

### Consolidated Income Statement Data

(In S\$'000 except per-share amounts)

Years ended 31 Dec

	2019	2020	2021	2022	2023
Revenue	23,813	21,361	23,871	23,249	<b>18,281</b>
Gross profit	12,420	11,268	11,630	11,302	<b>8,515</b>
Total other income	647	2,195	8,361	230	<b>309</b>
Total operating expenses	9,369	8,381	9,524	14,015	<b>20,084</b>
Finance costs	140	134	108	44	<b>28</b>
EBITDA	4,663	5,981	11,487	(1,601)	<b>(10,539)</b>
Profit before income tax	3,558	4,948	10,359	(2,527)	<b>(11,288)</b>
Net profit	2,867	4,180	9,511	(3,244)	<b>(11,717)</b>
Basic earnings per share (cents)	6.50	10.47	28.40	(10.98)	<b>(26.34)</b>

### Consolidated Balance Sheet Data

(In S\$'000 except per-share amounts)

Years ended 31 Dec

	2019	2020	2021	2022	2023
Total assets	54,024	56,085	71,369	63,134	<b>48,075</b>
Working capital	16,496	18,910	18,995	21,622	<b>19,229</b>
Cash and cash equivalents	10,173	13,147	13,823	13,223	<b>10,965</b>
Borrowings	1,652	970	274	897	<b>846</b>
Shareholders' equity	40,754	43,783	51,972	46,323	<b>36,143</b>
Net asset value per ordinary share (cents)	127.53	137.00	162.63	144.95	<b>113.10</b>

		
<p>AHEADMOBILE                  ALTERRA                  ALTHEA                  AVANA                  CAPTIIVENTURES                  CURLEC                  COMPUTERGUYS                  DIGIFY                  GLOBEOSS                  MIMOSATEK                  MOMOS                  ONONPAY                  MUSLIMPRO                  SHOPPERTISE                  POSTPAY                  POUCHNATION                  SENDHELPER                  TELIO                  UANGTEMAN                  UNIFIEDCOMMS</p>	<p>AHEADMOBILE                  ALTERRA                    AVANA                  CAPTIIVENTURES                  COMPUTERGUYS                  DIGIFY                  GLOBEOSS                  MIMOSATEK                  MOMOS                  ONONPAY                  MUSLIMPRO                  SHOPPERTISE                  POSTPAY                    TELIO                    UNIFIEDCOMMS</p>	<p><b>AHEADMOBILE                  ALTERRA</b>    <b>CAPTIIVENTURES</b>    <b>COMPUTERGUYS                  DIGIFY                  GLOBEOSS                  MIMOSATEK                  MOMOS                  ONONPAY                  MUSLIMPRO                  SHOPPERTISE                  POSTPAY</b>    <b>TELIO</b>    <b>UNIFIEDCOMMS</b></p>

Captii invests in technology and innovation. The funding winter deepened in Southeast Asia, with media-reported startup fundraising halving in 2023. We lost a relatively small portfolio company during the year, and as a result, our venture investment portfolio now comprises 8 companies from 4 countries.

With the continuation of the higher for longer interest rate regime, investors have become even more risk-averse during the year. We saw favourable valuation metrics for enterprise solutions and software-as-a-service comparable companies over the consumer-centric sector because of the macroeconomic challenges. This, coupled with some of our portfolio companies showing stagnant and declining business performance due to the challenging business environment, led to a non-cash impairment and fair valuation loss recorded for the year. For the 8 companies, we have their fair valuation marked at S\$17.2million against investment cost of S\$6.3 million.

At Unifiedcomms, the diminished expected performance of certain managed service contracts, the value of Unifiedcomms as a CGU was adversely affected, resulting in a significant reduction in the valuation of Unifiedcomms in 2023 though having no cash impact. With the adverse developments at Captii Ventures and Unifiedcomms, the group had a disappointing 2023.

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### Dear Captii Shareholder:

On behalf of the Board of Directors, I present the Annual Report of Captii Limited for the financial year ended 31 December 2023.

### Another disappointing outcome

Disappointingly, we were unable return the group to profitability in 2023. Instead, we recorded a significantly higher net loss in 2023 compared to the year before.

In 2023, both of our GlobeOSS and Unifiedcomms businesses continued to have weaker revenue performance compared to the year before. However, this was not the main factor for our negative bottom-line outcome for the year. The diminished expected performance of certain managed service contracts of Unifiedcomms had significantly impacted the value of expected cash flows of the business. Meanwhile, the challenging environment for market valuations of technology startups had resulted in a substantial reduction in the fair value of our venture investment portfolio. The impact of both these non-cash goodwill impairment and fair-value losses of almost S\$11 million combined, was the main factor of having a higher net loss in 2023 against 2022.

### Weaker revenue and lower gross profit margin

Both our GlobeOSS and Unifiedcomms business generated lower revenue this year. GlobeOSS posted revenue of S\$6.5 million, a decrease of 21.4% from the S\$8.3 million achieved in 2022. Unifiedcomms revenue decreased by 21.4% to S\$11.7 million in 2023 compared to the S\$14.9 million achieved the year before. As a result of this, group revenue declined from S\$23.2 million in 2022 to S\$18.3 million in 2023.

Gross profit recorded by our group was lower this year, in line with the decline in revenue. Average gross profit margin decreased from 48.6% in 2022 to 46.6% in 2023, arising from a less favourable sales mix. This was mainly due to lower gross profit margins of Unifiedcomms system sale contracts in 2023, attributable to higher third-party component costs incurred.

Our group ended the year with a loss before tax of S\$11.3 million, 346.7% higher compared to the S\$2.5 million recorded for 2022. The substantial increase in loss before tax was mainly due to a significantly higher fair value loss on the Captii Ventures investments portfolio and a larger impairment loss on goodwill relating to the 2012 acquisition of Ahead Mobile.

This culminated in a group loss after tax for the year of S\$11.7 million, as compared to S\$3.2 million recorded in 2022. Excluding the non-cash exceptional losses relating to venture investment and goodwill, our group recorded a loss after tax of S\$0.7 million for 2023, in contrast with a profit after tax of S\$1.6 million in 2022.

### Negative bottom-line: negative ROE

Due to the negative bottom-line outcome for the year, our group recorded negative return on equity (ROE) of 20.4% in 2023, as compared to negative ROE of 7.1% recorded in 2022. Excluding the non-cash exceptional losses that have significantly on our bottom-line results, our group recorded an adjusted negative ROE of 1.7% in 2023, in contrast with the adjusted positive ROE of 2.9% generated in 2022.

