level of significance of impact and influence on stakeholder values, and the achievement of Captii's strategic objectives.

The board supports and approves the identification and assessment parameters of material ESG factors. The material ESG factors for Captii have been identified and reviewed by Captii's board and management. The board and management shall continue to dedicate leadership to and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. Captii will continue working towards ensuring comprehensive disclosures on the management and monitoring of our sustainability initiatives for continual improvement.

STRATEGIC APPROACH FOR SUSTAINABILITY

At Captii, we continue to refine our management approach to adapt to the changing business and sustainability landscape. Aligning with the perspective of our stakeholders, the management has, within the scope of our business operations, identified that the environment, employee relations, health & safety, product excellence, and stakeholder relations constitute key sustainability aspects material to our business.

In this regard, we have established a sustainability performance management framework (See Exhibit 1.), to enhance the monitoring and reporting of our sustainability performance.

EXHIBIT 1. CAPTII'S SUSTAINABILITY PERFORMANCE MANAGEMENT FRAMEWORK

Pillars of our sustainability performance

Sustaining Growth	Empowering Lives
Environmental Management	Labor Practices & Human Rights
Product Excellence	Safety & Health
Supply Chain Management	
Regulatory Compliance	
Corporate Governance & Risk Management[1]	

OUR MATERIALITY ASSESSMENT PROCESS

Supported by a systematic & interactive process to identify, categorise and prioritise material ESG factors

Identify	Categorise	Prioritise
Define a list of potential material ESG factors	Refine the list of topics by clustering them into categories	Engage stakeholders for feedback and validation of each topics based on importance to internal and external stakeholders

[1] Please refer to the Corporate Governance section in the annual report

SUSTAINABILITY REPORT

REPORTING PRACTICE AND BOUNDARY

The sustainability report provides detailed disclosure of management of our key sustainability matters for the financial year ended 31 December 2021.

UNDERSTANDING WHAT MATTERS TO US

We use a comprehensive materiality assessment to identify priority areas based on the business strategy outlined in our plan. Our materiality assessments were based on the AA1000 Account Ability Principles of Inclusivity and Materiality, as well as the Global Reporting Initiative (GRI) Principles for Defining Report Content – stakeholder inclusiveness, sustainability context, materiality and completeness. Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant environmental and social impacts, and would substantively influence the assessments and decisions of stakeholders.

In 2018, a robust process was undertaken to identify and prioritise Captii's material ESG factors. The process was supported by an independent consultant and involved stakeholder consultations, workshops with senior management, covering an assessment of long-term global trends and an internal review of our businesses.

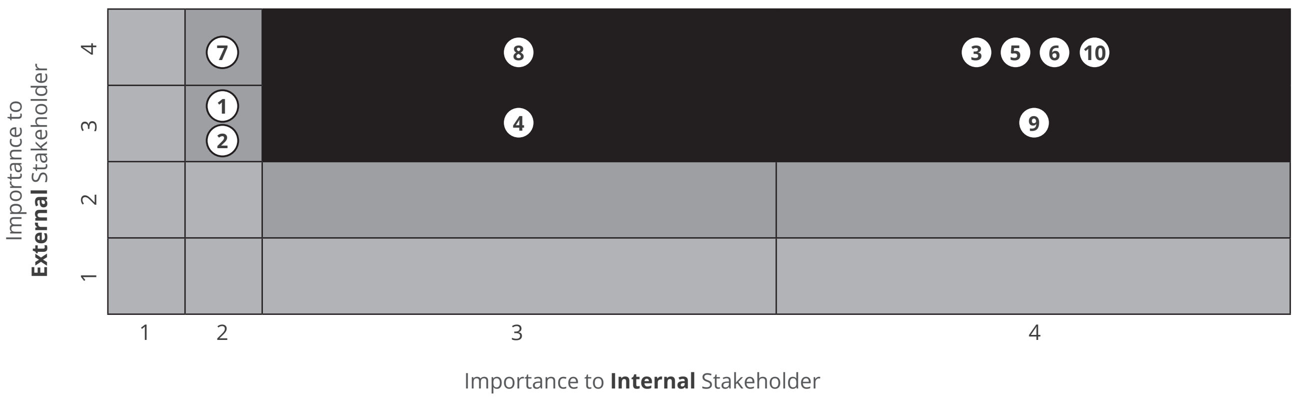
Through internal discussion and review with the independent consultant management has reviewed stakeholders across Captii's value chain and identified three (3) key stakeholder groups. These are stakeholders defined as having the most influence over and the highest level of interest in group operations as set out in Exhibit 2.

EXHIBIT 2. KEY STAKEHOLDER GROUPS

Employees	Customers	Suppliers
Engagement with employees is conducted regularly to measure satisfaction level, get feedback as well as discuss business strategy and organisational changes.	Customer satisfaction is one of the Key Performance Indicators (KPI) for all our businesses. Engagement with customers allows us to receive timely, valuable feedback to improve our service standards.	We engage suppliers to ensure alignment, especially in the areas of safety, our practices and code of conduct.

Captii's ESG factors are identified as those that are ranked as high and medium on the materiality matrix (See Exhibit 3). Management will focus sustainability efforts and reporting on these factors that are of the greatest concern to our business and key stakeholder groups.

EXHIBIT 3. CAPTII'S MATERIALITY MATRIX



ESG Factors That Were Considered

Environmental	Social	Governance
1) Energy Efficiency 2) Environmental Compliance	3) Labour Practices (Talent Attraction & Retention) 4) Equality & Diversity 5) Product & Services Responsibility 6) Data Privacy & Protection 7) Occupational Health & Safety 8) Supply Chain Management 9) Innovation	10) Anti-Bribery, Corruption / Anti-Money Laundering

Legend

High Medium Low

SUSTAINABILITY REPORT

The material ESG factors have been reviewed by Captii's board and determined as being relevant. Management strives to embrace the UN Global Compact and at present adopts a best-effort approach in observing the spirit and intent of its ten principles. Although its efforts to uphold the ten principles are not presently embedded in its operational policy and procedure documentation, the work culture of Captii's businesses is consistent with these principles.

In order to keep abreast of critical issues, management reviews annually Captii's material ESG factors against the changing business environment, stakeholder opinions, and emerging global and local trends

SUSTAINING GROWTH

ENVIRONMENTAL MANAGEMENT

Environmental sustainability forms an integral part of Captii's sustainability philosophy. At Captii, we endeavour to integrate the best sustainability practices and compliance across our value chain to reduce adverse environmental impact on the ecosystem. Given that our businesses have operations that are concentrated in offices; the impact on the environment is relatively limited and confined largely to resource and energy efficiency. In our daily operations, we continue to be committed on recycling, energy-saving practices and undertaking measures to reduce wastage, pollution and harmful emissions.

Captii is committed and strive to improve resource efficiency and reduce our environmental impact. We continue to factor in environmental considerations in our businesses.

Captii continues to encourage our staff to environmentally conscious by promoting paperless administration and operational practices to reduce paper usage and to be constantly mindful of minimising energy and water wastage. This includes office practices such as making double-sided copies when printing and photocopying, whenever possible, using the blank side of used paper for notes before recycling, reusing envelopes for internal mails and documents, switching off lights, IT equipment and other electrical devices during lunch hour or when not in use, and maintaining only security lighting after business hours.

Captii has also promoted the use of more energy efficient ceiling and desktop fans and heat shielding materials in offices to manage workplace ambient temperatures.

Commitments & Targets
• Continue to explore solutions that minimise environmental impact. • Maintain energy-efficient equipment and devices at our facilities whenever possible, including LED lights and more energy efficient-cooling solutions.

Electricity Consumption

In 2021, Captii consumed a total of 172,047 kWh of energy, lower against 294,703 kWh of energy recorded in 2020.

Waste Management

There was no hazardous waste generated from the business operations for 2021. Non-hazardous waste, from business operations, which includes old and malfunctioned equipment, such as computers, hard disks, etc are disposed through third parties periodically.

Environmental Compliance

Captii remains committed to comply with all applicable legal requirements enforced by local government authorities and relevant enforcers. Captii's operations continue to conform to local environmental laws and regulations. All employees of Captii and that of contractors and consultants are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

The environmental regulations that we comply include amongst others those listed below in Table 1.

TABLE 1. ENVIRONMENTAL COMPLIANCE REQUIREMENTS

Compliance
Environmental Quality Act 1974 (and its Amendments)
Environmental Quality (Scheduled Wastes) Regulations 2005
Environmental Quality (Sewage) Regulations 2009
Environmental Quality (Clean Air) Regulations 2014
Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015
Land Conservation Act 1960

During the reporting period, there were no incidents of non-compliance and penalties pertaining to environmental-related issues. To maintain the highest standard of environmental compliance and to prevent future occurrence of incidence, management continues to review and improve current environmental management system and practices, and ensure that all our activities and operations comply with existing regulatory requirements.

SUSTAINABILITY REPORT

PRODUCT EXCELLENCE

We believe that our financial viability hinges on customer satisfaction and our ability to meet customer demand for our product and services. Captii remains committed to execution excellence and building enduring relationships with not only our customers, but key stakeholders in our value chain.

- Internal quality control and timely respond to our customers.
- 24-hour customer careline for customers to lodge feedbacks on service issue.
- Feedback from customers including complaints are documented for future improvement and development of products and services.

Commitments & Targets
• Continue to achieve product excellence through innovation and technology. • Continue to maintain a high level of customer satisfaction across our businesses.

SUPPLY CHAIN MANAGEMENT

Captii continues to support local business by procuring supplies from them and contracting services locally. We believe that a strong local supply chain through productive partnership is vital to the growth of our business.

By such support, we believe that we can positively contribute to the local economy. We select partners who share our work ethics and values and who are willing to provide high quality products and services in a responsible manner.

In cases where local suppliers are not suitable, we will source internationally. Where outsourcing is practised, we will ensure that the products conform to our sustainable policies and are labelled with "good manufacturing practices". We believe Captii's long-term business is built mainly on the trust and confidence of customers. Therefore, feedback from customers are measured by customer satisfaction assessments, and customer complaints are documented for future improvement and development of products and services.

REGULATORY COMPLIANCE

Given the geographical diversity of our businesses, we closely monitor developments in the laws and regulations of countries where Captii operates to ensure that our businesses and operations comply with all relevant laws and regulations.

All our key employees affirm their understanding of the code of business conduct annually. We regularly engage with local government authorities and agencies to keep abreast of changes to laws and regulations.

We recognise that non-compliance with laws and regulations not only has significant financial impact but potentially detrimental reputational impact on Captii.

Commitments & Targets
• We are fully committed to strengthening our regulatory compliance framework. Our emphasis is clear and consistently reiterated. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

The audit committee supports the board in its oversight of regulatory compliance and is responsible for driving Captii's focus on implementing effective compliance and governance systems. At an operational level, the respective business segments and department within business segments are responsible to identify and self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, compliance and reputational related risks.

As part of our commitment to ethical business practices, Captii adopts a "zero-tolerance approach" towards any form of bribery and corruption in conducting its business. The Captii's Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") applies to all Captii's officers, directors, employees, contractors, its subsidiaries and joint venture companies under Captii's control. Third parties acting on behalf of or in the name of Captii, including agents, representatives, outsource providers, suppliers and other intermediaries, are required to act consistently with Captii's ABAC Policy.

Captii has put in place a whistleblowing policy and procedure to provide an avenue and platform for all personnel, employees, agents and/or third parties to disclose any acts of bribery and/or corruption in a confidential manner that protects the whistleblower from any risk of reprisal. See Corporate Governance, page 19 and 26.

During the period under review, there were no incidents of regulatory non-compliance across Captii's business segments. Captii continues to work towards reinforcing a full compliance culture.

EMPOWERING LIVES

LABOUR PRACTICES & HUMAN RIGHTS

Our employees are one of our most valuable assets. We are committed to fair employment practices, uphold human rights principles and invest in developing and training our people. At Captii, we strive to foster an inclusive and performance-driven work environment to attract, retain and develop talent. We are an equal opportunity employer and have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere all relevant policies and practices. As at 31 December 2021, Captii has a total of 173 employees group-wide. Staff turnover has been maintained below our target rate.

We continue to engage our workforce and implement initiatives to achieve our long-term goal of improving collaboration and workplace innovation. Employee engagement initiatives are organised throughout the year to forge stronger bonds among employees and enhance communication between management and staff

Commitments & Targets
• Continue to promote diversity and equal opportunity in the workplace. • Further develop our workforce through tech-enabled and self-paced training programmes

SUSTAINABILITY REPORT

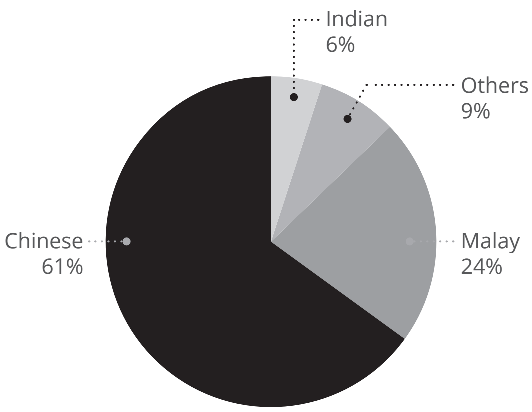
Learning & Development

To encourage and support our employees to develop their fullest potential and have a fulfilling career, Captii places priority on learning and development programmes. Our learning and development roadmap also accounts for future skills required to improve the efficiency of the business. We customise and design training and development activities based on employees' training needs and work requirements. Captii will continue to provide training and education opportunities through comprehensive development programmes going forward and promote a conducive corporate environment where everyone could achieve their potential.

Workforce Diversity & Inclusion

We believe that people should have access to the same opportunities regardless of their ethnicity, religion, gender, marital status or age. We value diversity and inclusion and are committed to the principle of equal opportunity in employment. Our hiring policies ensure equal employment opportunities for all. New hires are considered based on individual competencies as well as organisational requirements and job fit. Our employment statistics illustrate the following diversity in our workforce.

Embracing Diversity in Workforce



As at 31 December 2021, below are our employees' distribution by age and gender.

Distribution by Age (%)

Distribution by Gender (%)

Captii believes that hiring from local communities enhances our ability to understand local needs and strengthen our capabilities on the ground. Captii offers graduate placement programmes, industrial training and internships.

We believe in developing local talent to assume management positions. As of 31 December 2021, 100% of senior management across our business segments is local.

Compliance with Employment Laws & Regulation

During the period under review, there were no incidents of non-compliance with the applicable employment laws and legislations which include amongst others, those set out in Table 2 below.

TABLE 2. EMPLOYMENT COMPLIANCE REQUIREMENTS

Compliance
Employment Act 1955
Insurance System Act 2017 (EIS)
Social Security Act 1969
Employee's Provident Fund Act 1991
Personal Data Protection Act 2010
Income Tax Act 1967
Industrial Relation Act 1967
Pembangunan Sumber Manusia Berhad Act, 2001
The Contract Act 1950
Employment (Termination and Lay-Off Benefits) Regulations 1980
Industrial Court (Digital Recording of Proceedings) Rules 2015
Immigration Act 1966
Minimum Retirement Age Act 2012

Captii strives to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings. We maintain zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in all our operations.

Captii also has an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, the group human resources department, their business unit chief executive officer, a group executive director and/or independent directors of Captii. This is to reinforce our commitment to our employees to provide a workplace that is healthy, safe and secure. Across our business segments, there were no grievance cases reported in the period under review.

SUSTAINABILITY REPORT

HEALTH & SAFETY MANAGEMENT

Captii remains committed to maintaining a safe and productive environment, free from harassment in which all individuals are treated with respect and dignity and we expect all our employees and individuals that always work at our sites to follow our health and safety policies and procedures and be free from substance abuse.

Our employees and partners are assured of a safe working environment through our Health & Safety and Environment Management system (HSEMS). While the HSEMS serves as a point of reference, additional measures have been taken to cultivate a safety-first culture through various initiatives.

Processes and systems are in place to identify, mitigate and report risks and communicate best practices and we work with our contractors and subcontractors to ensure that they understand our requirements and expectations.

During the period under review, there were no incidents of fatalities across group operations.

Commitments & Targets

- Strive to raise awareness, maintain vigilance and foster a strong HSE-centric culture particularly at the ground level.
- Leverage technology to drive improvements in safety performance.

We have a health and safety committee to ensure that the company complies with Occupational Safety and Health Act. 1994. The company strives to continue maintaining its health & safety standards and driving continuous improvement in our operational health and safety performance.

COVID-19 PANDEMIC

The COVID-19 pandemic continues to affect many countries in Captii's regions of focus, though certain territories have relaxed movement and travel restrictions.

Employee well-being and safety has always been one of our top priorities. The COVID-19 pandemic has reinforced the importance of ensuring the safety and well-being of our employees. Captii has taken an active and measured approach to managing COVID-19 risks to protect our people and assets, and will sustain these effort until the pandemic resolves. Some of the measures taken include:

Workplace

- Provision of temperature screening devices
- Mandatory use of facemasks and hand sanitisers
- MySejahtera must indicate low risk status to permit office entry
- Demarcation – 1 meter physical distancing
- Updating of COVID-19-related information through emails and messaging group
- Encouraging virtual meetings
- Distribution of Antigen Rapid Test Kits (AG-RTK) to office staff before they return to office
- Work from home measures for employees, using company laptops with VPN access being assigned to all employees
- COVID-19 emergency response protocol being established

Common area

- Break time segregation
- Mandatory use of facemasks and hand sanitizers
- Daily disinfection of common areas
- Demarcation – 1 meter physical distancing for meal and meeting area

Visitor

- Provision of temperature screening devices
- Provision of facemasks and hand sanitizers
- MySejahtera must indicate low risk status to permit office entry
- Demarcation – 1 meter physical distancing

Captii remains committed to closely monitoring the effects of the pandemic and to minimise its impact on our people.

CORPORATE INFORMATION

Board of Directors:	Wong Tze Leng Anton Syazi Ahmad Sebi Phuah Peng Hock Chuah Seong Phaik Lee Su Nie	(Group Executive Chairman) (Group Executive Director) (Lead Independent Director) (Independent Director) (Non-Independent Non-Executive Director)
Company secretaries:	Ang Siew Koon, ACIS Hon Wei Ling, ACIS	
Registered office:	140 Paya Lebar Road #10-14 AZ @ Paya Lebar Singapore 409015	
Share registrar:	Boardroom Corporate & Advisory Services Pte Ltd 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	
Auditors:	RSM Chio Lim LLP 8 Wilkie Road #03-08, Wilkie Edge Singapore 228095	
Bankers:	DBS Bank Ltd HSBC Bank Malaysia Berhad	

BOARD OF DIRECTORS

Wong Tze Leng
Group Executive Chairman

Wong Tze Leng was appointed Executive Chairman of the company and the group on 10 August 2010. Tze Leng previously served as Group Chief Executive Officer, a position he held from 22 December 2002 until his appointment as Executive Chairman. Tze Leng was last re-elected to the board on 11 June 2020 and has over 30 years' experience in the information technology industry, with specific expertise in the telecommunications sector. Tze Leng sits on the board of various subsidiaries and a joint venture company of Captii Limited. He started his career in 1988 as an Engineer in the Singapore Institute of Standards & Industrial Research's design and development centre. He gained specialised expertise in computer telephony technology when he joined Federal Computer Services Pte Ltd in 1990 as a Software Engineer and later progressed to the position of Software Manager.