### Decline in both managed service and system sale revenues

Efforts to grow the managed service business persisted in 2023. However, revenues from this contract type declined by S\$3.8 million against last year with the decrease being attributable to the lower managed service contract revenues from Unifiedcomms.

Group system sale contract revenues was lower for 2023, as a result of lower system sale contract revenues at GlobeOSS. System sale revenues of GlobeOSS decreased by 23.8% to S\$4 million in 2023 compared to S\$5.2 million achieved in 2022. Unifiedcomms system sale contract revenues meanwhile was flat at S\$1.1 million.

### Investing in technology and innovation

At the start of 2023, 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 2023 but none progressed further to consummation. As a result, the number of investees in the portfolio remained as eight in total as at end-2023. The work to identify, screen and engage on further investment opportunities will persist in the new year.

### Balance sheet strength and dividends

Although we had no acquisitions or investments in 2023, 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 had on 20 September 2023, paid a tax- exempt interim dividend of 1.25 Singapore Cents per share. After declaring and paying to shareholders a dividend for the thirteenth year running, we continue to have a strong balance sheet at end-2023 with ample cash and cash equivalents of S\$11 million. 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 2023.

### In gratitude

2023 proved to be another challenging and disappointing year for our group. We look forward to doing better in the year ahead and will strive to deliver an improvement in financial performance in 2024.

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

18 March 2024

**An overview of our business**

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

Throughout 2023, 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 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 solutions provider in the field of telecoms big data and analytics.

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.

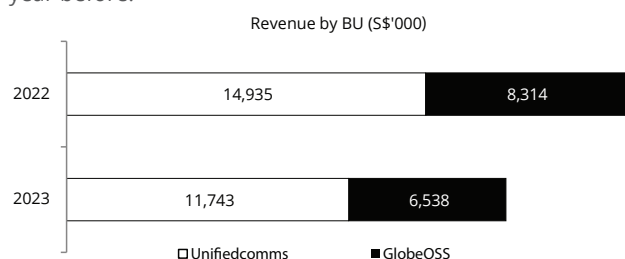
Captii Ventures, the venture investment arm of our group, focuses primarily on the SEA market for start-up investment opportunities. Our venture investment business regularly interacts with other venture capital (VC) management companies in the region and participates in funding rounds as either lead investor or as a co-investor following the lead investor.

As at end-2023, there are a total of 190 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 and Indonesia.

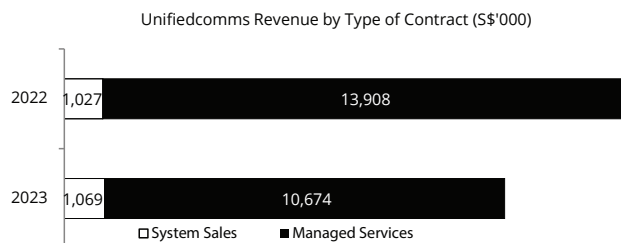
**A slow and disappointing year**

The group recorded consolidated revenue of S\$18.3 million for the financial year 2023, a decrease of 21.4% as compared to the S\$23.2 million achieved in 2022.

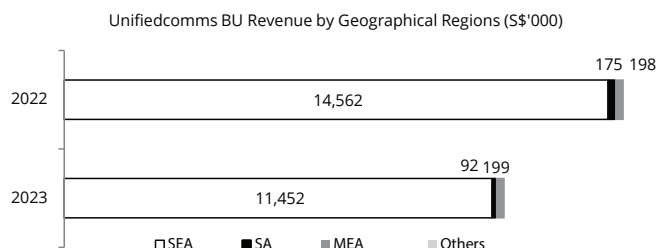
Both GlobeOSS and Unifiedcomms businesses recorded a decline in revenue against their 2022 results. GlobeOSS recorded revenue of S\$6.5 million in 2023, a decrease of 21.4% from the S\$8.3 million achieved in 2022. Unifiedcomms meanwhile had a 21.4% decline in revenue, turning in total revenue of S\$11.7 million in 2023 versus S\$14.9 million the year before.



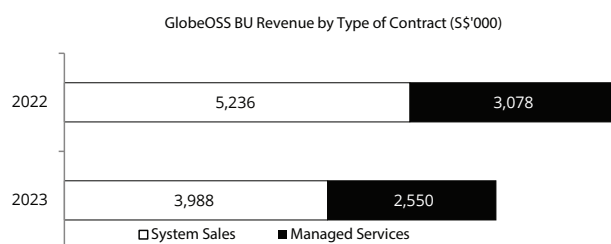
Lower revenue at Unifiedcomms was caused by revenue from managed service contracts declining to S\$10.7 million in 2023 from S\$13.9 million in 2022. System sales contract revenues of this business in 2023 meanwhile were flat against 2022.



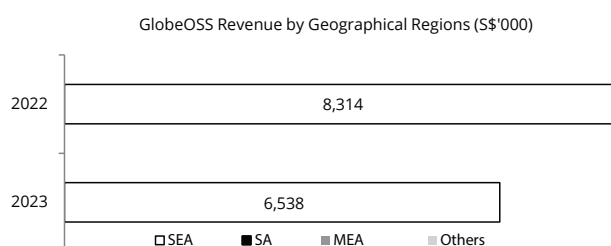
The Unifiedcomms customer base has traditionally been concentrated in the SEA region. This has not changed in 2023, with Unifiedcomms SEA region revenues accounting for 97.5% of total revenue recorded for the year.



GlobeOSS also experienced a decline in both system sale and managed service contract revenues in 2023. System sale contract revenues declined to S\$4 million in 2023 versus the S\$5.2 million achieved in 2022. Managed service contract revenues declined to S\$2.6 million in 2023 versus the S\$3.1 million achieved in 2022.

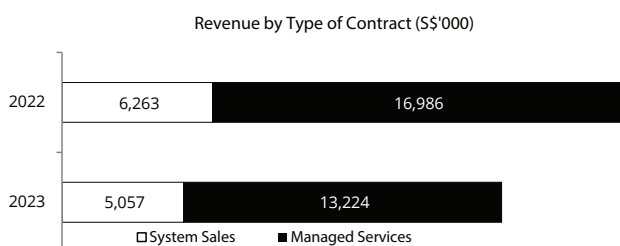


GlobeOSS continues to have both its system sale and managed service business concentrated in the SEA region. The decrease in GlobeOSS revenue from the SEA region reflects the S\$1.2 million decrease in system sale contract revenues between 2022 and 2023.

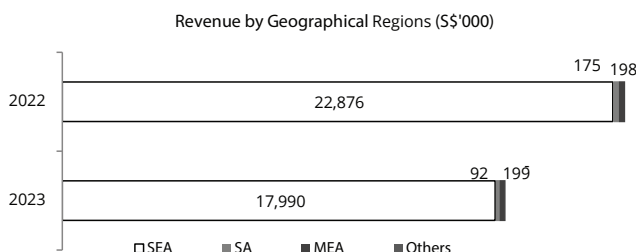


**Decline in both system sale and managed service revenues**

The decline in group revenue this year against last year was mainly attributable to the 22.2% or S\$3.8 million decrease in both Unifiedcomms and GlobeOSS managed service contract revenues and the 23.8 % or S\$1.2 million decrease in GlobeOSS system sale contract revenues.



The revenue region that proved most disappointing was SEA, which had its contribution fall from S\$22.9 million in 2022 to S\$18 million in 2023. Similarly, the SA region's results were below expectations, due to the underperformance of certain managed service contracts, coupled with impact of unfavourable foreign exchange movements. The MEA region's contribution to total group revenue at S\$0.2 million this year was flat against the year before.

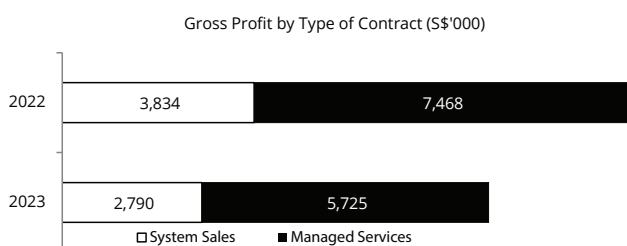


In 2023, SEA, our home region, continues to be the largest geographic source of revenue, accounting for 98.4% of group topline.

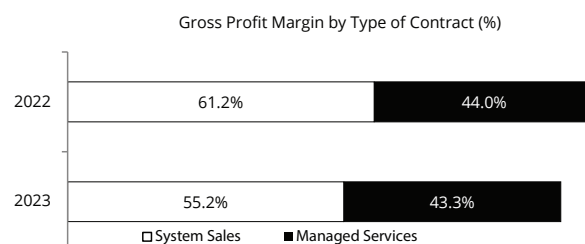
**Lower gross profit in line with lower revenue**

In line with the lower consolidated revenue of S\$18.3 million for 2023, a 21.4% decrease on 2022 revenue, absolute gross profit recorded for the year was lower compared to 2022.

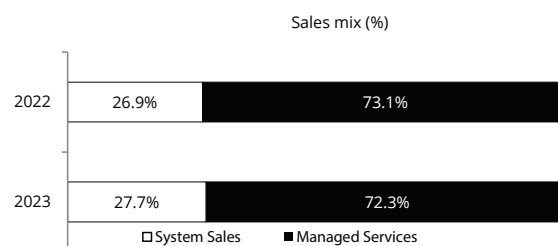
Group gross profit for 2023 was S\$8.5 million, down by S\$2.8 million or 24.6% against what was recorded in 2022. The magnitude of decline in gross profit was higher than that of revenue as a result of the less favourable sale mix recorded in 2023, attributable to lower overall gross profit margin earned on group revenue of 46.6% as compared to 48.6% achieved the year before.



System sale contract average gross profit margin declined to 55.2% in 2023 as compared to 61.2% achieved in 2022. This was primarily due to lower Unifiedcomms system sale contracts gross profit margin in 2023, attributable to higher third-party costs. Meanwhile, gross profit margin earned on managed service contract revenues declined marginally from 44% achieved in 2022 to 43.3% this year. This was primarily due to higher third-party costs on certain Unifiedcomms managed service contracts.



The sales mix of our group in 2023 continues to show more than fifty percent of group revenue being generated from managed service contracts. This year's managed service contract revenues accounted 72.3% of group revenue, down from 73.1% in 2022. This was primarily due to a decrease in managed service contract revenues of the group, which declined by 22.1% from S\$17 million in 2022 to S\$13.2 million in 2023.



**Higher total opex, after exceptional items**

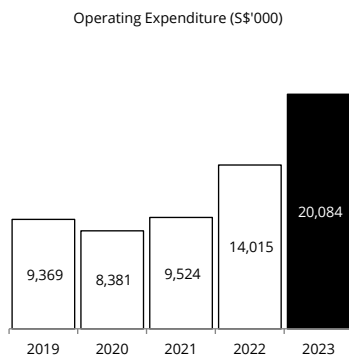
Our group's operating expenditure for the year increased significantly to S\$20.1 million this year as compared to S\$14 million in 2022.

In 2023, we had a significant impairment loss on goodwill and a fair value loss being assessed on our group's venture investment portfolio.

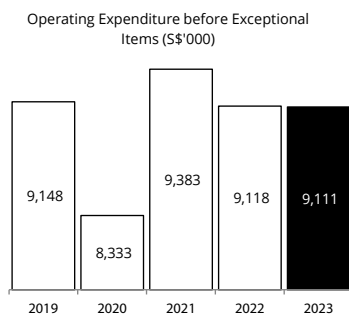
The impairment loss on goodwill this year amounting to S\$4.2 million represented the amount by which the carrying amount of cash-generating unit ("CGU") of Unifiedcomms had exceeded its recoverable amount. This was mainly caused by certain managed services contracts (under the CGU) that are now believed to produce lower than expected profitability and returns. This impairment loss has no cash impact.

Meanwhile, the challenging market environment for technology startup valuations resulted in a significant decline in the fair value of the group's venture investment portfolio this year. This gave rise to the fair value loss of S\$6.8 million in 2023 as compared to S\$2.1 million in 2022.

Moreover, we sustained a further foreign exchange loss during the year, primarily due to the continued weakening of the Pakistan Rupee against the Singapore Dollar.



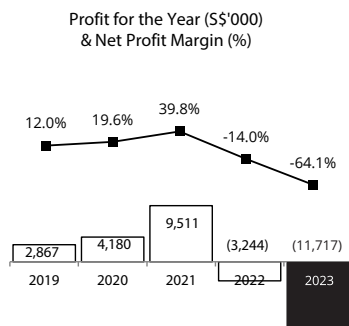
Excluding the effect of exceptional items charged to the income statement this year such as the fair value loss and impairment loss on goodwill, our group operating expenditure for 2023, at S\$9.1 million, is unchanged compared to what was recorded for 2022.