In 1993, he joined Dialogic as an Applications Engineer and was later promoted to the position of Business Development Director for the Asia Pacific region. During his career with Dialogic, he established a close rapport and working relationship with numerous IT companies and telcos in the Asia Pacific region. In 1998, he left Dialogic and founded the group. Tze Leng graduated from Monash University, Victoria, Australia, with a Bachelors degree in Computer Science in 1985 and subsequently obtained a Bachelors degree in Electrical and Electronic Engineering in 1987 from the same university.

Anton Syazi Ahmad Sebi
Group Executive Director

Anton Syazi Ahmad Sebi was re-designated as Executive Director of the company and the group on 1 September 2017. Anton served as Group Chief Executive Officer from 10 August 2010 to the date of his re-designation, and was Group Deputy Chief Executive Officer from December 2005 to 9 August 2010. He was first appointed to the board on 22 June 2006 and was last re-elected on 28 April 2021.

Anton was appointed Executive Deputy Chair of Advance Synergy Berhad, the group's ultimate holding company and a main board listed company on Bursa Malaysia, on 1 September 2017. Anton is Chair of Paydee Sdn Bhd and Qurex Sdn Bhd, the fintech subsidiaries of Advance Synergy Berhad and is also Chair of Captii Ventures Pte Ltd and Postpay Sdn Bhd, both Captii subsidiaries. Anton has been a Non-Executive Director of SJ Securities Sdn Bhd since September 2005 and a Director of SJ Capital Bhd, a non-listed public company, since March 2020.

Prior to joining Advance Synergy Berhad in June 2001, Anton was with the South East Asia Investment Banking Division of Credit Suisse First Boston.

Anton graduated from the London School of Economics, University of London, with a Bachelor of Science in Economics. He has a Master of Arts in Finance and holds an Investment Management Certificate awarded by the UK Society of Investment Professionals.

Phuah Peng Hock
Lead Independent Director

Phuah Peng Hock was appointed to the board on 18 December 2003 and was last re-elected on 28 April 2021. He was subsequently appointed by the board as the Lead Independent Director on 26 February 2014. Peng Hock is the founder and Managing Director of Aviha Consulting Pte Ltd, a boutique management consultancy company focusing in business planning and process upgrading with Information Technology.

Peng Hock started out as a Design Engineer before switching to the business development field. In 1990, he joined Dynacast (S) Pte Ltd, a British-based die-casting company involved in regional marketing work. He then moved on to Ugimagnetic (S) Pte Ltd, a European-based manufacturer of magnet assembly for disk drives, as Marketing Manager in 1992. In 1994, he joined a company set up by the Economic Development Board of Singapore as a Senior Consultant, where he was involved in various areas of management consultancy.

Peng Hock holds a Bachelor of Engineering (Hon) degree from the University of Strathclyde, UK, Graduate Diplomas in Marketing Management (Marketing Institute of Singapore) and Marketing (Chartered Institute of Marketing, UK), as well as a Masters degree in Entrepreneurship & Innovation from Swinburne University of Technology, Australia in 1994.

BOARD OF DIRECTORS

Chuah Seong Phaik
Independent Director

(Paul) Chuah Seong Phaik was appointed to the board on 18 December 2003 and was last re-elected on 28 April 2021. Paul has extensive experience in audit, finance and management including eight years as the Finance Director of a main board listed company on Bursa Malaysia Securities Berhad. He is the founder and Chairman of Messrs PCCO PLT Chartered Accountants.

Paul is a fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants, an Associate Member of the Institute of Internal Auditors of Malaysia and Fellow Member of The Chartered Tax Institute of Malaysia.

Lee Su Nie
Non-Independent Non-Executive Director

Lee Su Nie has been a Non-Independent Non-Executive Director of the company since 18 December 2003 and was last re- elected on 11 June 2020. Su Nie was a Non-Executive Chairman of the company from 22 June 2006 to 10 August 2010. She is also the Non-Independent Director and Group Managing Director of Advance Synergy Berhad and sits on the board of various subsidiaries of Advance Synergy Berhad.

Su Nie holds a Bachelor of Commerce (Accounting) degree from the University of Birmingham, United Kingdom and a Master of Science (Business Administration) from the University of Bath, United Kingdom. She is also a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom.

In 1985, Su Nie joined Kassim Chan Management Consultants Sdn Bhd where she provided management consultancy services. Su Nie joined the Corporate Finance Department of Rakyat Merchant Bankers Berhad in 1989. In 1991, she left Rakyat Merchant Bankers Berhad to join Perdana Merchant Bankers Berhad. Su Nie subsequently left her position as First Vice President, Corporate Finance of the Bank to join Advance Synergy Berhad in 1995.

KEY EXECUTIVES

CAPTII

Ho Ting Sai
General Manager & Head, Group Business Development

Ho Ting Sai joined the group in March 1999 and has more than 20 years' of experience in the information technology and communications industry with core competencies in telecommunications products and services.

Ting Sai was appointed as General Manager and Head of Group Business Development on 1 June 2017. Ting Sai previously served as the General Manager of Business Development of Unifiedcomms and also Head of Singapore Business, a role which involves overseeing the business operations of Unifiedcomms in Singapore.

Prior to joining the group, Ting Sai was an R&D engineer with Agilis Communications Pte Ltd, a supplier of very small aperture terminals (VSATs), microwave communications and RF equipment, now a division of a Singapore Government-linked enterprise, and a Product Manager in Dialogic Singapore Pte Ltd, a multimedia and signalling technologies and platforms vendor.

Ting Sai graduated from the Nanyang Technological University with a Bachelor of Engineering (Hons) degree in Electrical and Electronic Engineering.

Chin Wei Li
Group Corporate Affairs and Human Resources Director

Chin Wei Li joined the group in January 2001 as Group Financial Controller and has concurrently been the group's Head of Human Resources since 2015. She ceased to be the Group Financial Controller in May 2019, to take up a role in the Executive Deputy Chairman's Office of Advance Synergy Berhad, the ultimate holding company of the company. Wei Li currently serves as the Corporate Affairs and Human Resources Director of the group and is a member of the investment committee for Captii Ventures Pte Ltd.

Prior to joining the group, Wei Li was a Senior Manager in the audit assurance services group of PriceWaterhouseCoopers Malaysia, where she gained 11 years' of extensive experience in the field of business assurance involving various public-listed companies in a wide range of industries including property, financial services, timber and publishing.

Wei Li is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants.

Ng Sai Kit
Group Investments Director
Chief Executive, Captii Ventures

Ng Sai Kit joined the group in October 2007 and is currently the Group Investments Director. Sai Kit works closely with the Group Executive Directors to identify opportunities for acquisitions and investments. In this role, he is responsible for the corporate finance, corporate affairs and strategic investment activities of the group. In addition, Sai Kit is also the Executive Director and Chief Executive of Captii Ventures Pte Ltd, the venture investment business of the group.

Prior to joining the group, Sai Kit has also been involved in M&A, investments and corporate restructuring activities, as well as leading a digital and mobile advertising business within the Captii group. He has also held audit, financial advisory and corporate finance roles in PriceWaterhouseCoopers Malaysia, CIMB and corporations across various industries including manufacturing, property development, financial advisory, food services and utility services.

Sai Kit is a Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of The Association of Chartered Certified Accountants, United Kingdom. He now serves as the Vice-Chairman of the Malaysian Venture Capital & Private Equity Association.

Phang Deng Sheng
Group Financial Controller

(Danson) Phang Deng Sheng was appointed Group Financial Controller in May 2019. Danson joined the group in May 2008 as Senior Manager of Group Finance and was appointed as General Manager - Finance of the Captii group for March 2011 until his appointment as Group Financial Controller.

Prior to joining the group, Danson was Group Financial Controller of a Malaysia Stock Exchange listed enterprise engaged in the mobile value-added-services industry. Between 1999 and 2006, he gained comprehensive experience in audit, accounting and finance with the audit assurance services group of Monteiro & Heng (now known as Baker Tilly Malaysia), a Malaysia listed corporation in the construction industry and one of the world's largest automotive interiors groups.

Danson graduated from the University of Strathclyde of Scotland with a Bachelor of Accounting and Finance degree. He is also a Chartered Management Accountant of the Chartered Institute of Management Accountants, United Kingdom.

KEY EXECUTIVES

UNIFIEDCOMMS

Yong Choon Vooi
Chief Executive Officer

Yong Choon Vooi ("CV") joined the group in February 2008 as Senior Manager - Group Programme Management Office before being appointed General Manager - Group Service Delivery in March 2011.

CV was appointed Chief Executive of Unifiedcomms on 1 June 2017. Previously, CV was General Manager of the System and Service Delivery (SSD) function of Unifiedcomms. In this role, he had overall responsibility for managing and overseeing system development and implementation, as well as the associated project management and post-implementation support/ customer care functions of the Unifiedcomms business.

CV has more than 20 years' of experience in the field of software development and project management and started his career with a software development house of one of the largest Malaysian conglomerates as programmer. He then joined a Malaysia Stock Exchange listed enterprise specialising in human resource management and financial/distribution software before being engaged by a large Malaysian education services group as Project Director of their campus management solution development company. Prior to joining the group, CV was the Senior Project Manager of a Malaysia based firm that develops various solutions for the financial services industry.

CV graduated with a Bachelor of Computer Science from Campbell University, Texas, USA.

GLOBEOSS

Ann Wan Kuan
Chief Executive Officer

Ann Wan Kuan ("Ann") set up GlobeOSS in Feb 2006 and has since been the CEO of GlobeOSS.

Ann has more than 20 years of experience working with over 30 various mobile and fixed-line operators in the Asia Pacific region. Prior to setting up GlobeOSS, Ann worked with Agilent Technologies & Hewlett-Packard, undertaking various leadership positions such as SEA Consulting Manager for Hewlett Packard, Asia Pacific OSS Manager for Agilent Technologies and Managing Director for Agilent Technologies Sales Malaysia.

Ann graduated with a Bachelor Degree in Electronic Engineering (First Class Honours) from University of Manchester Institute of Science and Technology in 1993.

CORPORATE GOVERNANCE REPORT

The board of directors ("board") and management of Captii Limited ("the company") remain committed to observing and maintaining a high standard of corporate governance to protect the interests of shareholders and other stakeholders and to promote investors' confidence. This report describes the company's corporate governance practices with reference to the principles and provisions set out in the revised Code of Corporate Governance 2018 (the "Code") and the extent of compliance thereto. In areas where the company deviates from the Code, the rationale is provided.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The direction and control of the company and its subsidiaries ("the group") rests firmly with the board as it effectively assumes the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investments and operations of the group.

In addition to its statutory duties, the board's principal functions are as follows:

1. Approving the group's strategic plans, key operational initiatives, major investments and divestments and funding requirements;
2. Approving the annual budget, reviewing the performance of the business and approving the release of the quarterly and year end results announcement of the company to shareholders;
3. Providing guidance in the overall management of the business and affairs of the group;
4. Overseeing the processes for risk management, financial reporting and compliance;
5. Approving the recommended framework of remuneration for the board and key executives by the remuneration committee; and
6. Considering sustainability issues in evaluating the environmental, social and governance risks and opportunities ("ESG" factors) relevant to the group during the formulation of business strategy, objectives and performance measurements.

The board delegates certain specific responsibilities to three (3) committees namely, nominating committee ("NC"), remuneration committee ("RC") and audit committee ("AC"). The clear written terms of reference where the powers, functions as well as duties of each committee which have been detailed in the various principles in this report. Please refer to principle 4, 6 and 10 for further information on the activities of the respective committees. The board accepts that while these committees have the authority to examine any particular issue and report back to the board with their recommendations, the ultimate responsibility for the final decision on all matters lies with the entire board.

The board meets at least four (4) times a year, with additional meetings convened as warranted by particular circumstances as deemed appropriate by the board.

The attendance of the directors at board, board committees meetings and annual general meeting ("AGM"), as well as the frequency of such meetings during the financial year, are set out in Table A.

Table A: Directors Attendance at Board and Board Committee Meetings

Name	Board		AC		RC		NC		AGM	
	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended
Wong Tze Leng	4	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	1
Anton Syazi Ahmad Sebi	4	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	1
Phuah Peng Hock	4	4	4	4	1	1	1	1	1	1
Chuah Seong Phaik	4	4	4	4	1	1	1	1	1	1
Lee Su Nie	4	4	4	4	1	1	1	1	1	1

(n.a.-not applicable)

Matters which are specifically reserved to the board for decision and approval include:

1. Broad policies, business plans and budgets;
2. Investment and divestment proposals, material acquisitions and disposals of assets;
3. Corporate strategy and restructuring;
4. Share issuances and dividends;
5. The adequacy of internal controls, risk management, financial reporting and compliance;
6. Assessment of management performance; and
7. Corporate governance responsibilities.

All directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the company and hold management accountable for performance. Where a director has a conflict of interest in relation to any matter, he/she should immediately declare his/her interest and recuse themselves from discussion and decisions involving the issues of conflict, unless the board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion.

CORPORATE GOVERNANCE REPORT

There was no new director appointment during the financial year ended 31 December 2021. Upon appointment of each new director, a formal letter, setting out the director's duties and obligations shall be provided by the company. In addition, all newly appointed directors will be given briefings by management on the history, business operations and corporate governance practices of the company. The directors are provided with regular briefings and updates on changes in the requirements of the Singapore Exchange Regulation ("SGX Regco"), the Companies Act and other regulations/ statutory requirements, as well as developments in financial reporting standards, from time to time for them to keep pace with changes in the regulatory environment and commercial risks.

Briefings and updates provided to the directors in 2021:

1. The external auditors, RSM Chio Lim LLP, briefed AC members on developments in accounting and governance standards at meetings half yearly;
2. The executive chairman and executive director updated the board at quarterly meetings on strategy and new developments at the group; and
3. The executive chairman and group financial controller updated the board at quarterly meetings on the segmental business operations of the group.

In addition, the directors are encouraged to attend other seminars and training, or to seek independent professional advice, where relevant and appropriate, to enable them to discharge their duties. The training attended by directors in 2021 include:

1. Case Studies in Accounting Estimates and Impairment of Assets on 8 March 2021;
2. MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 & 34 on 19 March 2021;
3. Developing Effective and Professional Business Writing Skills on 22 & 23 March 2021;
4. Malaysian Tax Conference 2021 on 6 & 7 April 2021;
5. MFRS 16 Leases - What it Entails & its Effects on 12 April 2021;
6. Managing Conflicts Effectively at the Workplace on 21 April 2021;
7. Webinar on "Tax Audit and Tax Investigation: Checkmate for Tax Payers?" on 25 May 2021;
8. Virtual Conference entitiled "Finovate Asia Digital" on 22 & 23 June 2021;
9. Webinar on "Business Transformation Post Covid" on 4 August 2021;
10. Webinar on "Important Updates on Transfer Pricing Requirements in Malaysia" on 12 August 2021;
11. Virtual Conference entitiled "Wild Digital Southeast Asia 2021" 9 to 11 November 2021;
12. Webinar on "Baker Tilly Tax & Budget" on 17 November 2021; and
13. 2022 Budget Seminar on 30 November 2021.

The board is provided with complete, adequate and timely information prior to board meetings on an on-going basis so as to enable it to make informed decisions to discharge its duties and responsibilities. To enable the board and its committees to be adequately prepared for the meetings, agendas are circulated in advance, with board papers and related materials dispatched before the meetings.

Where a decision has to be made before a board meeting is convened, a directors' resolution is circulated in accordance with the company's constitution and the directors are provided with the necessary information that will allow them to make informed decisions. The executive chairman will also ensure that management promptly answers any queries raised by the directors.

The directors have separate and independent access to the company's management and the company secretary at all times. Directors may also request for further explanations, briefings or information on any aspect of the company's operation and business issues from management and should be provided with such information as needed to make informed decisions in a timely manner. Should the directors, whether as a group or individually, require independent professional advice; such professionals (who will be selected with the approval of the executive chairman or the chairman of the committee requiring such advice) will be appointed at the company's expense.

The appointment and removal of the company secretary is a decision of the board as a whole.

Principle 2: Board Composition and Guidance

The board currently comprises five (5) directors, two (2) of whom are independent directors and one (1) non-executive director. The independent directors make up more than one-third of the board and non-executive directors make up majority of the board, thus providing a pivotal role in ensuring that there is balance of power and authority. Each of the independent directors is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The current independent directors bring a wide range of business and financial experience, skills and knowledge necessary for the effective stewardship of the group.

The directors in office at the date of this report are disclosed within Table B below.

Table B: Members of the Board		
Executive Directors	**Independent Directors**	**Non-Independent Non-Executive Director**
Wong Tze Leng Anton Syazi Ahmad Sebi	Phuah Peng Hock Chuah Seong Phaik	Lee Su Nie

CORPORATE GOVERNANCE REPORT

The board is supported by various committees, namely the AC, NC and RC whose functions are also described below.

As the executive chairman is part of the management team, the board notes that provision 2.2 of the Code requires that independent directors should make up a majority of the board where the chairman is not independent. Having considered that the board currently comprises a majority of non-executive directors of which two (2) are independent, the board views that there is a strong independent element in the board given the size of the board. The board believes that the executive chairman has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder value and the financial performance of the group. The board also aims to maintain a diversity of expertise, industry knowledge, skills, gender, age and diversity of background among the directors, including the non-executive directors' professions and experiences, which enable them to provide independent judgement to the group's activities.

Having reviewed and considered the composition and diversity of the board, the board is of the opinion that, given the scope and nature of the group's operations, the present size of the board is appropriate for effective decision making for the group's business, and that no individual or small group of individuals dominates the decisions of the board. The board is made up of directors of both gender and who are qualified and experienced in various fields including sales, engineering, business administration, general management, accountancy and finance.

The company currently does not have a formal board diversity policy. However, the board recognises the importance and benefits of composition and diversity on the board as recommended under the Code and views board diversity as an essential element to support the attainment of its strategies objectives and substantiality development. The board believes that a diverse board would be beneficial to the company as it will enhance the decision-making process by utilising the variety in skills, industry and business experiences, gender and other distinguishing qualities of the members of the board so as to mitigate against groupthink, and to ensure that the company has the opportunity to benefit from all available talents.

In reviewing board composition and succession planning, the NC takes into account its diversity aspirations for the board and considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences are considered in determining the optimum composition of the board and when possible, should be balanced appropriately. The NC reviews the policy from time to time as appropriate and the progress made.

In recognition of the importance and value of gender diversity in the composition of the board, the board has one female director currently, representing 20% of total board membership. Su Nie has been a member of the board since December 2003.

In addition, the board consists of directors with ages ranging from the fourties to seventies, who have served on the board for different tenures. The board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the group's business and direction.

The criterion for independence is based on the provisions stated in the Code. The board considers an "independent" director as one who has no relationship with the company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. In addition, pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST, directors cannot regarded as independent if:-

(i) A director who is or has been employed by the company or any of its related corporations for the current of any of the past three (3) financial years; and

(ii) A director has an immediate family member who is, or has been in any of the past three (3) financial years, employed by the company or any of its related corporations and whose remuneration is determined by the remuneration committee.

The independence of the independent director is subject to the NC's annual review, based on the provisions stated in the Code, in particular the rigorous review on the continued independence of independent directors who have served for more than nine (9) years from the date of their first appointment.

In respect of each of the two (2) independent directors, namely Peng Hock and Paul having served more than nine (9) years, the board has considered specifically their length of service and their continued independence. The board determined that the independent directors remained independent in character and judgment, and that there were no relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. The board is of the opinion that their length of service has not, in anyway, affected their independence.

Referring to all other directors who have served beyond nine (9) years, the board does not consider the requirement of their retirement (if any) to be in the best interests of the company.

The board is able to exercise objective judgment independently from management and no individual or small group of individuals dominate the decisions of the board.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST, with effect from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such director and chief executive officer.

CORPORATE GOVERNANCE REPORT

Approval from shareholders has been obtained through a two-tier voting process at the annual general meeting held on 28 April 2021 for the continuation of Peng Hock and Paul as independent directors, who have served the company for an aggregate term of more than nine years.

Where necessary, the non-executive and independent directors meet without the presence of executive directors or management.

Principle 3: Chairman and Executive Director

Tze Leng is the executive chairman of the board and Anton is the executive director of the company. They are not related to each other. The board having considered the number of non-executive and independent directors on the board, as well as the size and scope of the affairs and operations of the group, is of the view that its current structure has a strong independent element which enables the independent exercise of objective judgment on corporate affairs of the group. This is reinforced by the establishment of the various committees of which both Tze Leng and Anton are not members.

As the chairman of the board, Tze Leng is responsible for providing leadership to the board and ensuring that the board functions effectively. He is also responsible for, among others;

(a) scheduling meetings of the board and setting the board meeting agenda in consultation with the company's senior management;

(b) exercising control over quality, quantity and timeliness of the flow of information between management and the board;

(c) ensuring compliance with the company's provisions on corporate governance; and

(d) facilitating the effectiveness contribution of non-executive directors.

The roles of the executive chairman and executive director are separate and their responsibilities are clearly formalised. Supported by the team of chief executives from respective business units of the group, the executive chairman is responsible for providing overall leadership in the management of the group. The executive director, who was formerly the group chief executive to 1 September 2017, is primarily responsible for overseeing the venture investment and corporate development activities of the group. The management and the execution of business policies, strategies, objective and plans of the businesses within the group as formalised and adopted by the board, are carried out by the chief executive of each business together with the team of key executives reporting to him.

The board has on 26 February 2014 appointed Peng Hock as the lead independent director. The lead independent director will be available to shareholders where they have concerns and for which contact through the normal channels of the executive chairman or the executive director has failed to resolve their concerns or is inappropriate.

Led by the lead independent director, the non-executive and independent directors meet without the presence of other directors, where necessary.

NOMINATION OF DIRECTORS

Principle 4: Board Membership
Principle 5: Board Performance

To facilitate a formal and transparent process for the appointment of new directors, the board has formed the NC which comprises:

Chuah Seong Phaik	(Chairman)
Phuah Peng Hock	(Member)
Lee Su Nie	(Member)

All three committee members are non-executive directors of the company. Except for Su Nie, all other members of the NC are independent directors.

The key terms of reference of the NC:

1. Reviewing and making recommendations to the board on:

   (a) The board succession plans for directors;

   (b) The process for performance evaluation of the board;

   (c) The training and professional development programs for the board; and

   (d) The appointment and re-appointment of directors.

2. Determining the director's independence annually;

3. Deciding whether or not each director is able to and has adequately carried out his duties as a director of the company in particular where the director concerned has multiple board representations;

4. Deciding the evaluation of the board's performance and proposing the objective of performance criteria to the board; and

5. Assessing the effectiveness of the board as a whole and the contributions by each individual director to the effectiveness of the board.

The role of the NC is to oversee the selection, appointment, re-appointment and induction process for directors. The NC also aims to maintain to a diversity of expertise, skills, gender, age and diversity of thought and background among the directors. Candidates are selected for their character, judgment and business acumen. New directors will be appointed based on NC's recommendations.

Where a vacancy arises under any circumstances, or where it is considered that the board would benefit from the services of a new director, the NC, in consultation with the board, will review the composition of the board, including the mix of expertise, skills and attributes of existing directors, so as to identify needed and/or desired competencies to supplement the board's existing attributes. Where it deems necessary or appropriate, the NC may seek assistance from external search consultants for the selection of potential candidates. After the NC chairman, the chairman of the board and the other NC members have interviewed the candidates, the candidates are shortlisted for the NC's formal consideration for appointment to the board.

CORPORATE GOVERNANCE REPORT

Where a director has multiple board representations, the NC will evaluate whether or not a director is able to and has been adequately carrying out his or her duties as director of the group. The NC is in the view that sufficient time and attention has been given by the directors to the affairs of the company. The listed company directorships and principal commitments of each director, if any, is disclosed in the director's profile. The maximum number of listed company representations which any director may hold is set to be not more than five (5). Currently there is no alternate director appointed to the board.

The profile that comprises key information of each of the directors is provided in page 15 to 16 of this annual report.

The NC determines annually, and as and when circumstances require, whether a director is independent, based on the Code's definition and taking into consideration the disclosures by the directors of any relationships with the company, its related corporations, its substantial shareholders or its officers. Based on this review, the NC confirms the independence of the directors concerned.

The NC has reviewed the training needs for the directors in 2021 and encouraged directors to attend the relevant training courses that could enhance their knowledge to perform their duties as directors of the company.

Pursuant to the company's constitution:

(a) at least one third of the directors shall retire from office by rotation and be eligible for re-election at every AGM; and

(b) directors appointed during the course of the financial year shall submit themselves for re-election at the next AGM of the company.

As such, the board has accepted the NC's recommendation that Tze Leng and Su Nie, who are retiring pursuant to Article 103 of the company's constitution be nominated for re-election at the forthcoming AGM (collectively the "retiring directors" and each a "retiring director"). In making the recommendation, the NC had considered the directors' overall contributions and performance.

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the additional information relating to the retiring directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is set out in Table F.

Tze Leng will, upon re-election as director, remain as group executive chairman. Su Nie will, upon re-election as director, remain as non-independent non-executive director and a member of the AC, RC and NC.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his or her performance or his or her re-nomination as a director.

The NC has adopted provisions for annual assessment of the effectiveness of the board as a whole and of the contribution of each individual director to the effectiveness of the board and has performed the necessary assent for the financial year.

As part of the process, the directors will complete appraisal forms which are then collated by the company secretary who will submit to the chairman of the NC in the form of a summary report. The summary report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the board.

Individual evaluation aims to assess whether each director continues to contribute effectively and demonstrate commitment to the role. The chairman should act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the board or seek the resignation of directors.

The NC has reviewed the overall performance of the board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the board as a whole has been satisfactory.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
Principle 8: Disclosure on Remuneration

The RC comprises all non-executive directors with the majority including the chairman being independent:

Phuah Peng Hock	(Chairman)
Chuah Seong Phaik	(Member)
Lee Su Nie	(Member)

The RC's key terms of reference include:-

1. Reviewing and making recommendation to the board a general framework of remuneration and specific remuneration packages for the board and key executives;

2. Reviewing and ensuring that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate and commercially competitive;

3. Structuring a significant and appropriate proportion of executive directors' and key executives' remuneration so as to link rewards to corporate and individual performance;

4. Reviewing and ensuring the remuneration of non-executive directors to be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors; and

5. Considering the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as SGX Regco.

The RC seeks advice internally from the group corporate affairs and human resources director, who attends all RC meetings. If necessary, the RC may also seek professional advice externally on remuneration of directors, key executives or employees. The board did not engage any external remuneration consultant to advice on remuneration matters for 2021.

CORPORATE GOVERNANCE REPORT

The RC reviews the company's obligations arising in the event of termination of the executive directors, key executive personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The remuneration of the executive directors and the key executives comprises of fixed and variable components. The fixed component is in the form of monthly base salary and allowance, while variable component is linked to the performance of the group and the individual. Staff appraisals are conducted and reviewed annually.

The non-executive directors receive directors' fees, in accordance with their level of contribution and responsibilities.

The executive chairman is currently serving his service agreement which he has renewed for a further period of three (3) years with the company on 14 December 2021 ("service agreement"). The service agreement covers the terms of employment, specifically salary and other benefits.

In setting remuneration packages, the RC took into account the performance of the group as well as the directors and key executives by aligning their interests with those of the shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer term interests of the group. The RC's recommendation is made in consultation with the executive chairman and executive director and submitted for endorsement by the entire board.

The payment of directors' fees is subject to the approval by shareholders.

As the company operates mainly in the highly competitive telecommunications industry, the company is of the view that disclosure in incremental bands is sufficient and adequate, and that any further disclosure could be detrimental to the group's interest, team spirit and the confidential nature of remuneration matters. While the exact remuneration of the individual directors and key executives is not given, the level and mix of remuneration in percentage terms of the individual directors and key executives in bands of S$250,000 are provided in Table C and D below. Total remuneration paid and payable to the directors and key executives for the financial year under review are disclose together as well.

The company is of the view that the disclosure information is sufficient for shareholders to have an adequate appreciation of the remuneration of the directors and the key executives. The company also believes that there is sufficient transparency on the company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation are consistent with the intent of principle 8 of the Code.

Remuneration of Directors

The company is only disclosing the bands of remuneration of each director for the financial year under review in Table C.

Table C: Bands of Directors' Remuneration						
Name of Directors	Fee %	Salary %	Bonus %	Allowance & Benefits %	Long Term Incentives %	Total %
S$250,001 – S$500,000						
Wong Tze Leng [1]	–	46	37	17	–	100
Below S$250,000						
Anton Syazi Ahmad Sebi [2]	–	–	79	21	–	100
Phuah Peng Hock [3]	100	–	–	–	–	100
Chuah Seong Phaik [3]	100	–	–	–	–	100
Lee Su Nie [3][4]	100	–	–	–	–	100

Notes:

(1) *Pursuant to prevailing service agreement that renewed on 14 December 2021, Tze Leng's remuneration consists of fixed salary, allowance and performance bonus.*

(2) *Anton's remuneration represents fixed allowance & benefits.*

(3) *The remuneration in the form of directors' fees is subject to the approval by the shareholders at the forthcoming AGM.*

(4) *Fees are payable to Advance Synergy Berhad.*

In aggregate, the total remuneration paid and payable to the directors for the financial year ended 31 December 2021 is S$623,000.

Save as disclosed, there are no other existing service agreement entered into between the company and any of the company's directors.

There are no retirement benefit schemes or share based compensation schemes in place for directors.

CORPORATE GOVERNANCE REPORT

Remuneration of Key Executives

Details of remuneration paid to the top seven (7) key executives (who are not directors of the company) of the group for the financial year is set out below. For competitive reasons, the company is only disclosing the bands of remuneration of each executive for the financial year under review in Table D.

Table D: Remuneration Band of Key Executives						
Name	Fee %	Salary %	Bonus %	Allowance & Benefits %	Long Term Incentives %	Total %
Below S$250,000						
Ho Ting Sai	–	82	10	8	–	100
Chin Wei Li	–	58	11	31	–	100
Ng Sai Kit	–	66	12	22	–	100
Phang Deng Sheng (Danson)	–	64	12	24	–	100
Yong Choon Vooi	–	63	12	25	–	100
Yap Wai Shoong (Patrick)	–	79	–	21	–	100
Ann Wan Kuan	78	–	18	4	–	100

In aggregate, the total remuneration paid and payable to the top seven (7) key executives for the financial year ended 31 December 2021 is S$992,000.

During the financial year, there is no employee who is substantial shareholder of the company, or is immediate family member of a director, the executive director or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 per annum.

There are no employee share schemes in place for the employees or key executives.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the interests of the shareholders and the group's assets.

The board and management assume the responsibility of the risk management function through the regular management review on the group's business and operational activities. The board determines the nature and extent of the significant risks which the board is willing to take, as well as appropriate measures to mitigate these risks.

The group's system of risk management and internal controls provides reasonable and adequate assurance that the group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The board, with the assistance of the AC will ensure that a review of the effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls and risk management system, is conducted annually. In this respect, the AC will review the audit plans, and the findings of the external and internal auditors and will ensure that the company follows up on recommendations raised by both the internal and external auditors, if any, during the audit process. The company will continue to make efforts in improving its risk management practices and internal control system.

Based on the system of internal controls established and maintained by the group, work performed by the internal and external auditors, and reviews performed by management, the board, with the concurrence of the AC, are of the opinion that the group's system of internal controls, including financial, operational, compliance and information technology controls and risks management system were adequate and effective as at 31 December 2021. This is in turn supported by assurance from the executive chairman and the group financial controller, as well as relevant key management personnel that:

(a) the financial records of the group have been properly maintained and the consolidated financial statements for the financial year ended 31 December 2021 give a true and fair view of the group's operations and finances;

(b) they have crafted a system of internal controls to ensure material information relating to every company in the group is disclosed on a timely basis by relevant person-in-charge of reporting;

(c) they have evaluated the effectiveness and adequacy of the group's risk management and internal control system as at 31 December 2021; and

(d) they have disclosed to the internal and external auditors and the board, any significant deficiencies in the internal control system that could adversely affect the ability to record and report its financial data, fraud involving the management or other employees, and material weaknesses and significant deficiencies in the internal controls policy.

The board notes that no cost effective internal control system and risk management can preclude all errors and irregularities, as a system is designed to provide only reasonable and not absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

AUDIT MATTERS

Principle 10: Audit Committee

The AC comprises:

Chuah Seong Phaik	(Chairman)
Phuah Peng Hock	(Member)
Lee Su Nie	(Member)

Except for Su Nie, who is non-independent non-executive director, the other two AC members are all independent non-executive directors. The members have had many years of experience in accounting, audit and business and financial management. The board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

There is no former partner or director of the company's existing auditing firm or auditing corporation who acts as a member of the company's AC.

Specifically, the AC shall meet on a periodic basis to perform the following functions (under the key terms of reference for AC):

(a) Reviewing the audit plan with the independent external auditors;

(b) Reviewing the company's internal accounting controls evaluation whether relevant to the statutory audit, the report on the financial statements, the key audit matters and the assistance given by the company's officers with the independent external auditors;

(c) Reviewing the audit plan, scope and results of the internal audit procedures with the internal auditors;

(d) Reviewing the financial statements of the group and the company prior to their submission to the board for adoption;

(e) Reviewing the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX-ST);

(f) Reviewing the internal control and procedures and ensuring co-ordination between the external auditors and the management;

(g) Reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the group's financial statements and any related announcements;

(h) Approving the hiring, removal, evaluation and compensation of the internal auditors;

(i) Reviewing and reporting to the board, at least annually the adequacy and effectiveness of the group's internal controls, including financial, operational, compliance, information technology controls and risk management systems;

(j) Reviewing the independence of the external auditors annually and to make recommendation to the board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(k) Reviewing the assurance from the executive chairman and the group financial controller on the financial records and financial statements; and

(l) Assisting the board in evaluating the ESG factors relevant to the group during the formulation of business strategy, objectives and performance measurements.

Minutes of the AC meetings are regularly submitted to the board for its information and review. The AC meets with the external and internal auditors, without the presence of management, at least once a year.

The AC is also authorised to investigate any matter within its terms of reference. It has full access to and the cooperation of management and the full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge it functions properly. The AC has undertaken a review of all non-audit services provided by the external auditors and in the AC's opinion, the provision of these services does not affect the independence and objectivity of the external auditors and is pleased to recommend their re-appointment.

The fees paid to the external auditors for financial year ended 31 December 2021 amounted to S$175,000 and S$28,000 for audit and non-audit services respectively.

The group has appointed different auditors for its overseas subsidiaries. The board and the AC have reviewed the appointments of different auditors for its overseas subsidiaries and are satisfied that the appointments of different auditors would not compromise the standard and effectiveness of the audit of the group. The company is in compliance with Rules 712, 715 and 716 of the Listing Manual of SGX-ST.

The group has implemented a whistle blowing policy whereby accessible channels are provided for employees of the group to raise concerns about possible improprieties in financial reporting, fraudulent acts and other irregularities, and to ensure that arrangements are in place for independent investigations of such matters and timely implementation of appropriate preventive and corrective actions.

The AC and whistle- blowing committee ("WBC") which comprises i) group corporate affairs and human resources director; ii) group investment director; and iii) head of risk management (employed under the ultimate holding company) are responsible for oversight and monitoring of whistleblowing. To ensure independent investigation of such matters and confidentiality protection of the whistleblower, reports can be sent to any of the members above for their relevant actions, such as investigation and follow-up action. The AC reviews all whistleblowing complaints, if any, at its quarterly meetings to ensure independence thorough investigation and appropriate follow-up actions are taken. The company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly and protected against detrimental or unfair treatment for whistleblowing in good faith. The details of the whistleblowing policy together with the dedicated whistle blowing communication channels (such as emails address and telephone contacts) have been made available to all employees.

CORPORATE GOVERNANCE REPORT

To-date, no reports of misconduct or impropriety have been received by the AC or WBC.

During the financial year 2021, the AC carried out the following activities:

(a) reviewed quarterly and full year financial statements (audited and unaudited) and recommended to the board for approval;

(b) reviewed and approved the interested/related party transactions;

(c) reviewed and approved the annual audit plan and report of the external auditors including key audit matters as stated in the independent auditors' report;

(d) reviewed and approved the annual internal audit plan, reports of internal auditors and appointment of internal auditors;

(e) reviewed the appointment of RSM Chio Lim LLP as the external auditors and determined their remuneration, and made a recommendation for board approval;

(f) met with the external auditors and internal auditors each once without the presence of management;

(g) reviewed the adequacy and effectiveness of the company's internal controls, including financial, operational, compliance and information technology controls and risk management system;

(h) reviewed the assurance from the executive chairman and group financial controller that the financial records have been properly maintained and the financial statements give a true and fair view of the group's operations and finances; and

(i) assisted the board in evaluation the ESG factors relevant to the group during the formulation of business strategy, objectives and performance measurements.

The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements, through advice sought, updates and briefing from management and internal auditors, and the external auditors when they attend the AC meetings half yearly. The AC has been briefed and reviewed on the key audit matters as reported in the independent auditors' report on pages 39 to 41 of this annual report, and is of the view that there is no material inconsistency between the audit procedures adopted by the external auditors and management's assessment and is satisfied that the key audit matters have been appropriately dealt with.

The function of internal audit is outsourced to Horizon Corporate Services Sdn Bhd ("HCS"). The HCS internal auditor ("IA") team is led by a director / managing consultant of HCS with more than 10 years of experience in external and internal audits on various industries, including public listed companies. The managing consultant is assisted by an experienced senior consultant to discharge the IA function properly. Both of the consultants are Chartered Member of The Institute of Internal Auditors Malaysia, while the managing consultant is also a Certified Internal Auditor by The Institute of Internal Auditors. The IA reports principally to the AC chairman.

The AC approves the engagement, termination, evaluation and compensation of the IA.

The IA provides independent appraisal and assurance for the review of the operations within the group in order to support the AC in fulfilling their oversight responsibility. The purpose is to evaluate and contribute to the improvement of risk management, control and governance systems of the group. IA has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing with the company in order for IA to discharged their function properly.