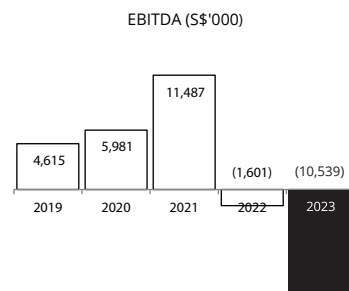
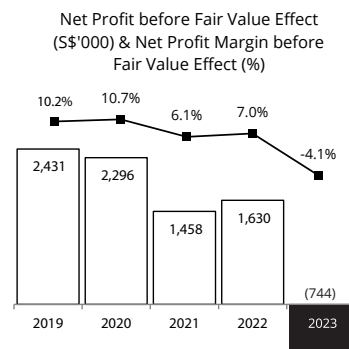
**Negative bottom line from large non-cash charges**

The group net loss for the year was S\$11.7 million, some 261% higher than the S\$3.2 million net loss recorded in 2022. This increase in our group’s negative bottom line caused by the higher fair value loss and impairment loss on goodwill totalling S\$11 million as compared to S\$4.9 million recorded in 2022. These exceptional losses had no cash impact on our business.

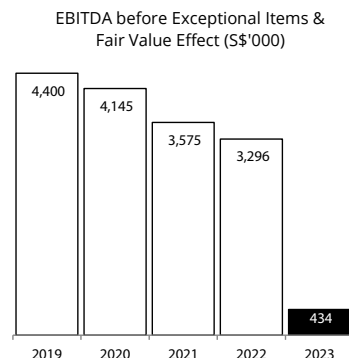
In terms of margins, our group recorded a negative net profit margin of 64.1% for 2023, as compared to the 14% recorded in 2022. If the effect of any fair value and impairment loss are excluded, our group net loss margin for 2023 would have reduce to 4.1%, as compared to net profit margin of 7% achieved in 2022.



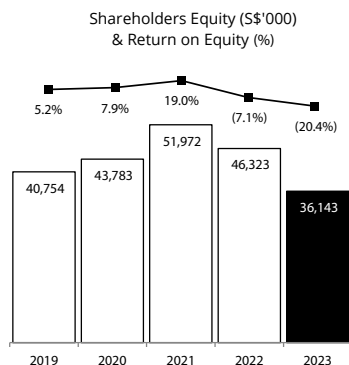
When the bottom-line numbers are examined more closely, to exclude exceptional losses such as the fair value on the Captii Ventures portfolio investments, and the impairment loss on goodwill, the profit performance of Unifiedcomms and GlobeOSS is made more apparent. Excluding such non-cash items, Unifiedcomms and GlobeOSS recorded an ‘adjusted’ net loss of S\$0.7 million in 2023, in contrast with the ‘adjusted’ net profit of S\$1.6 million in 2022. The decline in the performance of the underlying business of Unifiedcomms and GlobeOSS was mainly due to declines in revenue and gross profit margin.



We recorded negative EBITDA of S\$10.5 million in 2023, in tandem with our group’s net loss result for the year. A significant proportion of this negative EBITDA is accounted for by the fair value loss on the Captii Ventures investment portfolio and the impairment loss on goodwill. Removing the effect of these non-cash items in 2023, the cash generation performance of our underlying businesses can be identified. EBITDA before exceptional items stood at S\$0.4 million for 2023 – a decrease of 86.8% against what was achieved in 2022.



Because of the exceptional losses, our group recorded a negative return on equity (ROE) of 20.4% for the year.



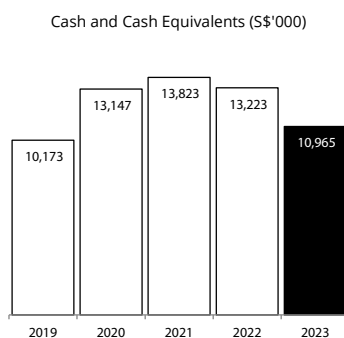
### Investing in (external) technology and innovation

As at end-2023, we continued to have 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 and double-digit group profit growth, and a significant uplift of our ROE performance.

Throughout 2023, our venture investment business persisted in identifying and evaluating many investment opportunities in the SEA region, unfortunately none could be progress to consummation. We ended 2023 with a portfolio of eight remaining investments in new technology ventures and start-ups.

### Reviewing our 2023 balance sheet

Now to turn to our group's balance sheet: we ended 2023 with lower current assets of S\$24.3 million, as compared to S\$27.9 million as at end-2022. This was mainly attributable to the decrease in trade and other receivables from S\$11.2 million to S\$8.7 million as a result of lower revenue recorded by our group. This impact was partly mitigated by the increase in other non-financial assets from S\$3.4 million to S\$4.6 million as a result of higher contract assets. The increase in contract assets relates to higher uncompleted system sale contracts of our GlobeOSS business in 2023. The group's cash and cash equivalents as at end-2023 meanwhile stood at S\$11 million as compared to S\$13.2 million as at end-2022.



Our total non-current assets declined from S\$35.3 million as at 31 December 2022 to S\$23.8 million as at 31 December 2023, representing a decrease of 32.5%. This was mainly due to the decrease in other financial assets as a result of the significant non-cash fair value loss assessed on the venture investment portfolio as at 2023, as well as the impairment loss on goodwill (classified as intangible assets).

Total liabilities of our group fell from S\$6.4 million as at 31 December 2022 to S\$5.4 million as at 31 December 2023. This decrease is attributable to the reduction in trade and other payables following payments made in 2023.

### Reviewing movements in group cash

Our group's net cash generated from operations was S\$0.3 million in 2023, in contrast with the net cash used in operations of S\$0.2 million in the previous year. This was mainly attributable to lower working capital incurred of S\$0.2 million for 2023, as compared to S\$3.5 million for 2022, as higher repayment was made to the trade and other payables in 2022.

Our group's net cash used in investing activities for 2023 amounted to S\$0.5 million, in contrast with the net cash flow from investing activities of S\$2 million in 2022. This decrease was primarily due to significantly lower proceeds from the disposal of a venture investment in 2023 as compared to 2022.

The group's net cash used in financing activities for 2023 amounted to S\$1.1 million as compared to S\$0.6 million for 2022. The higher net cash used in financing activities was mainly due to higher repayment of borrowings in 2023. These borrowings relate to working capital financing facilities utilised for certain system sale contracts.