The IA adopts a risk-based approach in developing its audit plan based on the group's risk profile. The internal audit plan and the scope of internal audit are presented and approved by the AC on a yearly basis. Audit findings, recommendations and management's corrective actions are reported regularly to the AC. The AC also reviews annually the adequacy and effectiveness of the IA to ensure that the IA has the capabilities to adequately perform its functions. In the AC's opinion, the IA function is independent, effective and adequately resourced.

During the year, the IA has carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, which includes operational and internal control reviews based on prioritised risk areas identified and appropriate steps have been taken by management to address the findings and recommendations.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

In presenting the quarterly and annual financial statements and announcements of financial results to shareholders, it is the aim of the board to provide shareholders with a balanced and understandable assessment of the company's and the group's performance, position and prospects. Management will provide the board with appropriately detailed management accounts of the company's performance, position and prospects on a quarterly basis.

The board also ensures full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of SGX-ST.

Pursuant to SGX-ST Listing Manual Rule 705(5), the board provided a negative assurance confirmation for the quarterly financial statements to shareholders.

The company treats all shareholders fairly and equitably, and does not practice selective disclosure. In line with the continuous obligations of the company pursuant to SGX-ST's Rules, the board's policy is that all shareholders should be equally informed of all major developments impacting the group.

Information is disseminated to the shareholders on a timely basis through:

(i) SGXNET announcements and news releases;

(ii) Annual Reports prepared and issued to all shareholders; and

CORPORATE GOVERNANCE REPORT

(iii) Investor Relations website at captii.listedcompany.com where shareholders can access investor-related information on the company.

Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the relevant rules and procedures that govern general meetings.

At general meetings, shareholders of the company are given the opportunity to air their views and ask directors or management questions regarding the company and the group.

The company's constitution allows a member of the company to appoint not more than two (2) proxies to attend and vote on their behalf at general meetings. For the time being, the board is of the view that this is adequate to enable shareholders to participate in general meetings of the company and is not proposing to amend their constitution to allow votes in absentia.

There is no provision in the company's constitution that limit the number of proxies for a relevant intermediary which purchases shares on behalf of the CPF investors.

The company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

All directors, including chairman of the board and respective chairmen of the AC, NC and RC are present at general meetings to answer questions from shareholders. The external auditors are also present to assist the directors in addressing shareholders' queries about the conduct of the audit and the preparation and content of their auditors' report.

The company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the board and management, and makes these minutes available to shareholders at the company's website.

In compliance with Rule 730A(2) of SGX-ST's Listing Manual, the company puts all resolutions at the forthcoming general meetings to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

To minimise physical interactions and COVID-19 transmission risks, the company's forthcoming AGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (i.e. live audio-visual webcast or live audio-only stream), submission of questions to the chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to the AGM and appointing the chairman of the meeting as the proxy at the AGM, are set out in the notice of AGM. Shareholders may refer to the notice of AGM for further information.

The company does not have a fixed dividend policy. In considering the amount, frequency and form of dividend payments, the board takes into account the group's financial results, cash position, capital requirements of the group's growth and development plan, the company's retained earnings and other factors. The company paid interim dividend of 1.25 cents per share on 20 September 2021 and no final dividend has been declared / recommended for the financial year ended 31 December 2021.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served. The company has identified stakeholders are those who are impacted by the group's business and operations as well as those who have a material impact on the group's business and operations. Such stakeholders include employees, customers, vendors, communities, shareholders, regulators and investors.

The company maintained a corporate website at captii.listedcompany.com to communicate and engage with stakeholders. The company welcomes feedback from stakeholders and stakeholders may send their feedback to the company at: investorrelations@captii.com.

ADDITIONAL INFORMATION

DEALING IN SECURITIES
(SGX-ST Listing Manual Rule 1207(19))

In compliance with Rule 1207(19) of the Listing Manual of SGX-ST, the company has adopted SGX-ST's Best Practices Guide and has in place a policy of prohibition in relation to dealings in the company's securities by its officers. The company has informed its directors, officers and employees not to deal in the company's shares during the period commencing two (2) weeks before the announcement of the company's financial results for each of the first three (3) quarters of its financial year, or one (1) month before announcement of the company's full year results, and ending on the date of announcement of the relevant results. Directors, officers, and employees are also reminded not to trade in listed securities of the group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the group's securities on short-term considerations.

The directors and executives are also expected to observe insider trading laws at all time, even when dealing in securities within permitted trading period.

RISK MANAGEMENT
(SGX-ST Listing Manual Rule 1207(4)(b)(iv))

The practice of risk management is undertaken by the executive directors, key executives and senior officers of each business division under the review of the board.

The group regularly reviews and improves its business and operational activities to take into account the risk management perspective. The company seeks to identify areas of significant business risks as well as to formulate appropriate measures to control and mitigate these risks.

CORPORATE GOVERNANCE REPORT

The group's financial risk management is discussed under Note 30 to the Financial Statements, on pages 85 to 89 of this annual report.

The effectiveness of the group's risk management practices and the risk exposure of the group will continue to be reviewed by the board in light of changes in the operational environment of the group.

INTERESTED PERSON TRANSACTION ("IPT") POLICY
(SGX-ST Listing Manual Rule 907)

The company has adopted an internal policy in respect of any transaction with interested persons and has procedures established for the review and approval of the company's interested person transactions. Particulars of the interested person transactions for the financial year ended 31 December 2021, disclosed in accordance with Rule 907 of SGX-ST's Listing Manual are set out in Table E.

Table E: Particulars of the Interested Person Transactions				
Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
AESBI Power Systems Sdn Bhd *	–	114	–	–
Temasya House Sdn Bhd**	290	–	–	–

Note:

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

* *A wholly-owned subsidiary of Advance Synergy Capital Sdn Bhd (a wholly-owned subsidiary of Advance Synergy Berhad, the group's ultimate holding company).*

** *A subsidiary of Advance Synergy Realty Sdn. Bhd. (a wholly-owned subsidiary of Advance Synergy Berhad, the group's ultimate holding company).*

MATERIAL CONTRACTS
(SGX-ST Listing Manual Rule 1207(8))

Save for the IPTs, no material contract involving the directors or controlling shareholders of the company has been entered into by the company or any of its subsidiaries since the end of previous financial year and no such contract subsisted at the end of the financial year.

CORPORATE GOVERNANCE REPORT

Table F: Additional Information on Directors Seeking Re-election		
	Wong Tze Leng	**Lee Su Nie**
Date of appointment	10 August 2010	18 December 2003
Date of last re-appointment	11 June 2020	11 June 2020
Age	58	62
Country of principal residence	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Tze Leng for re-appointment as group executive chairman of the company. The board has reviewed and concluded that Tze Leng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the board.	The board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Su Nie for re-appointment as non-independent non-executive director of the company. The board has reviewed and concluded that Su Nie possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Group Executive Chairman	Non-Independent Non-Executive Director, and member of the AC, RC and NC
Professional qualifications	• Bachelors degree in Computer Science, Monash University, Victoria, Australia. • Bachelors degree in Electrical and Electronic Engineering, Monash University, Victoria, Australia.	• Bachelor of Commerce (Accounting) degree, University of Birmingham, United Kingdom. • Master of Science (Business Administration), University of Bath, United Kingdom. • Fellow Member of The Association of Chartered Certified Accountants, United Kingdom.
Working experience and occupation(s) during the past 10 years	• 2010 - present Executive Chairman of Captii Limited • 2002 - 2010 Group Chief Executive Officer of Captii Limited • 1998 Founded the group	• 2010 - present Non-Independent Non-Executive Director of Captii Limited • 2006 – 2010 Non-Executive Chairman of Captii Limited • 2012 - present Group Managing Director of Advance Synergy Berhad • 2007 - 2012 Chief Executive Officer and Executive Director of Advance Synergy Berhad
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 1,903,432 ordinary shares	Direct Interest – 20,000 ordinary shares

CORPORATE GOVERNANCE REPORT

	Wong Tze Leng	Lee Su Nie
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No Notes: 1) Spouse's deemed interest in the 365,000 ordinary shares of Advance Synergy Berhad ("ASB"), the substantial shareholder of Captii Limited. 2) Group Managing Director of ASB, the substantial shareholder of Captii Limited.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* (Other Than Directorships)	No	No
Past Directorship (for the last 5 years)	• World Hub Communications Limited (Incorporated in Labuan) (Company voluntarily wound up) • Infosurf Pte Ltd (Company voluntarily wound up) • Golden Ridge Enterprises Limited (Incorporated in British Virgin Islands) (Company voluntarily wound up)	• Helenium Holdings Limited (resigned 18.07.2019)
Present Directorship	• Adzentrum Sdn Bhd • Ahead Mobile Sdn Bhd • GlobeOSS Sdn Bhd • Postpay Asia Sdn Bhd • Postpay Sdn Bhd • Postpay Technology Sdn Bhd • Unified Assets Sdn Bhd • Unified Communications Sdn Bhd • Unified Communications (OHQ) Sdn Bhd • Unified Communications (OSS) Sdn Bhd • Otelo Telecommunications Sdn Bhd • Primarak Holdings Sdn Bhd • Voicehub Communications Sdn Bhd • World Hub Communications (M) Sdn Bhd • World Hub Global Carrier Services Sdn Bhd • Captii Limited • GlobeOSS Pte Ltd • Unified Communications Pte Ltd • Unified Communications (Tech) Pte Ltd • Captii Ventures Pte Ltd • World Hub Communications Pte Ltd • Ipnityco Pte Ltd • Unified Communications (Private) Ltd (Incorporated in Pakistan) • GlobeOSS (Brunei) Sdn Bhd (Incorporated in Brunei) • Unified Telecom Private Limited (Incorporated in India) • World Hub Communications Limited (Incorporated in British Virgin Islands)	• Advance Synergy Berhad • Advance Synergy Furniture Sdn Bhd (in Liquidation) • Advance Synergy Properties Sdn Bhd • Ahead Mobile Sdn Bhd • Dama TCM Sdn Bhd • Diversified Gain Sdn Bhd • Excellent Arch Sdn Bhd • Excellent Display Sdn Bhd • Hotel Golden Dragon Sdn Bhd • Medical Palace Sdn Bhd • Metroprime Corporation Sdn Bhd • Motorsports Adventure Sdn Bhd • Nagapura Management Corporation Sdn Bhd • Orient Escape Travel (Penang) Sdn Bhd • Orient Escape Travel Sdn Bhd • Osteria Gamberoni Sdn Bhd • Primo Espresso Sdn Bhd • Sadong Development Sdn Bhd • Segi Koleksi Sdn Bhd • Simpang Tiga Realty Sdn Bhd • Strategic Research & Consultancy Sdn Bhd • Synergy Tours Sdn Bhd • Temasya House Sdn Bhd • Unified Communications Sdn Bhd • Worldwide Matrix Sdn Bhd • XGO Technik Sdn Bhd • Yap Ah Shak House Sdn Bhd • Captii Limited • Beaver Hotels Limited • Builderworks Pty Ltd • Calmford Incorporated

CORPORATE GOVERNANCE REPORT

	Wong Tze Leng	Lee Su Nie
	• World Hub Communications Limited (Incorporated in Hong Kong) • Expandnet Limited (Incorporated in British Virgin Islands)	• Home Cinema Studio Pty Ltd • Lakswood Assets Limited • Posthotel Arosa AG • Synergy Gold Incorporated • Synergy Petroleum Incorporated • Synergy Realty Incorporated • 57-59 Philbeach Gardens Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him / her?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE REPORT

		Wong Tze Leng	Lee Su Nie
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE REPORT

	Wong Tze Leng	Lee Su Nie
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	n.a.	n.a.

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Wong Tze Leng
Anton Syazi Ahmad Sebi
Phuah Peng Hock
Chuah Seong Phaik
Lee Su Nie

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act 1967 (the "Act") except as follows:

	Shareholdings registered in the name of director or nominee		Shareholdings in which director is deemed to have an interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
The company	**Number of ordinary shares of no par value**			
Wong Tze Leng [a]	1,903,432	1,903,432	–	–
Anton Syazi Ahmad Sebi [b]	517,600	517,600	–	–
Chuah Seong Phaik	–	–	100,000	100,000
Lee Su Nie [c]	20,000	20,000	–	–

(a) Held through Citibank Nominees Singapore Pte Ltd
(b) Held through DBS Nominees (Private) Limited
(c) Held through Phillip Securities Pte Ltd

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	Shareholdings registered in the name of director or nominee: At beginning of the reporting year	Shareholdings registered in the name of director or nominee: At end of the reporting year	Shareholdings in which director is deemed to have an interest: At beginning of the reporting year	Shareholdings in which director is deemed to have an interest: At end of the reporting year
Ultimate parent company				
- Advance Synergy Berhad	Number of ordinary shares of no par value			
Anton Syazi Ahmad Sebi	–	–	30,467,000	30,467,000
Lee Su Nie	–	–	365,000	365,000
Related body corporate				
- Acrylic Synergy Sdn Bhd	Number of ordinary shares of no par value			
Anton Syazi Ahmad Sebi	1	1	–	–
- Segi Koleksi Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	105,000	105,000
- Metroprime Corporation Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	350,000	350,000
- Temasya House Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	150,000	150,000
- Yap Ah Shak House Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	15,000	15,000
- Primo Espresso Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	600,000	600,000
- Osteria Gamberoni Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	345,000	345,000
- Jiwa Baru Sdn Bhd				
Anton Syazi Ahmad Sebi	–	–	–	40
- Posthotel Arosa AG	Number of ordinary shares of CHF500 each			
Anton Syazi Ahmad Sebi	–	–	3,150	3,150
- 57-59 Philbeach Gardens Ltd	Number of ordinary shares of GBP1 each			
Anton Syazi Ahmad Sebi	–	–	100	100
- Beaver Hotels Ltd	Number of ordinary shares of GBP1 each			
Anton Syazi Ahmad Sebi	–	–	1,100	1,100

The directors' interests as at 21 January 2022 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

STATEMENT BY DIRECTORS

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares of the company or other body corporate in the group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or other body corporate in the group under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Chuah Seong Phaik	(Chairman)
Phuah Peng Hock	(Independent director)
Lee Su Nie	(Non-independent, non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor's objectivity and independence is safeguarded, where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2021.

STATEMENT BY DIRECTORS

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 24 February 2022, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Wong Tze Leng Director	Anton Syazi Ahmad Sebi Director

15 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPTII LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Captii Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2021, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Impairment testing of goodwill

Refer to Note 2A *"Goodwill"*, *"Carrying amounts of non-financial assets"* and Note 2C *"Impairment assessment of goodwill"* for relevant accounting policies and discussion of significant accounting estimates, and Note 16 "Intangible assets" for the key assumptions used in impairment testing of goodwill.

As at the reporting year end, the group has goodwill of $9.9 million, comprising approximately 14% of the group's total assets, which arose from the acquisition of business in a prior year. The amounts were allocated to a certain cash generating unit ("CGU") as at 31 December 2021. The CGU and goodwill are assessed annually for impairment. Management used the value-in-use method to determine the recoverable amount of goodwill. The value-in-use calculation requires management of the group to estimate the future cash flows expected to arise from the CGU as well as a suitable discount rate in order to calculate present value of the recoverable amount of each CGU. In estimating the future cash flows of the CGU, management forecasted the revenue, growth rates and margins based on presently available information. These estimates require judgement and the determination of the recoverable amount is a key area of focus.

We discussed with management the process used in determining various estimates such as forecasted revenues, growth rates, profit margins, tax rates and discount rates. As the assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions, our audit procedures included, among others, using our in-house valuation specialists to assist us in evaluating the assumptions and methodologies used by the group. We assessed management's estimates applied in the value-in-use model based on our knowledge of the CGU's operations, and compared them against historical forecasts and performance. Our in-house valuation specialists also performed a review of management's methodology, expectations and the discount rate used in the impairment assessment and tested the accuracy of the computations. We also assessed the adequacy of the disclosures made in the financial statements to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

b) Fair value of unquoted investments

Refer to Note 2A *"Fair value measurement"*, *"Financial instruments"* and Note 2C *"Fair value of unquoted investments"* for relevant accounting policies and discussion of significant accounting estimates, and Note 20 *"Other financial assets"* for the key assumptions used in determining the fair value of the unquoted investments.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPTII LIMITED

Key audit matters (cont'd)

b) Fair value of unquoted investments (cont'd)

As at 31 December 2021, unquoted investments, comprising mainly of unquoted equity investments and unquoted debt securities, amounted to $28.5 million and represented approximately 40% of the group's total assets. Included within this was an investment recognised by the group as at 7 December 2021 arising from an acquisition of a subsidiary. The fair value of the investment, determined on 7 December 2021, was $12.5 million. The fair value of the unquoted investment acquired on 7 December 2021 in connection with the acquisition of a subsidiary and the fair values of the substantial majority of the group's unquoted investments as at 31 December 2021 were determined with the assistance of independent external specialists and applying valuation methodology that involved complex management's judgments because these securities are not traded in an active market. The determination of the fair values of the financial instruments using Level 3 inputs is considerably more subjective given the lack of availability of market-based data.