### Recurring revenues remain strong

We expected system sale market conditions to continue to be somewhat challenging for our group in 2023 and for our managed service contract portfolio to deliver significant growth. The decline in GlobeOSS system sale contract revenues in 2023 evidenced the lumpiness that is to be expected in the contribution of system sale contracts to the group's result. Meanwhile, the growth in our managed service contract portfolio did not materialize. Both Unifiedcomms and GlobeOSS recorded lower managed service contract revenues due to underperformance of certain existing managed service contract, coupled with adverse effect of unfavourable foreign exchange rate movements.

Significant uncertainty and lumpiness are 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 2024 and beyond**

The operations of Unifiedcomms and GlobeOSS in the financial year under review had been minimally impacted by geopolitical tensions and supply chain disruption. However, due to the diminished expected performance of certain managed service contracts the value of Unifiedcomms as a CGU was adversely affected. The change in user behaviour in certain Unifiedcomms applications services, followed by the intensified pricing pressure within the telecommunications industry had directly and indirectly impacted the expected profitability of these managed service contracts, resulting in a significant reduction in the valuation of Unifiedcomms as a CGU in 2023.

On the business front, both Unifiedcomms and GlobeOSS contracts in-hand continue to be progressed and management of the group are hopeful that new projects and initiatives requiring our products and services, will continue to be pursued by customers. The possibility remains however, that larger system sale contracts and certain managed service contracts that have yet to be committed in the financial year under review, may be further deferred, or even abandoned entirely if macroeconomic and industry conditions worsen or do not improve significantly enough.

At Captii Ventures, the group's venture investment business, the valuation for start-ups continue to be affected by a weak market environment. This resulted in a substantial reduction in the fair value of Captii Ventures' investment portfolio, translating to a fair value loss of S\$6.8 million in the financial year under review.

Against this rather negative backdrop the group remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of economic uncertainty on group financial performance.

**Wong Tze Leng**  
Executive Chairman

**Anton Syazi Ahmad Sebi**  
Executive Director

18 March 2024

# 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. All data, including its data collection process, has been submitted for internal review and verification by our outsourced internal auditor.

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, 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.

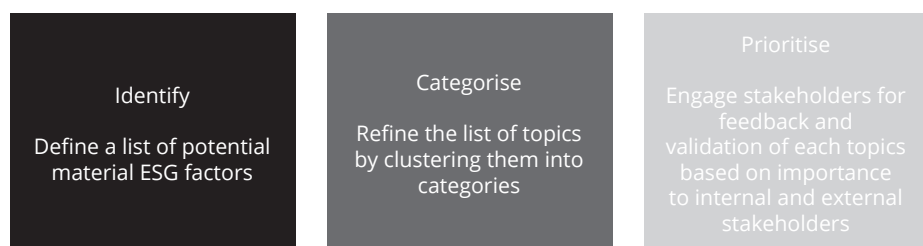
EXHIBIT 1. CAPTII'S SUSTAINABILITY PERFORMANCE MANAGEMENT FRAMEWORK

### Pillars of our sustainability performance



### OUR MATERIALITY ASSESSMENT PROCESS

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



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

# SUSTAINABILITY REPORT

## REPORTING PRACTICE AND BOUNDARY

The sustainability report provides detailed disclosures of our key sustainability matters for the financial year ended 31 December 2023.

## 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.

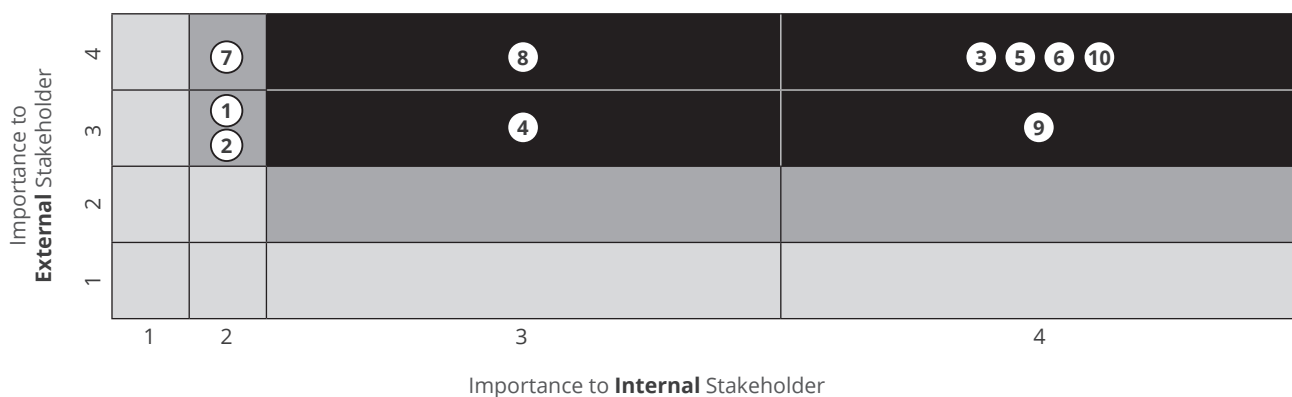
Through internal discussions and reviews with the independent consultant management has reviewed stakeholders across Captii’s value chain and identified three (3) key stakeholder groups. These are stakeholders defined as having the most influence over and have the highest level of interest in group operations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

EXHIBIT 2. KEY STAKEHOLDER GROUPS

Employees	Customers	Suppliers
Engagement with employees is conducted regularly to measure satisfaction levels, obtain 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 our 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
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# 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-efforts approach in observing the spirit and intent of its ten principles. Although the ten principles are not presently embedded in documented policies and procedures, 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 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 to recycling, energy-saving practices and undertaking measures to reduce wastage, pollution and harmful emissions.

Captii is committed and strives 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 be 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 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 air conditioning, 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 cooling and climate control plant and equipment and heat shielding materials in offices to manage workplace ambient temperatures.

Commitments
<ul style="list-style-type: none"> <li>Continue to explore solutions that minimise environmental impact.</li> <li>Maintain energy-efficient equipment and devices at our facilities whenever possible, including LED lights and more energy efficient-cooling solutions.</li> </ul>

### Electricity Consumption

During the reporting period, Captii consumed a total of 236,931 kWh of energy, higher against 234,223 kWh of energy recorded in 2022.

We target to maintain our electricity consumption below 300,000 kWh of energy in 2024.

### Waste Management

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

We target to have zero incidents of hazardous waste in 2024.

### 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 with 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.

We target to have zero incidence of non-compliance with the environmental laws and regulations resulting in fines or sanction in 2024.

# SUSTAINABILITY REPORT

## Climate-related Disclosure

SGX-ST has introduced a phased approach to mandatory climate reporting for issuers in the sectors of (a) financial industry; (b) agriculture, food and forest products industry; and (c) energy industry, starting from 2023. Meanwhile, for other issuers, such as Captii in the information and communications technology industry, climate reporting is on a “comply or explain” basis.

Captii is aware of the effects of increasingly pronounced climate change, and has assessed the said risk and opportunities to its business operations. Having considered the nature of industry the group is operating in and its core businesses – provision of application and software, Captii believes that climate related issues have a minimal impact to the group and its businesses, and vice versa.

## 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 responses to our customers.
- 24-hour customer careline for customers to provide feedback on service issues.
- Feedback from customers (including complaints) are documented for future improvement and development of products and services.

Commitments
<ul style="list-style-type: none"> <li>• Continue to achieve product excellence through innovation and technology.</li> <li>• Continue to maintain a high level of customer satisfaction across our businesses.</li> </ul>

During the reporting period, there were zero incidents of customer dissatisfaction. We target to have zero incidents of customer dissatisfaction in 2024.

## 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.

Through such support, we believe that we can positively contribute to the local economy. We select partners who share our work ethic 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.

During the reporting period, there was no new supplier engaged. We will ensure that all new suppliers will be screened and evaluated in 2024.

## 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.

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
<ul style="list-style-type: none"> <li>• 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.</li> </ul>

During the reporting period, there were zero corruption incidents. We target to have zero incidents of corruption in 2024.

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 departments within business segments are responsible for identifying and self-assessing the adequacy and effectiveness of mitigating measures, and manage their financial, operational, compliance and reputation-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 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. We target to have zero incidents of regulatory non-compliance in 2024.

We target to have zero incidents of regulatory non-compliance in 2024.

# SUSTAINABILITY REPORT

## EMPOWERING LIVES

### LABOUR PRACTICES & HUMAN RIGHTS

Our employees are one of our most valuable assets. We are committed to fair employment practices, upholding human rights principles and investing 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 opportunities 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 to all relevant policies and practices. As at 31 December 2023, Captii has a total of 190 employees group-wide. During the reporting period, staff turnover was maintained below our target rate of 20%.

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

During the reporting period, there were zero incidents of human rights violations. We target to have zero incidents of human rights violations and to maintain our staff turnover below our target rate of 20% in 2024.

### Learning & Development

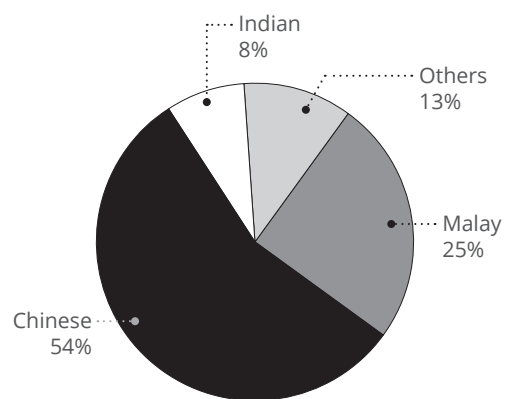
To encourage and support our employees to develop their fullest potential and have fulfilling careers, Captii places priority on learning and development programmes. Our learning and development roadmap also accounts for future skills required to improve the efficiency of our businesses. We customise 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 to promote a conducive corporate environment where everyone could achieve their potential.

During the reporting period, more than 25% of our employees had received training and development. We target to maintain 25% or above of our employees receive training and development in 2024.

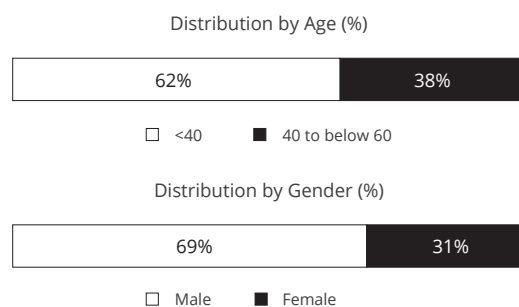
## Workforce Diversity & Inclusion

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 2023, below are our employees' distribution by age and 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.

# SUSTAINABILITY REPORT

We believe in developing local talent to assume management positions. As of 31 December 2023, 100% of senior management across our business segments are local. During the period under review, there were zero incidents of discrimination.

We target to have zero incidents of discrimination in 2024.

## Compliance with Applicable Employment Laws & Regulation

During the reporting period, there were zero incidents of non-compliance with the applicable employment laws and legislation 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.

We target to have zero incidents of non compliance of employment law in 2024.

## 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. We expect all our employees and individuals that 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
<ul style="list-style-type: none"> <li>Strive to raise awareness, maintain vigilance and foster a strong HSE-centric culture particularly at the ground level.</li> <li>Leverage technology to drive improvements in safety performance.</li> </ul>

We have a Health and Safety Committee to ensure that the Company complies with Occupational Safety and Health Act. 2022. The Company strives to continue maintaining its health & safety standards and driving continuous improvement in our Operational Health and Safety performance.

We target to have zero incidents of fatalities across our group operations in 2024.

## 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 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632	
Auditors:	RSM SG Assurance 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 27 April 2022 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.

### **Chuah Seong Phaik**

Independent Director

(Paul) Chuah Seong Phaik was appointed to the board on 18 December 2003 and was last re-elected on 26 April 2023. 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.

## BOARD OF DIRECTORS

### **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 27 April 2022. Su Nie was the 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.

#### 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”) established GlobeOSS in February 2006 and has since been the Chief Executive 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.

### CAPTII VENTURES

**Ng Sai Kit**  
Executive Director

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

Prior to joining the group, Sai Kit was 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 Chairman of the Malaysian Venture Capital & Private Equity Association.

# 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;

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

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) that are 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, the nominating committee (“NC”), remuneration committee (“RC”) and audit committee (“AC”). There are 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 principles 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.

**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	3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	0
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.

# CORPORATE GOVERNANCE REPORT

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.

There was no appointment of a new director during the financial year ended 31 December 2023. Upon appointment of each new director, a formal letter, setting out 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 directors in 2023:

1. The external auditors, RSM SG Assurance LLP, briefed AC members on developments in accounting and governance standards at half yearly meetings;
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, 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 2023 include:

1. Seminar Percukaaian Kebangsaan (National Tax) 2022;
2. 2023 Budget Seminar;
3. Malaysian Private Reporting Standards (MPERS) – Updates and Application of MPERS;
4. Webinar by Baker Tilly Malaysia on "Tax & Budget";
5. Webinar on "Unveiling the New Transfer Pricing Rules for 2023";
6. Online training on "Mandatory Accreditation Programme Part II : Leading for Impact";
7. Training on "Occupational First Aid Skill and Cardiopulmonary Resuscitation Course";

8. Webinar on Bursa PLCs Investor Relations Series 1: 2024 Outlook, A Year for Policy Reform;
9. Webinar on LHDN E-Invoicing in Malaysia: Navigating Tax, Compliance & IT Processes; and
10. Employment Act 1955 (Act 265) Inclusive of Employment (Amendment) Act 2022 (Act A1615) Sexual Harassment.