We assessed the basis and process used by management in determining the fair values, the appropriateness of the valuation methodologies used to revalue the unquoted financial instruments, and whether there were indicators that could adversely affect the valuation of each unquoted investment. The audit team was supported by our in-house valuation specialists to assess whether the valuations arrived at by the group were within a pre-defined range of acceptable differences, determined with reference to acceptable valuation practice, market practice and SFRS(I) 13 Fair Value Measurement. We also reviewed the independence, competence and experience of the independent external specialists used by management in assessing their objectivity, professional qualifications and resources. As part of these audit procedures, we assessed the reasonableness of key inputs and assumptions used in the valuation, such as the expected operational performance and weighted average cost of capital by benchmarking them with external data. Finally, we also assessed the adequacy of the disclosures made in the financial statements about the degree of estimation made when valuing these unquoted investments.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPTII LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Naveen Sasidaran.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

15 March 2022

Engagement partner - Effective from year ended 31 December 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

		Group	
	Notes	2021	2020
		$'000	$'000 (Restated)
Revenue	5	23,871	21,361
Cost of sales		(12,241)	(10,093)
Gross profit		11,630	11,268
Interest income	6	160	196
Other income and gains	7	8,201	1,999
Technical support expenses		(4,868)	(4,207)
Distribution costs		(1,206)	(936)
Administrative expenses		(3,280)	(3,042)
Other losses	7	(170)	(196)
Finance costs	9	(108)	(134)
Profit before tax		10,359	4,948
Income tax expense	11	(848)	(768)
Profit, net of tax		9,511	4,180
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(560)	91
Total comprehensive income for the year		8,951	4,271
Profit for the year attributable to:			
- Owners of the company		9,075	3,347
- Non-controlling interests		436	833
		9,511	4,180
Total comprehensive income for the year attributable to:			
- Owners of the company		8,588	3,428
- Non-controlling interests		363	843
		8,951	4,271
Earnings per share		**Cents**	**Cents**
- Basic and diluted earnings per share	12	28.40	10.47

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	31.12.2021	Group 31.12.2020	1.1.2020
		$'000	$'000 (Restated)	$'000
ASSETS				
Non-current assets				
Plant and equipment	14	1,811	2,454	1,690
Investment property	15	2,137	2,306	2,301
Intangible assets	16	10,645	10,956	10,888
Investment in a joint venture	18	–	–	–
Investment in an associate	19	–	–	–
Other financial assets	20	28,523	13,829	12,073
Trade receivables	22	–	281	599
Deferred tax assets	11	1,025	921	1,362
Total non-current assets		44,141	30,747	28,913
Current assets				
Inventories	21	4	4	4
Trade and other receivables	22	11,384	9,695	11,861
Other non-financial assets	23	2,017	2,492	3,073
Cash and cash equivalents	24	13,823	13,147	10,173
Total current assets		27,228	25,338	25,111
Total assets		71,369	56,085	54,024
EQUITY AND LIABILITIES				
Equity				
Share capital	25	31,948	31,948	31,948
Retained earnings		28,672	19,996	17,048
Foreign currency translation reserve (adverse balance)		(8,648)	(8,161)	(8,242)
Equity, attributable to owners of the company		51,972	43,783	40,754
Non-controlling interests		10,747	5,177	4,655
Total equity		62,719	48,960	45,409
Non-current liabilities				
Lease liabilities	29	417	691	–
Deferred tax liabilities	11	–	6	–
Total non-current liabilities		417	697	–
Current liabilities				
Income tax payable		548	158	344
Trade and other payables	26	6,362	3,785	4,615
Other non-financial liabilities	27	707	1,191	1,931
Borrowings	28	274	970	1,652
Lease liabilities	29	342	324	73
Total current liabilities		8,233	6,428	8,615
Total liabilities		8,650	7,125	8,615
Total equity and liabilities		71,369	56,085	54,024

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Company	
	Notes	2021	2020
		$'000	$'000
ASSETS			
Non-current asset			
Investments in subsidiaries	17	34,778	34,778
Total non-current asset		34,778	34,778
Current assets			
Other receivables	22	10,450	9,446
Other non-financial assets	23	28	5
Cash and cash equivalents	24	141	221
Total current assets		10,619	9,672
Total assets		45,397	44,450
EQUITY AND LIABILITIES			
Equity			
Share capital	25	31,948	31,948
Retained earnings		10,701	9,996
Total equity		42,649	41,944
Current liabilities			
Income tax payable		6	–
Other payables	26	2,742	2,506
Total current liabilities / total liabilities		2,748	2,506
Total equity and liabilities		45,397	44,450

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

Group	Total equity	Attributable to parent sub-total	Share capital	Retained earnings	Foreign currency translation reserve	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000
Current year:						
Opening balance at 1 January 2021	46,901	41,724	31,948	17,937	(8,161)	5,177
Adjustments to beginning balance (Note 34)	2,059	2,059	–	2,059	–	–
Restated opening balance at 1 January 2021	48,960	43,783	31,948	19,996	(8,161)	5,177
Changes in equity:						
Total comprehensive income for the year	8,951	8,588	–	9,075	(487)	363
Dividends paid (Note 13)	(559)	(399)	–	(399)	–	(160)
Acquisition of subsidiary (Note 17)	5,367	–	–	–	–	5,367
Closing balance at 31 December 2021	62,719	51,972	31,948	28,672	(8,648)	10,747
Previous year:						
Opening balance at 1 January 2020	45,409	40,754	31,948	17,048	(8,242)	4,655
Changes in equity:						
Total comprehensive incomefor the year, restated	4,271	3,428	–	3,347	81	843
Dividends paid (Note 13)	(720)	(399)	–	(399)	–	(321)
Closing balance at 31 December 2020	48,960	43,783	31,948	19,996	(8,161)	5,177

Company	Total equity	Share capital	Retained earnings
	$'000	$'000	$'000
Current year:			
Opening balance at 1 January 2021	41,944	31,948	9,996
Changes in equity:			
Total comprehensive income for the year	1,104	–	1,104
Dividends paid (Note 13)	(399)	–	(399)
Closing balance at 31 December 2021	42,649	31,948	10,701
Previous year:			
Opening balance at 1 January 2020	42,449	31,948	10,501
Changes in equity:			
Total comprehensive income for the year	(106)	–	(106)
Dividends paid (Note 13)	(399)	–	(399)
Closing balance at 31 December 2020	41,944	31,948	9,996

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Group	
	2021	2020
	$'000	$'000 (Restated)
Cash flows from operating activities		
Profit before tax	10,359	4,948
Adjustments for:		
Interest income	(160)	(196)
Negative goodwill arising on step-up of interest in an associate to subsidiary	(1,620)	–
Fair value gain on remeasurement of the group's previously held interest in an associate	(4,442)	–
Fair value gain on unquoted investments	(1,991)	(1,884)
Gain on disposal of plant and equipment	–	(3)
Amortisation of intangible assets	297	313
Depreciation of plant and equipment	883	782
Impairment loss on intangible assets	–	11
Fair value loss on investment property	130	–
Write-off of plant and equipment	1	7
Interest expense	108	134
Operating cash flows before changes in working capital	3,565	4,112
Trade and other receivables (a)	(2,459)	2,482
Other non-financial assets	475	581
Trade and other payables	2,576	(835)
Other non-financial liabilities	(484)	(740)
Net cash flows from operations	3,673	5,600
Income taxes paid	(584)	(498)
Net cash flows from operating activities	3,089	5,102
Cash flows from investing activities		
Purchase of plant and equipment (Note 14)	(185)	(437)
Proceeds from disposal of plant and equipment	–	5
Proceeds from disposal of unquoted investment	148	173
Investment in other financial assets	(300)	(72)
Payments for development costs (Note 16)	(187)	(365)
Interest received	160	196
Net cash flows used in investing activities	(364)	(500)
Cash flows from financing activities		
Dividends paid to equity owners	(399)	(399)
Dividends paid to non-controlling interests of subsidiary	(160)	(321)
Cash restricted in use	(36)	109
Lease liabilities – principal portion paid	(332)	(192)
Repayment of interest bearing borrowings	(565)	(629)
Interest paid	(108)	(134)
Net cash flows used in financing activities	(1,600)	(1,566)
Net increase in cash and cash equivalents	1,125	3,036
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	10,536	7,398
Effect of exchange rate changes on cash and cash equivalents	(329)	102
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 24A)	11,332	10,536

Non-cash transaction:

(a) During the reporting year, the group recorded a non-cash transaction where a receivable amounting to $1,052,000 was de-recognised as part of consideration for the acquisition of a subsidiary. This had arisen following the favourable conclusion of the litigation pursued by the group's investee, namely OOPA Pte Ltd. Also, see Notes 3D and 17.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. General

Captii Limited (the "company") is incorporated in Singapore with limited liability. It is listed on the Main board of the Singapore Exchange ("SGX"). The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and its subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are those of investment holding and the provision of management services.

The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

The registered office and principal place of business of the company is located at 140 Paya Lebar Road, #10-14 AZ@Paya Lebar, Singapore 409015.

COVID-19 related disclosures

Management has considered the market conditions at the end of the reporting year and reviewed the probable impact and plausible downside scenarios, along with its responses as a result of the COVID-19 pandemic. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the foreseeable future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Distinct goods or services in a series – For distinct goods or services in a series such as managed services where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or service provided.

Distinct goods or services created over time – For long-term service contracts and projects for developing an asset such as system sales, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the input method. For the input method, the revenue is recognised on the basis of the efforts or inputs to the satisfaction of a performance obligation such as costs incurred, relative to the total expected inputs to the satisfaction of that performance obligation.

Provisions for losses on contracts – When the current estimates of the total amount of consideration expected to be received in exchange for transferring promised goods or services to the customer, and contract cost indicate a loss, a provision for the entire loss on the contract is made as soon as the loss becomes evident. An adjustment is also made to reflect the effects of the customer's credit risk. The loss on a contract is reported as an additional contract cost (an operating expense), and not as a reduction of revenue or a non-operating expense.

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attached to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are presented in the statement of financial position by recognising the grants as deferred income that is recognised in profit or loss on a systematic basis over the useful lives of the assets and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Certain subsidiaries have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. Contributions are charged to profit or loss in the period to which they relate.

Contributions to government managed retirement benefit plans such as the Central Provident Fund in Singapore and Employees Provident Fund in Malaysia which specify the employer's obligations are dealt with as defined contribution retirement benefit plans. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency of the company is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation of these consolidated financial statements is in the functional currency of the company.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at the end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

Income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority and entity. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Computers, telecommunications, research and development equipment	–	3 to 5 years
Office equipment, furniture, motor vehicle and renovation	–	5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment and are depreciated over the lease terms ranging from 2 to 5 years.

Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) or held under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction.

After initial recognition at cost including transaction costs, the fair value model is used to measure the investment property at fair value as of the end of the reporting year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis annually by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Deferred development costs (completed)	–	5 years
Intellectual property	–	5 years

Development costs – Development costs are typically internally generated intangible assets. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) therefore it is the intention of management to complete the intangible asset and use or sell it.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The group's investment in an associate is accounted for at fair value through profit or loss financial assets in accordance with the financial reporting standard on financial instruments (see note on financial instruments below).

Joint arrangement – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is a party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement.

The reporting interests in joint ventures are recognised in the consolidated financial statements using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures.

Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the company.

For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at the end of each reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value-in-use method is adopted, in assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At the end of each reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments not carried at fair values approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of such current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in such event, the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Impairment assessment of goodwill

An assessment is made annually whether goodwill has suffered any impairment loss, based on the recoverable amounts of the cash generating unit ("CGU"). The recoverable amount of the CGU was determined based on value-in-use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates as disclosed in Note 16C. The assessment process is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions. Actual outcomes could vary from these estimates. The carrying amount of the group's goodwill as at the end of the reporting year was $9,891,000 (2020: $10,061,000).

Development costs

Development costs are capitalised as intangible assets in accordance with the accounting policy in Note 2A. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established plan. Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of profits. Should a project fail to substantiate its estimated feasibility or life cycle or other events or changes in circumstances arise that indicate that the carrying value of these assets may not be recoverable, material development costs may be required to be written off in future periods. The carrying amount has been disclosed in the Note on intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Expected credit loss allowance on trade receivables

The allowance for expected credit losses ("ECL") assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Revenue recognised over time

The entity has revenue where the performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Judgment is required when selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the Notes on revenues, contract assets and contract liabilities.

Measurement of impairment of subsidiaries

When a subsidiary is in net equity deficit and has suffered operating losses, the recoverable amount of the investee is estimated to assess whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flows. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require adjustments to the carrying amount of the investments in subsidiaries. The carrying amount of the company's specific assets at the end of the reporting year affected by the assumptions is $11,000,000 (2020: $11,000,000).

Fair value of unquoted investments

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. This measurement requires significant judgement. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The assumptions and the fair values are disclosed in the Notes on other financial assets and investment in an associate.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group

Name	Relationship	Country of incorporation
Worldwide Matrix Sdn Bhd	Immediate parent company	Malaysia
Advance Synergy Berhad	Ultimate parent company	Malaysia

Advance Synergy Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Related companies in these financial statements include the members of the above group of companies, including those that are associates of members of the above group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Related party relationships and transactions (cont'd)

3B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2021	2020
	$'000	$'000
Related companies:		
Management fee received/receivable	(80)	(60)
Purchase of services	25	72
Rental and maintenance expense	290	114

3C. Key management compensation

	Group	
	2021	2020
	$'000	$'000
Salaries and other short-term employee benefits	1,615	1,379

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2021	2020
	$'000	$'000
Remuneration of directors of the company and subsidiaries	532	320
Fees to directors of the company	91	91

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

Group	Related companies 2021	Related companies 2020
	$'000	$'000
Other receivables:		
Balance at beginning of the year – net	64	88
Amounts received and settlement of liabilities	(19)	(71)
Amounts paid out and settlement of liabilities	11	47
Foreign exchange adjustments	(2)	–
Balance at end of the year – net	54	64
Presented in the statement of financial position as follows:		
Other receivables – ultimate parent company (Note 22)	97	99
Other receivables – related companies (Note 22)	–	7
Other payables – ultimate parent company (Note 26)	(27)	(26)
Other payables – related companies (Note 26)	(16)	(16)
	54	64

Group and Company	Associate 2021	Associate 2020
	$'000	$'000
Other receivables:		
Balance at beginning of the year	212	26
Amounts paid out and settlement of liabilities	840	186
Reclassified to amount due from subsidiaries	(1,052)	–
Balance at end of the year (Note 22)	–	212

Company	Subsidiaries 2021	Subsidiaries 2020
	$'000	$'000
Other receivables:		
Balance at beginning of the year – net	7,484	8,078
Reclassified from amount due from associate	1,052	–
Amounts received and settlement of liabilities	(1,140)	(1,233)
Amounts paid out and settlement of liabilities	1,102	639
Balance at end of the year – net	8,498	7,484
Presented in the statement of financial position as follows:		
Other receivables (Note 22)	10,947	9,731
Other payables (Note 26)	(2,449)	(2,247)
	8,498	7,484

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the reporting entity is organised into the three major strategic operating segments that offer different products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

* Unifiedcomms – Segment for content-driven mobile value-added services ("VAS"), messaging and signalling 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.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

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4. Financial information by operating segments (cont'd)

4B. Profit or loss and assets and liabilities and reconciliations

2021	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Profit or loss						
Revenue by segment						
- External	15,196	8,675	–	–	–	23,871
- Inter-segment	–	546	–	590	(1,136)	–
	15,196	9,221	–	590	(1,136)	23,871
Cost of sales	(8,069)	(4,781)	–	(57)	666	(12,241)
Gross profit	7,127	4,440	–	533	(470)	11,630
Interest income	49	111	–	–	–	160
Other income and gains	233	10	8,165	128	(335)	8,201
Technical support expenses	(2,765)	(2,041)	–	(62)	–	(4,868)
Distribution costs	(480)	(733)	–	–	7	(1,206)
Administrative expenses	(1,997)	(552)	(481)	(1,067)	817	(3,280)
Other losses	(120)	(22)	(1)	(131)	104	(170)
Finance costs	(81)	(16)	(11)	–	–	(108)
Profit (loss) before tax	1,966	1,197	7,672	(599)	123	10,359
Income tax expense	(589)	(259)	(4)	4	–	(848)
Profit (loss), net of tax	1,377	938	7,668	(595)	123	9,511
Profit (loss), net of tax, attributable to:						
Owners of the company	1,377	477	7,693	(595)	123	9,075
Non-controlling interests	–	461	(25)	–	–	436
Profit (loss), net of tax	1,377	938	7,668	(595)	123	9,511
Other information						
Depreciation of plant and equipment	(733)	(192)	–	(2)	44	(883)
Amortisation of intangible assets	(674)	–	–	–	377	(297)
Impairment loss on receivables	(10)	–	–	–	–	(10)
Fair value loss on investment property	–	–	–	(130)	–	(130)
Negative goodwill arising on step-up of interest in an associate to subsidiary	–	–	1,620	–	–	1,620
Fair value gain on remeasurement of group's previously held interest in an associate	–	–	4,442	–	–	4,442
Fair value gain on unquoted investments	–	–	1,991	–	–	1,991
Assets and liabilities and reconciliations						
Segment assets	33,101	15,337	28,630	54,499	(61,223)	70,344
Unallocated assets						1,025
Total assets						71,369
Segment liabilities	9,904	3,606	12,132	7,909	(24,901)	8,650
Unallocated liabilities						–
Total liabilities						8,650
Other segment items						
Capital expenditure						
- Plant and equipment	178	7	–	–	–	185
- Development costs	187	–	–	–	–	187
						372

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4. Financial information by operating segments (cont'd)

4B. Profit or loss and assets and liabilities and reconciliations (cont'd)

2020	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
	$'000	$'000	$'000 (Restated)	$'000	$'000	$'000 (Restated)
Profit or loss						
Revenue by segment						
- External	12,069	9,292	–	–	–	21,361
- Inter-segment	–	532	–	682	(1,214)	–
	12,069	9,824	–	682	(1,214)	21,361
Cost of sales	(5,699)	(5,062)	–	(55)	723	(10,093)
Gross profit	6,370	4,762	–	627	(491)	11,268
Interest income	57	139	–	–	–	196
Other income and gains	162	62	1,884	59	(168)	1,999
Technical support expenses	(2,290)	(1,749)	–	(71)	(97)	(4,207)
Distribution costs	(338)	(605)	–	–	7	(936)
Administrative expenses	(1,714)	(490)	(550)	(1,097)	809	(3,042)
Other losses	(134)	(41)	(28)	(29)	36	(196)
Finance costs	(116)	(18)	–	–	–	(134)
Profit (loss) before tax	1,997	2,060	1,306	(511)	96	4,948
Income tax expense	(396)	(361)	–	(11)	–	(768)
Profit (loss), net of tax	1,601	1,699	1,306	(522)	96	4,180
Profit (loss), net of tax, attributable to:						
Owners of the company	1,601	866	1,306	(522)	96	3,347
Non-controlling interests	–	833	–	–	–	833
Profit (loss), net of tax	1,601	1,699	1,306	(522)	96	4,180
Other information						
Impairment loss on intangible assets	–	(11)	–	–	–	(11)
Impairment loss on receivables	(30)	–	–	–	–	(30)
Depreciation of plant and equipment	(641)	(193)	–	(2)	54	(782)
Amortisation of intangible assets	(714)	(6)	–	–	407	(313)
Fair value gain on investments	–	–	1,884	–	–	1,884
Assets and liabilities and reconciliations						
Segment assets	33,300	13,425	13,870	53,260	(58,691)	55,164
Unallocated assets						921
Total assets						56,085
Segment liabilities	9,196	2,320	10,412	7,133	(21,942)	7,119
Unallocated liabilities						6
Total liabilities						7,125
Other segment items						
Capital expenditure						
- Plant and equipment	253	184	–	–	–	437
- Development costs	348	17	–	–	–	365
						802

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4. Financial information by operating segments (cont'd)

4C. Geographical segments

The group's geographical segments in respect of revenue generating activites comprise of South East Asia, South Asia, Middle East and Africa and Others:

- South East Asia – the group is headquartered in Singapore, and has operations in Singapore and other South East Asian countries. The operations in this area are principally the provision of telecommunications products and customised solutions for the telecommunications industry, the provision of global roaming quality and service management solutions; and
- South Asia, Middle East and Africa and Others – the operations in these areas are principally the provision of telecommunications products and customised solutions for the telecommunications industry.

Others represent China, North America and other countries outside of South East Asia, South Asia, Middle East and Africa.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The total assets and non-current assets exclude deferred tax assets.

	Revenue	Total assets	Non-current assets	Capital expenditure
	$'000	**$'000**	**$'000**	**$'000**
2021 – Group				
South East Asia (#)	23,379	68,202	43,013	371
South Asia	273	798	93	1
Middle East and Africa	219	256	–	–
Others	–	1,088	10	–
	23,871	70,344	43,116	372
(#) South East Asia included				
Singapore	573	11,750	10,985	43
Malaysia	20,524	37,936	16,317	323
Others	2,282	18,516	15,711	5
	23,379	68,202	43,013	371

	Unifiedcomms	GlobeOSS	Others	Total
	$'000	**$'000**	**$'000**	**$'000**
External sales				
South East Asia	14,704	8,675	–	23,379
South Asia	273	–	–	273
Middle East and Africa	219	–	–	219
Others	–	–	–	–
	15,196	8,675	–	23,871

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (cont'd)

4C. Geographical segments (cont'd)

	Revenue	Total assets	Non-current assets	Capital expenditure
	$'000	$'000 (Restated)	$'000 (Restated)	$'000
2020 – Group				
South East Asia (#)	20,470	52,920	29,443	796
South Asia	333	672	57	6
Middle East and Africa	554	259	–	–
Others	4	1,313	326	–
	21,361	55,164	29,826	802
(#) South East Asia included				
Singapore	683	11,664	10,146	–
Malaysia	17,681	36,152	16,233	779
Others	2,106	5,104	3,064	17
	20,470	52,920	29,443	796

	Unifiedcomms	GlobeOSS	Others	Total
	$'000	$'000	$'000	$'000
External sales				
South East Asia	11,182	9,288	–	20,470
South Asia	333	–	–	333
Middle East and Africa	554	–	–	554
Others	–	4	–	4
	12,069	9,292	–	21,361

4D. Contract type

Group	2021 System sales	2021 Managed services	2021 Total	2020 System sales	2020 Managed services	2020 Total
	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	7,000	16,871	23,871	5,566	15,795	21,361
Gross profit	4,161	7,469	11,630	3,304	7,964	11,268
Gross profit margin	59.4%	44.3%	48.7%	59.4%	50.4%	52.8%

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.

Revenues of $6,387,000 (2020: $5,876,000) and $5,068,000 (2020: $4,385,000) were derived from two (2020: two) external customers. The former is attributable to the Unifiedcomms and GlobeOSS business segments while the latter is attributable to the Unifiedcomms business segment.

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5. Revenue

Revenue from contracts with customers

	Group	
	2021	2020
	$'000	$'000
System sales	7,000	5,566
Managed services	16,871	15,795
Total revenue	23,871	21,361

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

6. Interest income

	Group	
	2021	2020
	$'000	$'000
Interest income from banks	160	196

7. Other income and gains and (other losses)

	Group	
	2021	2020
	$'000	$'000
		(Restated)
Fair value gain on unquoted investments (Note 20)	1,991	1,884
Fair value gain on remeasurement of the group's previously held interest in an associate (Note 19)	4,442	–
Negative goodwill arising on step-up of interest in an associate to subsidiary (Note 17)	1,620	–
Other income	148	112
Gain on disposal of plant and equipment	–	3
Impairment loss on receivables (Note 22)	(10)	(30)
Impairment loss on intangible assets (Note 16)	–	(11)
Fair value loss on investment property (Note 15)	(130)	–
Write-off of plant and equipment (Note 14)	(1)	(7)
Foreign exchange loss, net	(18)	(135)
Others	(11)	(13)
Net	8,031	1,803
Presented in profit or loss as:		
Other income and gains	8,201	1,999
Other losses	(170)	(196)
Net	8,031	1,803

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8. Employee benefits expense

	Group	
	2021	2020
	$'000	$'000
Short term employee benefits expense	6,034	4,787
Contributions to defined contribution plan	787	736
Other benefits	540	430
Total employee benefits expense	7,361	5,953
Charged to profit or loss included in:		
Cost of sales	988	699
Technical support expenses	4,256	3,389
Distribution costs	969	775
Administrative expenses	1,148	1,090
Total employee benefits expense	7,361	5,953

During the reporting year, the group received grants under the Jobs Support Scheme in Singapore and Wage Support Programme in Malaysia, amounting to a total of $28,911 (2020: $202,000), which was recognised as a deduction against the employee benefits expense incurred. These temporary schemes were introduced to help enterprises retain employees amidst the period of economic uncertainty during COVID-19.

9. Finance costs

	Group	
	2021	2020
	$'000	$'000
Interest expense	59	98
Interest on lease liabilities	49	36
	108	134

10. Items in profit or loss

In addition to the profit or loss line items disclosed elsewhere in the notes to the financial statements, these items include the following expenses:

	Group	
	2021	2020
	$'000	$'000
Audit fees to the independent auditors of the company	135	116
Audit fees to the other independent auditors	40	39
Other fees to the independent auditors of the company	15	14
Other fees to the other independent auditors	13	15

NOTES TO THE FINANCIAL STATEMENTS

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11. Income tax

11A. Components of tax expense (income) recognised in profit or loss

	Group	
	2021	2020
	$'000	$'000
Current tax expense:		
Current tax expense	881	320
Under (over) provision in prior years	5	(85)
Withholding tax expense	72	86
Subtotal	958	321
Deferred tax (income) expense:		
Deferred tax (income) expense	(110)	447
Total income tax expense	848	768

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the company is situated. The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17.0% (2020: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021	2020
	$'000	$'000
Profit before tax	10,359	4,948
Income tax expense at the above rate	1,761	841
Effect of different tax rates in different countries	138	198
Expenses not deductible for tax purposes	441	375
Income not subject to tax	(1,516)	(527)
Income tax exemption	–	(46)
Previously unrecognised deferred tax assets recognised this year	(53)	(74)
Overprovision in prior years	5	(85)
Withholding tax expense	72	86
Total income tax expense	848	768

There are no income tax consequences of dividends to owners of the company.

A subsidiary of the group in Malaysia, Postpay Technology Sdn Bhd, has been granted pioneer status as Multimedia Super Corridor ("MSC") company under the Malaysia Promotion of Investment Act, 1986. The benefits to a company having MSC status include a five year pioneer status tax exemption on profits generated from the MSC qualifying activities during the same period. The pioneer status of Postpay Technology Sdn Bhd commenced from 3 January 2017, and expired on 2 January 2022.

11B. Deferred tax (income)/expense recognised in profit or loss

	Group	
	2021	2020
	$'000	$'000
Excess of book value over tax depreciation of plant and equipment	15	(29)
Unutilised tax losses	(75)	147
Provisions	(86)	22
Difference in tax and accounting profit recognition for managed services and system sales contracts in certain jurisdictions	43	298
Others	(7)	9
Total deferred tax (income)/expense recognised in profit or loss	(110)	447

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

11. Income tax (cont'd)

11C. Deferred tax balance in the statements of financial position

	Group	
	2021	2020
	$'000	$'000
Excess of book value of plant and equipment over tax values	(51)	(36)
Unutilised tax losses	681	606
Provisions	206	120
Difference in tax and accounting profit recognition for managed services and system sales contracts in certain jurisdictions	180	223
Others	9	2
Net balance	1,025	915
Presented in the statements of financial position as follows:		
Deferred tax assets	1,025	921
Deferred tax liabilities	–	(6)
Net balance	1,025	915

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries and associate are insignificant.

11D. Unrecognised deferred tax assets

	2021		2020	
	Gross amount	Tax effect	Gross amount	Tax effect
	$'000	$'000	$'000	$'000
Group				
Unutilised tax losses	10,136	1,828	10,422	1,879
Unutilised capital allowances	106	25	123	28
	10,242	1,853	10,545	1,907

Included in unutilised tax losses are losses relating to Malaysian subsidiaries that will expire as follows:

	Unutilised tax losses – gross amount		Tax effect	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Group				
Expiring in year:				
2025	–	1,295	–	311
2026	–	36	–	9
2027	–	218	–	52
2028	1,245	–	299	–
2029	36	–	9	–
2030	193	–	46	–
2031	30	–	7	–
	1,504	1,549	361	372

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

11. Income tax (cont'd)

11D. Unrecognised deferred tax assets (cont'd)

The other unrecognised deferred tax assets relate to tax losses and capital allowances which are available for unlimited future periods. No deferred tax asset has been recognised in respect of the above balance as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax losses carried forward and temporary differences from capital allowances is subject to the conditions imposed by laws of the countries in which the entities in the group operate, including the retention of majority shareholders as defined.

12. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2021	2020
	$'000	$'000 (Restated)
Profit, net of tax attributable to owners of the company	9,075	3,347

	Number of shares	
	2021	2020
	'000	'000
Weighted average number of equity shares	31,957	31,957

The weighted average number of equity shares refers to share in circulation during the reporting year.

Basic earnings per share are calculated by dividing profit, net of tax attributable to owners of the company by the above weighted average number of ordinary shares.

Diluted earnings per share for the reporting years are computed using the same basis as basic earnings per share as there are no potential dilutive ordinary shares.

13. Dividends on equity shares

	Group and Company			
	Rate per share – dollars			
	2021	2020	2021	2020
	$	$	$'000	$'000
Interim exempt (1-tier) dividend paid	0.0125	0.0125	399	399

Group

Dividend to the non-controlling interests

An interim exempt (1-tier) dividend of $160,000 (2020: $321,000) was paid by a Malaysia subsidiary to the non-controlling interest.

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14. Plant and equipment

	Computers, telecommunications, research and development equipment	Office equipment, furniture, motor vehicle and renovation	Right-of-use assets	Total
	$'000	$'000	$'000	$'000
Group				
Cost:				
At 1 January 2020	9,768	363	124	10,255
Additions	212	225	1,135	1,572
Written-off	(434)	(274)	–	(708)
Disposals	(25)	(56)	–	(81)
Foreign exchange adjustments	(29)	–	(2)	(31)
At 31 December 2020	9,492	258	1,257	11,007
Additions	184	1	102	287
Disposals	(3)	–	–	(3)
Written-off	(113)	–	(49)	(162)
Foreign exchange adjustments	(142)	(12)	(22)	(176)
At 31 December 2021	9,418	247	1,288	10,953
Accumulated depreciation and impairment loss:				
At 1 January 2020	8,231	277	57	8,565
Depreciation for the year	524	73	191	788
Written-off	(432)	(269)	–	(701)
Disposals	(24)	(55)	–	(79)
Foreign exchange adjustments	(19)	–	(1)	(20)
At 31 December 2020	8,280	26	247	8,553
Depreciation for the year	459	76	352	887
Disposals	(3)	–	–	(3)
Written-off	(112)	–	(49)	(161)
Foreign exchange adjustments	(121)	(7)	(6)	(134)
At 31 December 2021	8,503	95	544	9,142
Carrying value:				
At 1 January 2020	1,537	86	67	1,690
At 31 December 2020	1,212	232	1,010	2,454
At 31 December 2021	915	152	744	1,811

Allocation of depreciation expense:

	Group	
	2021	2020
	$'000	$'000
Cost of sales	438	503
Technical support expenses	68	55
Distribution costs	13	15
Administrative expenses	364	209
Depreciation expenses recognised in profit or loss	883	782
Capitalised under deferred development costs (Note 16)	4	6
Total	887	788

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

The leases pertain to four office spaces for the purpose of business operations. The remaining lease terms range from 10 months to 37 months with an average lease term of 26 months; there are usually no options to purchase; there are no variable payments linked to an index.

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15. Investment property

	Group	
	2021	2020
	$'000	$'000
At fair value:		
Balance at beginning of the year	2,306	2,301
Decrease in fair value included in other losses (Note 7)	(130)	–
Foreign exchange adjustments	(39)	5
Balance at end of the year	2,137	2,306
Direct operating expenses arising from investment property that did not generate rental income during the reporting year	(57)	(55)

As at 31 December 2021, the strata title of the investment property has not been issued by Department of Director General of Lands and Mines in Malaysia.

The investment property has been pledged for bank facilities (see Note 28B).

The fair value of the investment property was measured in December 2021 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 C H Williams Talhar & Wong, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the assets is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For fair value measurements categorised within Level 3 (2020: 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:

Asset:	Freehold property at Lot 3A-5-1, 5th Floor, Block 3A, Plaza Sentral, 50470, Kuala Lumpur, Malaysia
Fair value:	$2,137,000 (2020: $2,306,000)
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. $265 (2020: $286)
Sensitivity on management's estimates – 10% variation from estimate:	Impact – lower by $214,000 (2020: $231,000); higher by $214,000 (2020: $231,000).

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16. Intangible assets

	Deferred development costs (under development)	Deferred development costs (completed)	Intellectual property	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost:					
At 1 January 2020	80	8,697	–	10,541	19,318
Additions	348	–	17	–	365
Capitalisation of development equipment (Note 14)	6	–	–	–	6
Reclassification	(286)	286	–	–	–
Foreign exchange adjustments	2	166	–	20	188
At 31 December 2020	150	9,149	17	10,561	19,877
Additions	187	–	–	–	187
Capitalisation of development equipment (Note 14)	4	–	–	–	4
Reclassification	(99)	99	–	–	–
Foreign exchange adjustments	(3)	(158)	–	(178)	(339)
At 31 December 2021	239	9,090	17	10,383	19,729
Accumulated amortisation and impairment loss:					
At 1 January 2020	–	7,931	–	499	8,430
Amortisation for the year	–	307	6	–	313
Impairment for the year	–	–	11	–	11
Foreign exchange adjustments	–	166	–	1	167
At 31 December 2020	–	8,404	17	500	8,921
Amortisation for the year	–	297	–	–	297
Foreign exchange adjustments	–	(126)	–	(8)	(134)
At 31 December 2021	–	8,575	17	492	9,084
Carrying value:					
At 1 January 2020	80	766	–	10,042	10,888
At 31 December 2020	150	745	–	10,061	10,956
At 31 December 2021	239	515	–	9,891	10,645

The amortisation of intangible expenses is included in cost of sales.

16A. Deferred development costs

Deferred development costs mainly comprise staff costs, operating expenses and depreciation expenses for the development of the group's proprietary mobile software and these have an average remaining amortisation period of 2 years (2020: 2 years).

16B. Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

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16. Intangible assets (cont'd)

16C. 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.

The goodwill was tested for impairment at the end of the reporting year. 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 flow valuation technique. The key assumptions used for value-in-use calculations, which are unobservable inputs, are as follows:

	2021	2020
Unobservable inputs		
Estimated discount rates that reflect current market assessments at the risks specific to the CGU	10.37%	13.09%
Growth rates based on management estimate forecasts and not exceeding the average long-term growth rate for the relevant markets	2%	2%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

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

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

17. Investments in subsidiaries

	Company	
	2021	2020
	$'000	$'000
Movements during the year:		
Cost at beginning and end of the year	34,778	34,778
Analysis of above amount denominated in non-functional currency:		
Malaysian Ringgit	23,778	23,778

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17. Investments in subsidiaries (cont'd)

The subsidiaries wholly owned by the company and the group are listed below:

Name of subsidiaries, principal activities, country of incorporation and place of operations	Cost in books of the company	
	2021	2020
	$'000	$'000
Held by the company		
Unified Communications Pte Ltd [a] Distribution of telecommunications products, the design and development of telecommunications solutions, project management, and maintenance and support services for the telecommunications industry. Singapore	11,000	11,000
Unified Communications Sdn Bhd [b] Research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry. Malaysia	21,526	21,526
Unified Communications (OHQ) Sdn Bhd [b] Provisions of management and operational headquarters ("OHQ") services to its related companies. Malaysia	208	208
Unified Communications (OSS) Sdn Bhd [b] Investment holding. Malaysia	*	*
Unified Assets Sdn Bhd [b] Investment holding. Malaysia	494	494
Captii Ventures Pte Ltd [a] Undertake investment in technology companies. Singapore	*	*
Postpay Asia Sdn Bhd [b] Investment holding. Malaysia	1,550	1,550
	34,778	34,778

Name of subsidiaries, principal activities, country of incorporation and place of operations	Effective equity held by the group	
	2021	2020
	%	%
Held by Unified Communications Sdn Bhd		
Unified Communications (Tech) Pte Ltd [a] Distribution of information technology and telecommunications products. Singapore	100	100
Ahead Mobile Sdn Bhd [b] Software engineering, system integration, project management and maintenance and support services for the telecommunications industry. Malaysia	100	100
Held by Unified Communications Pte Ltd		
Adzentrum Sdn Bhd [b] Dormant. Malaysia	100	100
Unified Communications (Private) Limited [c] Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises. Pakistan	100	100

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17. Investments in subsidiaries (cont'd)

The subsidiaries wholly owned by the company and the group are listed below (cont'd):

Name of subsidiaries, principal activities, country of incorporation and place of operations	Effective equity held by the group	
	2021	2020
	%	%
Held by Postpay Asia Sdn Bhd		
Postpay Sdn Bhd [b] Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprise, or entities of any descriptions. Malaysia	100	100
Postpay Technology Sdn Bhd [b] Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises. Malaysia	100	100

The subsidiaries that have non-controlling interests are listed below:

Name of subsidiaries, principal activities, country of incorporation and place of operations	Effective equity held by the group	
	2021	2020
	%	%
Held by Captii Ventures Ptd Ltd		
OOPA Pte Ltd [a] [e] Investment holding. Singapore	57	–
Held by Unified Communications (OSS) Sdn Bhd		
GlobeOSS Sdn Bhd [b] Provision of global roaming quality of service management solutions. Malaysia	51	51
GlobeOSS Pte Ltd [a] Provision of global roaming quality of service management solutions. Singapore	51	51
Held by GlobeOSS Pte Ltd		
GlobeOSS (Brunei) Sdn Bhd [d] Provision of global roaming quality of service management solutions. Brunei Darussalam	51	51

*Amount less than $1,000.

(a) Audited by RSM Chio Lim LLP.

(b) Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) Audited by BDO Ebrahim & Co., Pakistan

(d) Audited by WKA and Associates, Brunei Darussalam

(e) On 7 December 2021, the group acquired an additional 21.4% equity interest in OOPA Pte Ltd ("OOPA"), resulting in OOPA becoming a subsidiary of the group. See further details below.

As required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

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17. Investments in subsidiaries (cont'd)

Acquisition of a subsidiary

On 7 December 2021, the group's subsidiary company, Captii Ventures Pte Ltd ("CVPL") acquired an additional 21.4% equity interest in OOPA Pte Ltd ("OOPA"), resulting in OOPA becoming a subsidiary of the group.

Details of the acquisition were as follows:

	At acquisition date
	$'000
Consideration paid [(a)]	1,052
Fair value of the group's previously held interest in an associate (Note 19)	4,442
Fair value of non-controlling interest	5,367
Less:	
Fair value of net assets acquired (Note A)	(12,481)
Negative goodwill arising on step-up of interest in an associate to subsidiary (Note 7)	(1,620)

Note A: The fair values of the identifiable assets and liabilities of OOPA as at acquisition date were as follows:

	At acquisition date
	$'000
Other financial asset at FVTPL	12,495
Trade and other payables	(14)
Total identifiable net assets at fair value	12,481

(a) This relates to a receivable of $1.052 million which was de-recognised as part of consideration for the acquisition of a subsidiary. This had arisen following the favourable conclusion of the litigation pursued by OOPA Pte Ltd.