To equip directors with the relevant sustainability knowledge, all directors have attended sustainability training entitled "Sustainability E-Training for Directors", conducted by the Institute of Singapore Chartered Accountants and SAC Capital Private Limited.

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.

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 operations 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.

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.

The company's Board Diversity Policy endorses the importance and benefits of composition and diversity on the board as an essential element to support the attainment of its strategic objectives and development. NC reviews the policy from time to time, and assesses if the existing attributes and core competencies of the board complement the company's objectives and strategies. NC will recommend to the board such adjustments as it may deem necessary which enables the board to maintain and/or enhance balance and diversity.

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.

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.

The company's Board Diversity Policy acknowledges 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. The board recognises that women bring different perspectives and voices to the table, debate, and decision-making which can improve the quality of dialogues and the ability to evaluate issues from several angles, the board aimed to maintain at least 25% representation of female directors by year 2025. The company is currently in preliminary stage by seeking suitable candidates and will take a gender-neutral approach and carefully evaluate whether the skills, background and experiences of the candidates are appropriate for the board and the company's development.

In addition, the board consists of directors with age ranging from their forties 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 company's Board Diversity Policy endorses that age is an important aspect of diversity as it allows for different viewpoint on issues and concerns that are important to all age groups. The board will look towards the inclusion of young directors when necessary, in order to provide greater representation of all stakeholders groups and will take on an age-neutral stance where board member selection is determined based on relevant skills requirements and not deemed skills and experience based on age.

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.

The criteria 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 be 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 or any of the past three (3) financial years;
- (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; and
- (iii) A director who has been a director of the company for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the company's AGM held for the financial year ending on or after 31 December 2023.

With the changes implemented by SGX Regco, two (2) independent directors, namely Peng Hock and Paul, having served more than nine (9) years, will no longer be considered independent following the conclusion of the company's forthcoming AGM. To be in compliance with Rule 210(5)(d)(iv) of the Listing Rules, both Peng Hock and Paul will resign from the board after the conclusion of the company's forthcoming AGM.

The board is cognisant of the requirements of the Listing Rules and the Code and is actively seeking suitable candidates for the independent directors, in accordance with the company's diversity policy. The Company will release the announcement regarding the appointment of the new independent directors in due course.

# CORPORATE GOVERNANCE REPORT

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.

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 effective 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 management teams 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 up until 1 September 2017, is primarily responsible for overseeing the Postpay business and 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 and management of each business together with the team of key executives reporting to him.

The board had 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 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 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 the NC's recommendations.

Where a vacancy arises under any circumstance, 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 pages 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 2023 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 Anton, 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. Anton will, upon re-election as director, remain as executive director.

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 2023.

## 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 approval by shareholders.

As the company operates mainly in the highly competitive telecommunications, technology and venture investment industries, 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.

Nevertheless, the Company is cognisant of the new Listing Rule 1207 (10D) and will disclose the names, exact amounts and breakdown of remuneration paid to each individual director and the CEO by the Company and its subsidiaries in its annual report for the financial year ending 31 December 2024 onwards.

### Remuneration of Directors

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

Name of Directors	Fee %	Salary %	Bonus %	Allowance & Benefits %	Long Term Incentives %	Total %
<b>S\$250,001 – S\$500,000</b>						
Wong Tze Leng <sup>(1)</sup>	-	60	22	18	-	100
<b>Below S\$250,000</b>						
Anton Syazi Ahmad Sebi <sup>(2)</sup>	-	-	-	100	-	100
Phuah Peng Hock <sup>(3)</sup>	100	-	-	-	-	100
Chuah Seong Phaik <sup>(3)</sup>	100	-	-	-	-	100
Lee Su Nie <sup>(3)(4)</sup>	100	-	-	-	-	100

Notes:

- (1) Pursuant to prevailing service agreement that was 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 2023 is S\$406,000.

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 six (6) 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.

In aggregate, the total remuneration paid and payable to the top six (6) key executives for the financial year ended 31 December 2023 is S\$783,000.

During the financial year, there was no employee who is substantial shareholder of the company, or is an immediate family member of a director, an 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 employees or key executives.

Table D: Remuneration Band of Key Executives						
Name	Fee %	Salary %	Bonus %	Allowance & Benefits %	Long Term Incentives %	Total %
<b>Below S\$250,000</b>						
Ho Ting Sai	–	84	7	9	–	100
Chin Wei Li	–	60	5	35	–	100
Phang Deng Sheng	–	71	6	23	–	100
Yong Choon Vooi	–	69	6	25	–	100
Ng Sai Kit	–	70	6	24	–	100
Ann Wan Kuan	96	–	–	4	–	100

## 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 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 2023. This is in turn supported by assurance from the executive chairman and the group financial controller, as well as relevant key management personnel that:

- the financial records of the group have been properly maintained and the consolidated financial statements for the financial year ended 31 December 2023 give a true and fair view of the group's operations and finances;
- 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;
- they have evaluated the effectiveness and adequacy of the group's risk management and internal control system as at 31 December 2023; and
- 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 its 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. The AC is pleased to recommend their re-appointment.

The fees paid to the external auditors for financial year ended 31 December 2023 amounted to S\$167,000 and S\$27,000 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 appointment of different auditors has not compromised 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 where 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 the i) group corporate affairs and human resources director; ii) group investments director; and iii) head of risk management (employed under the ultimate holding company) are responsible for oversight and monitoring of whistle blowing. 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 2023, 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 SG Assurance 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 on and reviewed the key audit matters as reported in the independent auditors' report on pages 40 to 42 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 15 years of experience in external and internal audits on various industries, including publicly-listed companies. The managing consultant is assisted by an experienced senior consultant to discharge the IA function properly. Both of the consultants are Chartered Members of The Institute of Internal Auditors Malaysia, while the managing consultant is also a Certified Internal Auditor by The Institute of Internal Auditors. IA reports principally to the AC chairman.

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

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 discharge their function and duties properly.

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 IA to ensure that 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, 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](http://captii.listedcompany.com) where shareholders can access investor-related information on the company.