The summarised financial information of OOPA Pte Ltd, which has non-controlling interests ("NCI") that are material to the group, not adjusted for the percentage ownership held by the group, is as follows:

	Group 2021
	$'000
OOPA Pte Ltd	
Loss allocated to NCI of the subsidiary during the reporting year	(25)
Accumulated NCI of the subsidiary at the end of the reporting year	5,342
The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations):	
Non-current assets	12,495
Current liabilities	(73)
Loss for the year	(59)
Total comprehensive loss for the year	(59)

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17. Investments in subsidiaries (cont'd)

The summarised financial information of GlobeOSS Sdn Bhd, GlobeOSS Pte Ltd, GlobeOSS (Brunei) Sdn Bhd, which have non-controlling interests ("NCI") that are material to the group, not adjusted for the percentage ownership held by the group, is as follows:

	Group	
	2021	2020
	$'000	$'000
GlobeOSS Sdn Bhd, GlobeOSS Pte Ltd, GlobeOSS (Brunei) Sdn Bhd		
Profit allocated to NCI of the subsidiaries during the reporting year	461	833
Accumulated NCI of the subsidiaries at the end of the reporting year	5,405	5,177
The summarised financial information of the subsidiaries (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations):		
Dividends paid to NCI	160	321
Non-current assets	754	961
Current assets	13,964	12,023
Non-current liabilities	(208)	(306)
Current liabilities	(3,479)	(2,114)
Revenue	9,221	9,824
Profit for the year	942	1,699
Total comprehensive income for the year	793	1,720

18. Investment in a joint venture

	Group	
	2021	2020
	$'000	$'000
Balance at beginning and end of the year	–	–
Carrying value comprising:		
Unquoted shares at cost	583	583
Allowance for impairment	(232)	(232)
Share of post-acquisition losses, net of dividends received	(351)	(351)
	–	–

The listing and information on the joint venture is given below:

Name of joint venture, principal activities, country of incorporation and place of operations	Cost in books of the company		Effective equity held by the group	
	2021	2020	2021	2020
	$'000	$'000	%	%
Held by Unified Communications Pte Ltd				
Unified Telecom Private Limited [(a)] Provision of telecommunications products, services and customized solutions. India	583	583	50	50

(a) The statutory reporting year end of the joint venture is 31 March. The unaudited management financial statements for the period from 1 January 2021 to 31 December 2021 of the joint venture have been used for equity accounting since it is not significant to the group. Also see Note 31(b).

The financial statements of the joint venture are not material to the group.

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19. Investment in an associate

	Group 2021	Group 2020
	$'000	$'000
Movement in carrying value:		
Fair value at beginning of the year	–	–
Fair value gain on remeasurement of previously held interests, included under other income and gains (Note 7)	4,442	–
Reclassification to investment in a subsidiary (Note 17)(a)	(4,442)	–
Fair value at end of the year	–	–

(a) On 7 December 2021, the group's subsidiary company, Captii Venture Ptd Ltd ("CVPL") acquired an additional 21.4% equity interest in OOPA, resulting in OOPA becoming a subsidiary of the group.

The listing of and information on the associate is given below:

Name of associate, country of incorporation, place of operations, principal activities	Percentage of equity held upon conversion 2021	Percentage of equity held upon conversion 2020
	%	%
OOPA Pte Ltd Investment holding. Singapore	–	35.6

It is not meaningful to present the summarised financial information as the investment in associate was accounted as a financial asset at fair value through profit or loss ("FVTPL") in the prior year in accordance with SFRS(I) 9 Financial Instruments ("SFRS(I) 9").

On 6 September 2020, the group announced that a writ of summons and statement of claim ("Writ") had been issued by its associated company, OOPA Pte Ltd ("OOPA") against (i) Mr. Bui Sy Phong; (ii) Telio Pte Ltd (as a nominal defendant), a Singapore incorporated company of which Mr. Bui was a sole shareholder. Under the Writ, OOPA claimed against Mr. Bui, for inter alia, the following:

(a) 100% of the shares in Telio and/or such associated company of Telio (or such percentage or number of shares as determined by the High Court of Singapore);

(b) An order that Mr. Bui compensates OOPA in equity for breaches of director's duties owed by him to OOPA; and

(c) An account of profits received pursuant to the breaches of director's duties owed by him to OOPA.

In 2019, management wrote down the investment value to nil in accordance with SFRS(I) 9. In previous reporting years, management was of the view that it is probable that the outcome of the Writ is favourable to OOPA, which may potentially increase the fair value of OOPA, and hence represent a contingent asset to OOPA. As SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets does not permit the recognition of contingent assets, management did not recognise the said fair value of OOPA in previous reporting years.

On 17 June 2021, the group announced that the High Court had on 16 June 2021 issued a judgment in favour of OOPA in relation to Suit No 885 of 2019 filed by OOPA against Mr. Bui.

On 18 June 2021, the group announced that Mr. Bui had on 17 June 2021 filed an appeal against the decision of the High Court to the Appellate Division of the High Court of Singapore.

On 26 October 2021, the group announced that through a deed of settlement entered into between OOPA , Mr. Bui and Telio on 25 October 2021, the parties had come to a full and final settlement of all claims in connection with, relating to, or arising out of the subject matter of the Suit.

On 7 December 2021, the group announced that the completion of the deed had taken place, and Mr. Bui had formally withdrawn his appeal.

Subsequent to the completion of the above, the group assessed that it had acquired a controlling stake in OOPA, making OOPA a subsidiary of the group. Also, see Note 17.

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20. Other financial assets

	Group 31.12.2021	31.12.2020	1.1.2020
	$'000	$'000 (Restated)	$'000
Balance is made up of:			
Unquoted investments at fair value through profit or loss ("FVTPL")	28,523	13,829	12,073
Analysis of amounts denominated in non-functional currency:			
United States Dollars	17,553	4,574	5,765
Malaysian Ringgit	1,992	504	425
Korean Won	10	326	571

20A. Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

	Group 2021	2020
	$'000	$'000 (Restated)
Movements during the year:		
Fair value at beginning of the year	13,829	12,073
Additions	300	72
Additions through acquisition of subsidiary	12,495	–
Disposal	(148)	(173)
Increase in fair value included under other income and gains (Note 7)	1,991	1,884
Foreign exchange adjustments	56	(27)
Fair value at end of the year	28,523	13,829

20B. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

	Level	Group 31.12.2021	31.12.2020	1.1.2020
		$'000	$'000 (Restated)	$'000
Enterprise Application Technology				
Unquoted convertible preference shares in Singapore	3	2,031	3,335	3,760
Unquoted convertible loan notes in Singapore	3	8,240	6,099	2,934
Unquoted convertible preference shares in Malaysia	3	1,992	504	425
Unquoted convertible preference shares in Indonesia	3	3,131	2,935	3,367
Marketplace Technology				
Unquoted convertible preference shares in Singapore	3	625	614	342
Unquoted convertible preference shares in Vietnam	3	12,495	–	–
Unquoted convertible preference shares in Indonesia	3	–	16	674
Unquoted convertible preference shares in Korea	3	9	326	571
Total investments at FVTPL		28,523	13,829	12,073

NOTES TO THE FINANCIAL STATEMENTS

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20. Other financial assets (cont'd)

20C. Fair value measurements (Level 3) recognised in the statement of financial position

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The group adopted the following valuation methodologies in estimating the fair values of the investments:

(a) Cost approach: This is applied to estimate fair value of companies in very preliminary development stages where revenue forecasts are difficult to estimate with any degree of certainty, and assumes the book value or cost of an asset approximates its fair value. Adjustments, such as impairment allowance, are made to assets on a case-by-case basis if this assumption does not hold true.

(b) Option Pricing Model ("OPM"): The OPM, which applies the Black-Scholes formula for option pricing, is a generally accepted valuation methodology used in estimating fair values of early stage companies, in particular those with different classes of shares. In applying the OPM to determine the fair value of an investee, management considers terms such as level of seniority among the securities, dividend policy, conversion ratios, and cash allocations of the various stockholders' agreements with the investee that would affect the distributions to each class of equity upon a liquidity event. In addition, the method implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date.

(c) Implied Enterprise Value ("Implied EV"): The implied EV model estimates the enterprise value based on an adjusted implied EV/Revenue multiple and applies the OPM model based on Black-Scholes model, to allocate the estimated enterprise value to various classes of shares.

The key assumptions used in applying the OPM and implied EV models which are unobservable inputs, were as follows:

Unobservable inputs	2021	2020	Sensitivity of inputs to fair value
Risk free rates (range)	0.3% – 3.3%	0.15% – 2.86%	Increase (decrease) of the inputs would result in decrease (increase) in fair values
Asset volatility (range)	22% – 92%	27.92% – 100%	
Expected terms (years)	1.4 to 5	1.33 to 3.10	

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

21. Inventories

	Group	
	2021	2020
	$'000	$'000
Finished goods for resale	4	4
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	90	343
Allowance utilised	–	(252)
Foreign exchange adjustments	(1)	(1)
Balance at end of the year	89	90

There are no inventories pledged as security for liabilities.

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22. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables:				
Outside parties	8,938	7,359	–	–
Less: Allowance for impairment	(46)	(36)	–	–
Related company	28	18	–	–
Net trade receivables – subtotal	8,920	7,341	–	–
Other receivables:				
Ultimate parent company (Note 3)	97	99	–	–
Associate (Note 3)	–	212	–	212
Related companies (Note 3)	–	7	–	–
Subsidiaries (Note 3)	–	–	10,947	9,731
Less: Allowance for impairment	–	–	(497)	(497)
Refundable deposits	2,367	2,317	–	–
Net other receivables – subtotal	2,464	2,635	10,450	9,446
Total trade and other receivables	11,384	9,976	10,450	9,446
Presented as:				
Trade receivables, non-current	–	281	–	–
Trade and other receivables, current	11,384	9,695	10,450	9,446
	11,384	9,976	10,450	9,446

	2021	2020
	$'000	$'000
Group		
Movements in above allowance for trade receivables:		
Balance at beginning of the year	36	6
Charged to profit or loss included in other losses (Note 7)	10	30
Balance at end of the year	46	36
Company		
Movements in above allowance for other receivables:		
Balance at beginning of the year	497	469
Charged to profit or loss included in other losses (Note 7)	–	28
Balance at end of the year	497	497

Certain trade receivables relating to a project of a subsidiary has been pledged for bank facilities (see Note 28A).

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22. Trade and other receivables (cont'd)

The expected credit losses ("ECL") on the above trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the COVID-19 pandemic). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

	Gross amount		Loss allowance	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Group				
Ageing of trade receivables:				
Within due date	4,928	3,532	–	–
1 to 90 days past due	1,503	1,655	–	15
91 to 270 days past due	2,459	2,150	–	6
Over 270 days past due	48	22	46	15
Total	8,938	7,359	46	36

The amounts are written-off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is between 30 to 90 days (2020: 30 to 90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of reporting year:

	Group			
	2021		2020	
	$'000	%	$'000	%
Top 1 customer	3,937	44	3,345	46
Top 2 customers	4,992	56	4,371	60
Top 3 customers	5,922	66	4,928	67

Other receivables are also subject to the ECL model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception, they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At the end of the reporting year a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition including the impact of the COVID-19 pandemic.

Other receivables of the group and company are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

A loss allowance of $497,000 (2020: $497,000) has been recognised for other receivables of the company.

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23. Other non-financial assets

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Contract assets (Note 23A)	339	700	–	–
Contract costs (Note 23B)	1,176	1,385	–	–
Prepayments	502	407	28	5
	2,017	2,492	28	5

23A. Contract assets

	Group	
	2021	2020
	$'000	$'000
The amount is made up of:		
Consideration for work completed but not billed at the reporting date	339	700
The movements in contract assets are as follows:		
At beginning of the year	700	302
Consideration for work completed but not billed at the reporting date	1,946	1,814
Transfers to trade receivables	(2,302)	(1,416)
Foreign exchange adjustments	(5)	–
At end of the year	339	700

The contract assets are entity's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

The decrease of contract assets are due to lesser uncompleted projects at the end of reporting year.

Contract assets are subject to the ECL model under the financial reporting standard on financial instruments. No loss allowance was necessary as at end of the reporting year.

23B. Contract costs

	Group	
	2021	2020
	$'000	$'000
The amount is made up of:		
Costs incurred to obtain or fulfil a contract	1,176	1,385
The movements in contract costs are as follows:		
At beginning of the year	1,385	2,321
Additions	1,929	2,016
Recognised as cost for performance obligation satisfied	(2,115)	(2,956)
Foreign exchange adjustments	(23)	4
At end of the year	1,176	1,385

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24. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Not restricted in use (a)	11,332	10,653	141	221
Cash pledged for bank facilities	2,491	2,494	–	–
	13,823	13,147	141	221
Interest earning balances	7,667	8,283	–	–

The rates of interest for the cash on interest earning balances ranged between 1.4% to 3.1% (2020: 1.3% to 3.1%) per annum.

(a) The group has an amount of $623,000 (2020: $506,000) deposited with a bank in Pakistan. In accordance with the requirement of Pakistan Foreign Exchange Regulations, the group requires the approval from the State Bank of Pakistan on any foreign remittance.

24A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2021	2020
	$'000	$'000
Amount as shown above	13,823	13,147
Bank overdraft	–	(117)
Cash pledged for bank facilities	(2,491)	(2,494)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	11,332	10,536

24B. Reconciliation of liabilities arising from financing activities:

	1 January 2020	Cash flows	Non-cash changes		31 December 2021
	$'000	$'000	$'000		$'000
Group					
Borrowings (exclude bank overdraft)	853	(626)	47	(a)	274
Lease liabilities	1,015	(381)	125	(b)	759
Total liabilities from financing activities	1,868	(1,007)	172		1,033

	1 January 2019	Cash flows	Non-cash changes		31 December 2020
	$'000	$'000	$'000		$'000
Group					
Borrowings (exclude bank overdraft)	1,479	(727)	101	(a)	853
Lease liabilities	73	(228)	1,170	(b)	1,015
Total liabilities from financing activities	1,552	(955)	1,271		1,868

(a) Foreign exchange movements and accretion of interest where applicable

(b) Recognition of new leases and accretion of interest

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25. Share capital

	Number of shares issued	Share capital
	'000	$'000
Group and Company		
Ordinary shares of no par value:		
Balance at 1 January 2020, 31 December 2020 and 31 December 2021	31,957	31,948

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with at least a free float of 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital. There are no significant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowing.

26. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	3,332	1,911	–	–
Other payables:				
Accrued expenses	2,622	1,498	293	259
Ultimate parent company (Note 3)	27	26	–	–
Deposits to secure services	14	14	–	–
Related companies (Note 3)	16	16	–	–
Subsidiaries (Note 3)	–	–	2,449	2,247
Outside parties	351	320	–	–
Other payables – subtotal	3,030	1,874	2,742	2,506
Total trade and other payables	6,362	3,785	2,742	2,506

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27. Other non-financial liabilities

	Group	
	2021	2020
	$'000	$'000
Contract liabilities	707	1,191

The movements in contract liabilities are as follows:

At beginning of the year	1,191	1,931
Consideration received or receivable	1,351	1,633
Performance obligation satisfied – revenue recognised	(1,830)	(2,378)
Foreign exchange adjustments	(5)	5
At end of the year	707	1,191

Transaction price allocated to the remaining performance obligations:

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year:		
Expected to be recognised as revenue within 1 year	707	1,191

The contract liabilities primarily relate to the advance consideration received from customers for which transfer of control has not occurred at year end, and therefore revenue is not recognised. The estimated transaction price does not include amounts of variable consideration that are constrained.

28. Borrowings

	Group	
	2021	2020
	$'000	$'000
Financial instruments with floating interest rates:		
Term loan (Note 28A)	274	853
Bank overdraft (Note 28B)	–	117
Total current borrowings	274	970

The floating interest rates paid during the period were as follows:

	Group	
	2021	2020
Term loan	8.6%	8.6%
Bank overdraft	–	5.4%

28A. Term loan (secured)

A subsidiary of the company has a term loan of approximately $2,264,000 granted by a financial institution to finance its managed services contracts. This facility is secured mainly by assignment of proceeds receivable from a project of the subsidiary, and corporate guarantee of the company of $2,922,000 (2020: $2,965,000).

Outstanding amount shall be repaid in full upon the expiry of the tenure of the term loan in September 2022 or upon the discontinuation and/or termination of the project.

28B. Bank overdraft (secured)

A subsidiary of the company has banking facilities of approximately $1,299,000 granted by a financial institution for working capital purpose. As at 31 December 2021, the subsidiary has utilised the bank overdraft of approximately Nil (2020: $117,000). This facility is secured by the investment property of the subsidiary (Note 15), and corporate guarantee of the company of $1,299,000 (2020: $1,318,000).

NOTES TO THE FINANCIAL STATEMENTS
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29. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2021	2020
	$'000	$'000
Lease liabilities, current	342	324
Lease liabilities, non-current	417	691
Lease liabilities, total	759	1,015

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets.

The leases are for office space. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 5.4% (2020: 5.4%) per year.

A summary of the maturity analysis of lease liabilities is disclosed in Note 30E. Total cash outflows from leases are shown in the statement of cash flows. The related information of right-of-use-assets are disclosed in Note 14.

Other disclosures on leases:

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2021	2020
	$'000	$'000
Expense relating to short-term leases included in profit or loss	–	84
Expense relating to leases of low-value assets included in profit or loss	61	68
Total commitments on short-term leases at year end date	–	68

There were no material rental concessions from lessors relating to COVID-19 pandemic.

30. Financial instruments: information on financial risks

30A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Financial assets:				
Financial assets at amortised cost	25,207	23,123	10,591	9,667
Financial assets at fair value through profit or loss ("FVTPL")	28,523	13,829	–	–
At end of the year	53,730	36,952	10,591	9,667
Financial liabilities:				
Financial liabilities at amortised cost	7,395	5,770	2,742	2,506

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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30. Financial instruments: information on financial risks (cont'd)

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. The guidelines include the following:

(i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.

(ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

(iii) All financial risk management activities are carried out and monitored by senior management staff.

(iv) All financial risk management activities are carried out following acceptable market practices.

(v) Consideration is given to investing in financial instruments in accordance with the investment strategy of the reporting entity.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The group and company are exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

30C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach, the financial assets move through the three stages as their credit quality changes.

However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables and contract assets. Management adopts the simplified approach to measure the impairment loss for financial assets. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables, contract assets and other financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 24 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

30E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 60 days (2020: 30 to 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

30. Financial instruments: information on financial risks (cont'd)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than 1 year	2 to 5 years	Total
	$'000	$'000	$'000
Group			
2021			
Gross borrowings commitments	291	–	291
Gross lease liabilities	380	440	820
Trade and other payables	6,362	–	6,362
At end of the year	7,033	440	7,473
2020			
Gross borrowings commitments	1,024	–	1,024
Gross lease liabilities	422	768	1,190
Trade and other payables	3,785	–	3,785
At end of the year	5,231	768	5,999

The undiscounted amounts on the borrowings with floating interest rates are determined by reference to the conditions existing at the reporting date.

The company provides financial guarantees to financial institutions for banking facilities granted to subsidiaries (see Note 28). These financial guarantees are provided without charge.

Financial guarantee contracts – For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year, no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year	
	2021	2020
	$'000	$'000
Company		
Financial guarantee contracts – in favour of subsidiaries	274	970

Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the higher of (a) the amount of the loss allowance determined in accordance the financial reporting standard on financial instruments and (b) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of the financial reporting standard on revenue from contracts with customers.

Bank facilities:

	2021	2020
	$'000	$'000
The undrawn or contracted financing facilities is as follows:		
Undrawn credit facilities in relation to banker acceptance	2,591	3,953

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

30. Financial instruments: information on financial risks (cont'd)

30F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2021	2020
	$'000	$'000
Financial liabilities with interest:		
Floating rates	274	970
Fixed rates	759	1,015
Financial assets with interest:		
Fixed rates	7,667	8,283

Sensitivity analysis: The effect on pre-tax profit is not significant.

30G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

Group	Singapore dollars	US dollars	Indonesia rupiah	Brunei dollars	Total
	$'000	$'000	$'000	$'000	$'000
2021					
Financial assets:					
Cash and cash equivalents	451	214	–	–	665
Trade and other receivables	65	237	202	8	512
Other financial assets	–	17,553	–	–	17,553
Total financial assets	516	18,004	202	8	18,730
Financial liabilities:					
Trade and other payables	(284)	(1,475)	(55)	(69)	(1,883)
Net financial assets (liabilities)	232	16,529	147	(61)	16,847
2020					
Financial assets:					
Cash and cash equivalents	490	484	–	–	974
Trade and other receivables	79	317	89	33	518
Other financial assets	–	4,574	–	–	4,574
Total financial assets	569	5,375	89	33	6,066
Financial liabilities:					
Trade and other payables	(54)	(616)	–	(90)	(760)
Net financial assets (liabilities)	515	4,759	89	(57)	5,306

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

30. Financial instruments: information on financial risks (cont'd)

30G. Foreign currency risk (cont'd)

Company	US dollars	Total
	$'000	$'000
2021		
Financial assets:		
Cash and cash equivalents	64	64
2020		
Financial assets:		
Cash and cash equivalents	5	5

There is exposure to foreign currency risk as part of the group's and company's normal business.

Sensitivity analysis:

	Group	
	2021	2020
	$'000	$'000
A hypothetical 10% strengthening in the exchange rate of the respective functional currencies against US dollars with all other variables held constant would have an adverse effect on profit before tax of	(1,653)	(476)

The above table shows sensitivity to a hypothetical percentage variation in the functional currencies of the group's companies against the relevant material non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For a similar rate weakening of the functional currencies against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

30H. Equity price risk

There are instruments in equity shares. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets and sensitivity analysis are disclosed in Note 20.

31. Contingent liabilities

	Company	
	2021	2020
	$'000	$'000
Undertaking to support subsidiaries with deficits [(a)]	582	581
Litigation [(b)]	2,100	2,100

(a) Undertaking to support subsidiaries with deficits

The company has undertaken to provide continued financial support to certain of its subsidiaries which have total accumulated losses in excess of the issued and paid-up capital as at 31 December 2021 amounting in aggregate to $582,000 (2020: $581,000) to enable them to continue to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31. Contingent liabilities (cont'd)

(b) Litigation

On 19 November 2013, Unified Telecom Private Limited ("UTPL"), a joint venture of Unified Communications Pte Ltd ("UCPL"), filed a petition to the High Court of Delhi, New Delhi in India under Section 9 of India Arbitration and Conciliation Act, 1996 to obtain interim relief on the protection of assets currently under the custody of a former customer, a mobile telecoms network operator and service provider in India (the "Telco"), and to deny the penalty claims by the Telco against UTPL.

The Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 11.3 crore (approximately $2.1 million) for damages and expenditure incurred in connection with the contract during its currency.

Legal advice has been sought from reputable law firms in both India and Singapore with good credentials in handling contract litigation and dispute resolution, to review and advise on the merit of this claim by the Telco on UTPL. Based on the legal opinions obtained from the law firm concerned, management is of the view that UTPL has full rights and title to the assets and should be entitled to demand their return, and that the Telco's claim against UTPL has no legal merit. Accordingly, external legal counsels in Singapore and India have been appointed to advise and represent UCPL and UTPL to pursue legal recourse.

As announced by the company on 16 January 2015, the hearing on the petition filed by UTPL which was originally scheduled to be heard on 23 April 2014, having been adjourned on several occasions, was dismissed by the High Court, as the Telco had initiated the arbitration proceedings before a tribunal. The High Court was of the view that the matter should be resolved through arbitration proceedings since the tribunal had already been constituted.

In 2015, UTPL commenced an application pursuant to Section 17 of the Indian Arbitration and Conciliation Act 1996 for, amongst others, the return of the Assets. However, the learned Arbitrator dismissed the application, but directed Telco to ensure the safety of and protect the assets from any damage during the period the Hardware is lying in Telco's premises.

A number of procedural hearings have been held by the Arbitrator to cross examine the affidavits of the admissions and denial documents relating to the aforesaid claim and counterclaims throughout the years. The case is currently at the stage of evidence. On 22 August 2020, the Arbitrator allowed UTPL's application for inspection and production of the documents referred to by the Telco's witness in the course of cross examination in which to be produced by the Telco on 5 September 2020.

On 5 September 2020, the Telco raised a procedural objection under the Indian Arbitration and Conciliation Act 2015, which is pending determination by the Arbitrator before cross examination of witnesses may proceed.

Due to the COVID-19 pandemic, no hearings were scheduled in 2021. In 2021, there were two hearings which took place on 15 February 2021 and 19 February 2021 respectively. The Arbitration had directed both parties to file written submissions for seeking extension of time to 26 February 2021.

The arbitration is currently ongoing before the Hon'ble Arbitral Tribunal and is at the stage of Respondent's evidence. UTPL has introduced three witnesses. The cross examination of the first witness commenced on 16 October 2021 via Zoom conference in view of current COVID-19 pandemic. The Hon'ble Tribunal had scheduled and completed further hearings between January 2022 and March 2022 for cross examination of UTPL's witnesses. The next hearing has been set on 2 April 2022.

In the opinion of management, no material losses are expected to arise pertaining to the aforesaid contingent matter.

32. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
SFRS (I) 1-8	Definition of Accounting Estimates - Amendments to
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to
SFRS (I) 16	Related Rent Concessions - Amendment to (effective from 30 June 2021)

NOTES TO THE FINANCIAL STATEMENTS

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33. New or amended standards in issue but not yet effective

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 Jan 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 Jan 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to	1 Jan 2022
SFRS (I) 9	Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022

34. Prior year adjustments and restatement of financial statements

A prior year adjustment of $2.059 million was made in respect of the group's financial statements for the financial year ended 31 December 2020, as a result of an understatement of fair value gains on an unquoted investment held at fair value through profit or loss. The adjustment was made to correct an error in an input parameter used in the valuation performed on an investee company, in accordance with Singapore Financial Reporting Standards (International) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors.

While there was no restatement to the consolidated statement of financial position at 1 January 2020, as required by the financial reporting standard on the presentation of financial statements, the third statement of consolidated financial position at the beginning of the preceding reporting year is presented. Apart from these disclosures, other balances and notes are not impacted by the restatements.

The effect of the above adjustment to the group's financial statement for 2020 is as follows:

Group	As reported	Adjustment	As restated
	$'000	$'000	$'000
Consolidated statement of financial position as at 31 December 2020			
Retained earnings	17,937	2,059	19,996
Other financial assets	11,770	2,059	13,829
Consolidated statement of comprehensive income for the financial year end 31 December 2020			
Other income and gains	115	1,884	1,999
Other losses	(371)	175	(196)
Profit, net of tax	2,121	2,059	4,180
Profit for the year attributable to			
Owners of the company	1,288	2,059	3,347
Total comprehensive income for the year attributable to			
Owners of the company	1,369	2,059	3,428
Consolidated statement of cash flows for the financial year end 31 December 2020			
Cash flows from operating activities			
Profit before tax	2,889	2,059	4,948
Fair value loss (gain) on unquoted investments	175	(2,059)	(1,884)

The effect of the correction on the basic and diluted earnings per share for 2020 was a change from 4.03 cents to 10.47 cents.

STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2022

Number of shares	:	31,957,264
Issued and paid-up share capital	:	S$31,947,814.00
Class of shares	:	Ordinary Shares of equal voting right
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	5	0.38	61	0.00
100 – 1,000	606	46.44	411,026	1.29
1,001 – 10,000	572	43.83	2,210,250	6.92
10,001 – 1,000,000	118	9.04	6,588,123	20.61
1,000,001 AND ABOVE	4	0.31	22,747,804	71.18
TOTAL	**1,305**	**100.00**	**31,957,264**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Worldwide Matrix Sdn Bhd	12,692,293	39.72
2	Phillip Securities Pte Ltd	6,459,179	20.21
3	Citibank Nominees Singapore Pte Ltd	1,903,432	5.96
4	DBS Nominees (Private) Limited	1,692,900	5.30
5	Chang Shaw Chuin	549,150	1.72
6	ABN AMRO Clearing Bank N.V.	409,946	1.28
7	Ang Hao Yao (Hong Haoyao)	338,800	1.06
8	Eng Koon Hock	318,000	1.00
9	DBSN Services Pte. Ltd.	226,900	0.71
10	United Overseas Bank Nominees (Private) Limited	201,700	0.63
11	Chin Khan Hee @Chin Kian Hee	200,000	0.63
12	Morph Investments Ltd	199,800	0.63
13	Hong Leong Finance Nominees Pte Ltd	190,000	0.59
14	Maybank Securities Pte. Ltd.	173,500	0.54
15	Raffles Nominees (Pte.) Limited	171,420	0.54
16	Ong Wooi Siang	159,500	0.50
17	Tan Sze Hong	123,000	0.38
18	Khoo Soo Beng	115,000	0.36
19	Puah Sze Ngee	110,800	0.35
20	Stelpa Sendirian Berhad	100,000	0.31
	TOTAL	**26,335,320**	**82.42**

STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2022

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Worldwide Matrix Sdn Bhd	12,692,293	39.72	5,940,000[(a)]	18.59
2	Advance Synergy Berhad	–	–	18,632,293[(b)]	58.30
3	Wong Tze Leng	1,903,432[(c)]	5.96	–	–

(a) 5,940,000 shares of Worldwide Matrix Sdn Bhd are held under Phillip Securities Pte Ltd.

(b) Advance Synergy Berhad is deemed to be interested in the shares held by Worldwide Matrix Sdn Bhd by virtue of its shareholdings in Worldwide Matrix Sdn Bhd.

(c) 1,903,432 shares of Wong Tze Leng are held under Citibank Nominees Singapore Pte Ltd.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the company as at 21 March 2022, approximately 33.74% of the issued ordinary shares of the company is held by the public. Therefore, Rule 723 of the Listing Manual issued by Singapore Exchange Securities Trading Limited has been complied with by the company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the company will be convened and held by way of electronic means on Wednesday 27 April 2022 at 3.00 p.m. and at any adjournment thereof to transact the following business: -

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the company for the financial year ended 31 December 2021 and the Independent Auditors' Report thereon. **Resolution 1**

2. To approve the directors' fees of S$91,100/- for the financial year ended 31 December 2021 [2020: S$91,100/-]. **Resolution 2**

3. To re-elect Mr Wong Tze Leng who is retiring pursuant to Article 103 of the company's constitution. *(See Explanatory Note 1)* **Resolution 3**

4. To re-elect Ms Lee Su Nie who is retiring pursuant to Article 103 of the company's constitution. *(See Explanatory Note 2)* **Resolution 4**

5. To re-appoint RSM Chio Lim LLP as auditors of the company and to authorise the directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following with or without modifications:-

<u>Ordinary Resolutions</u>

6. **Authority to allot and issue shares**

a) "That, pursuant to Section 161 of the Companies Act 1967, and the Listing Manual of SGX-ST, approval be and is hereby given to the directors of the company at any time to such persons and upon such terms and for such purposes as the directors may in their absolute discretion deem fit, to:- **Resolution 6**

(i) issue shares in the capital of the company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while the authority was in force, provided always that:-

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the company does not exceed 20% of the total number of issued shares excluding treasury shares of the company. Unless prior shareholders' approval is required under the Listing Rules, an issue of treasury shares will not require further shareholders' approval and will not included in the aforementioned limits;

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the company's total number of shares excluding treasury shares at the time this resolution is passed, after adjusting for:-

a) new shares arising from the conversion or exercise of convertible securities; or

NOTICE OF ANNUAL GENERAL MEETING

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and

c) any subsequent consolidation or subdivision of the company's shares;

(ii) such authority shall, unless revoked or varied by the company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the company is required by law to be held, whichever is the earlier." *(See Explanatory Note 3)*

7. To transact any other business which may properly be transacted at an AGM.

Dated this 8th day of April 2022

By Order of the Board

Hon Wei Ling
Company Secretary

Explanatory Notes on business to be transacted:

1. Mr Wong Tze Leng will, upon re-election as Director, remain as the Group Executive Chairman.

   Please refer to pages 30 to 34 of the Corporate Governance Report in the 2021 annual report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.

2. Ms Lee Su Nie will, upon re-election as Director, remain as a Non-Independent Non-Executive Director and a member of the Audit, Remuneration and Nominating Committees of the company.

   Please refer to pages 30 to 34 of the Corporate Governance Report in the 2021 annual report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.

3. The ordinary resolution 6 in item 6 if passed will empower the directors of the company from the date of this Meeting until the next AGM to allot and issue shares and convertible securities in the company. The number of shares and convertible securities that the directors may allot and issue under this resolution would not exceed 50 percent of the issued share capital of the company at the time of passing this resolution. For issue of shares and convertible securities other than on a pro-rata basis to all shareholders the aggregate number of shares to be issued shall not exceed 20 percent of the issued share capital of the company, for such purposes as they consider would be in the interests of the company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the company.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of AGM (the "Notice") will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the company's website at http://captii.listedcompany.com/. This Notice will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

2. **To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person.** Instead, alternative arrangements have been put in place to allow members to participate at the AGM by (a) watching the AGM proceedings via "live" webcast, (b) submitting questions in advance of the AGM, and (c) voting by appointing the Chairman of the AGM as proxy at the AGM, are set out below.

3. Members who wish to watch the "live" webcast of the AGM, are to pre-register at the following website https://captii.com/ by **3.00 p.m. on 24 April 2022**.

   Members who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF and SRS investors) and who wish to watch the "live" webcast of the AGM and/or submit questions in advance of the AGM should approach their respective relevant intermediaries by **3.00 p.m. on 14 April 2022**.

NOTICE OF ANNUAL GENERAL MEETING

Confirmation of a member's successful pre-registration for the "live" webcast of the AGM proceedings will be sent by email to the member's email address provided or if the member is a legal entity, the corporate representative's email address provided or if the member is a relevant intermediary, the Beneficial Owner's email address provided. The email ("Confirmation Email") will contain access link, ID and password details to watch the "live" webcast of the AGM proceedings.

The abovementioned access link, ID and password details should only be used by the authenticated members, and should not be shared with anyone else. If it is established that the access link, ID and password details are being used by someone other than the authenticated members, the company reserves the right to revoke the respective user's access to the AGM.

Members who do not receive the Confirmation Email by **3.00 p.m. on 26 April 2022** but have registered by the **24 April 2022** deadline, should contact our share registrar, Boardroom Corporate & Advisory Services Pte Ltd at captii-agm2022@boardroomlimited.com.

4. Members who pre-register to watch the "live" webcast may also submit questions related to the resolutions to be tabled for approval at the AGM via the pre-registration website at https://captii.com/. All questions must be submitted by **3.00 p.m. on 18 April 2022**. The management and the board of directors of the company will endeavour to address substantial and relevant questions (as may be determined by the company in its sole discretion) received from members by publishing the responses to those questions on the SGX website at https://www.sgx.com/securities/company-announcements and the company's website at http://captii.listedcompany.com/ **on 22 April 2022**.

   Please note that members will not be able to ask questions at the AGM "live" during the webcast, and therefore members should pre-register their participation in order to submit their questions in advance of the AGM.

5. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the company's website at http://captii.listedcompany.com/, and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the proxy form will not be sent to members.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   Members who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF and SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions by **3.00 p.m. on 14 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **3.00 p.m. on 25 April 2022**.

   The instrument appointing the Chairman of the Meeting as proxy must be submitted to the company in the following manner by **3.00 p.m. on 25 April 2022**:-

   (a) if submitted by post, be lodged with the company's share registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the company's share registrar at captii-agm2022@boardroomlimited.com.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Chairman of the Meeting, as proxy, need not be a member of the company.

7. The 2021 annual report has been published on 7 April 2022 on the company's website at http://captii.listedcompany.com/ and on the SGX website at https://www.sgx.com/securities/company-announcements.

8. Due to the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice. Members should check the company's website at http://captii.listedcompany.com/ and on the SGX website at https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the company consents to the collection, use and disclosure of the member's personal data by the company (or its agents) for the purpose of the processing and administration by the company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

CAPTII LIMITED

(Company Registration No.: 200211129W)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

Alternative Arrangements for Annual General Meeting ("AGM")

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on the company's website at http://captii.listedcompany.com/. The Notice of AGM is also available on the SGX website at https://www.sgx.com/securities/company-announcements.
2. **To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person**. Instead, alternative arrangements have been put in place to allow members to participate at the AGM by (a) watching the AGM proceedings via "live" webcast, (b) submitting questions in advance of the AGM, and (c) voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM.
3. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

CPF/SRS Investors

5. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by **3.00 p.m. on 14 April 2022** to submit their votes by **3.00 p.m. on 25 April 2022**.

Personal Data

6. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

I/We ______________________________ (Name) NRIC/Passport No ______________________

of ____ (Address)

being a member/members of CAPTII LIMITED (the "company"), hereby appoint the Chairman of the Meeting as my/our *proxy to attend, speak and vote for me/us* on my/our* behalf at the Annual General Meeting (the "Meeting") of the company to be convened and held by way of electronic means on Wednesday, 27 April 2022 at 3.00 p.m. and at any adjournment thereof.

I/We* direct the Chairman of the Meeting to exercise all my/our votes* "For" or "Against" or to "Abstain" from voting the Ordinary Resolutions to be proposed at the Meeting as indicated with a "✓" in the spaces provided hereunder.

Resolution No.	Ordinary Resolutions	No. of votes "For"*	No. of votes "Against"*	No. of votes "Abstain"*
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the company for the financial year ended 31 December 2021 and the Independent Auditors' Report thereon.			
2.	To approve the directors' fees of S$91,100/- for the financial year ended 31 December 2021 [2020: S$91,100/-].			
3.	To re-elect Mr Wong Tze Leng pursuant to Article 103 of the company's constitution.			
4.	To re-elect Ms Lee Su Nie pursuant to Article 103 of the company's constitution.			
5.	To re-appoint Messrs RSM Chio Lim LLP as auditors of the company and to authorise the directors to fix their remuneration.			
6.	To authorise directors to allot shares pursuant to Section 161 of the Companies Act 1967.			

*If you wish for the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "√ " in the "For" or "Against" box provided. Alternatively, please indicate the number of votes as appropriate. If you wish for the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with a "√ " in the "Abstain" box provided. Alternatively, please indicate the number of Shares that the Chairman of the AGM as your proxy is directed to abstain from voting. In the absence of specified directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this __________ day __________________ 2022

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Proxy Form

Notes to Proxy Form:-

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. **To minimise physical interactions and COVID-19 transmissions risks, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** This proxy form may be accessed at the company's website at http://captii.listedcompany.com/, and the SGX website at https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   Members who hold their Shares through relevant intermediaries* as defined in Section 181 of the Companies Act 1967 (including CPF and SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions by **3.00 p.m. on 14 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **3.00 p.m. on 25 April 2022**.

   *Relevant Intermediaries has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. The Chairman of the Meeting, as proxy, need not be a member of the company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the company in the following manner by **3.00 p.m. on 25 April 2022**:

   (a) if submitted by post, be lodged with the company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the company's Share Registrar at Captii-agm2022@boardroomlimited.com.

   A member who wishes to submit an instrument of proxy by post, must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or by his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member of the company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its constitution and Section 179 of the Companies Act 1967.

8. The company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, is not shown to have shares entered against his name in the Depository Register seventy-two (72) hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the company consents to the collection, use and disclosure of the member's personal data by the company (or its agents) for the purpose of the processing and administration by the company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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