The company currently does not have a formal investor relations policy. However, the board recognises the importance of fair disclosure principles and emphasises active dialogue and engagement with shareholders, investors, analysts and members of the public. Shareholders may send their queries and concerns regarding the company on the company's investor relations website at [captii.listedcompany.com](http://captii.listedcompany.com).

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 his/her behalf at the general meetings.

As the authentication of shareholder's identity and other related security and integrity issues still remain a concern, the company is not proposing to amend its constitution to allow votes in absentia such as voting by mail, electronic mail or facsimile. Notwithstanding variation from provision 11.4 of the Code, the company is of the view that the intent of Principle 11 is still met as the existing arrangement enables shareholders to exercise their right by appointing proxies to attend the general meetings and vote on their behalf even if they are unable to attend the meetings in person.

There is no provision in the company's constitution that limits 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 and SGXNET announcement.

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.

The company's forthcoming AGM will be held in a wholly physical format pursuant to the cessation of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 on 1 July 2023. Arrangements relating to attendance at the AGM, submission of questions in advance of the AGM, addressing of substantial and relevant questions at, or prior to the AGM and appointing 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 2023 and no final dividend has been declared / recommended for the financial year ended 31 December 2023.

## 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 as 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.

Although the company does not have a formal investor relations policy, the company maintains a corporate website at [captii.listedcompany.com](http://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](mailto: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.

# CORPORATE GOVERNANCE REPORT

## 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.

The group's financial risk management is discussed under Note 29 to the Financial Statements, on pages 83 to 88 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 2023, 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)	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Temasya House Sdn Bhd*	198	211	-	-

Note:

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

*\* 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	Anton Syazi Ahmad Sebi
Date of appointment	10 August 2010	22 June 2006
Date of last re-appointment	27 April 2022	28 April 2021
Age	60	47
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 have 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 Anton for reappointment as Group Executive Director of the company. The board have reviewed and concluded that Anton 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 Responsible for providing overall leadership in the management of the Group.	Executive Responsible for leading and overseeing the Postpay business and Captii Ventures, the Group's venture investment business, along with the Group's overall corporate development activities.
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Group Executive Chairman	Group Executive Director
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelors degree in Computer Science, Monash University, Victoria, Australia.</li> <li>• Bachelors degree in Electrical and Electronic Engineering, Monash University, Victoria, Australia.</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Economics, London School of Economics, University of London.</li> <li>• Master of Arts in Finance Webster University Graduate Studies Center, London.</li> <li>• Investment Management Certificate UK Society of Investment Professionals.</li> </ul>
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>• 2010 - present Executive Chairman of Captii Limited</li> <li>• 2002 - 2010 Group Chief Executive Officer of Captii Limited</li> <li>• 1998 Founded the group</li> </ul>	<ul style="list-style-type: none"> <li>• 2017 - Present Re-designated as Executive Director of Captii Limited and appointed as Executive Deputy Chairman of Advance Synergy Berhad, the Group's ultimate holding company</li> <li>• 2010-2017 Group Chief Executive Officer</li> <li>• 2005-2010 Group Deputy Chief Executive Officer</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 1,903,432 ordinary shares	Direct Interest - 517,600 ordinary shares
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	Son of Dato' Ahmad Sebi Bakar (Group Advisor of Advance Synergy Berhad, the Company's ultimate holding company and substantial shareholder).
Conflict of Interest (including any competing business)	No	No



## CORPORATE GOVERNANCE REPORT

Table F: Additional Information on Directors Seeking Re-election

	Wong Tze Leng	Anton Syazi Ahmad Sebi
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)	<ul style="list-style-type: none"> <li>• Infosurf Pte Ltd</li> <li>• Primarak Holdings Sdn Bhd</li> </ul>	No
Present Directorship	<ul style="list-style-type: none"> <li>• Adzentrum Sdn Bhd</li> <li>• Ahead Mobile Sdn Bhd</li> <li>• GlobeOSS Sdn Bhd</li> <li>• Postpay Asia Sdn Bhd</li> <li>• Postpay Sdn Bhd</li> <li>• Postpay Technology Sdn Bhd</li> <li>• Unified Assets Sdn Bhd</li> <li>• Unified Communications Sdn Bhd</li> <li>• Unified Communications (OHQ) Sdn Bhd</li> <li>• Unified Communications (OSS) Sdn Bhd</li> <li>• World Hub Communications (M) Sdn Bhd</li> <li>• World Hub Global Carrier Services Sdn Bhd</li> <li>• Captii Limited</li> <li>• GlobeOSS Pte Ltd</li> <li>• Unified Communications Pte Ltd</li> <li>• Unified Communications (Tech) Pte Ltd</li> <li>• Captii Ventures Pte Ltd</li> <li>• World Hub Communications Pte Ltd</li> <li>• Ipnyco Pte Ltd</li> <li>• Mihana Pte Ltd</li> <li>• Unified Communications (Private) Ltd (Incorporated in Pakistan)</li> <li>• GlobeOSS (Brunei) Sdn Bhd (Incorporated in Brunei)</li> <li>• Unified Telecom Private Limited (Incorporated in India)</li> <li>• World Hub Communications Limited (Incorporated in British Virgin Islands)</li> <li>• World Hub Communications Limited (Incorporated in Hong Kong)</li> <li>• Expandnet Limited (Incorporated in British Virgin Islands)</li> </ul>	<ul style="list-style-type: none"> <li>• Advance Synergy Berhad</li> <li>• Acrylic Synergy Sdn Bhd</li> <li>• Advance Synergy Properties Sdn Bhd</li> <li>• Adzentrum Sdn Bhd</li> <li>• Ahead Mobile Sdn Bhd</li> <li>• Alma Dining Sdn Bhd</li> <li>• Arin Capital Sdn Bhd</li> <li>• Bagan Bidara Sdn Bhd</li> <li>• Bamboo Wave Sdn Bhd</li> <li>• Bella Mangia Sdn Bhd</li> <li>• Bright Existence Sdn Bhd</li> <li>• Budaya Dinamik Sdn Bhd</li> <li>• Campbell House Sdn Bhd</li> <li>• Carta Bintang Sdn Bhd</li> <li>• Cosmopolitan Fashion Groupe Sdn Bhd</li> <li>• Costellan (M) Sdn Bhd</li> <li>• Datakey Sdn Bhd</li> <li>• Diversified Gain Sdn Bhd</li> <li>• Eight Review (M) Sdn Bhd</li> <li>• Envio Tech Sdn Bhd</li> <li>• Harta Sinergi Sdn Bhd</li> <li>• Home Cinema Studios (M) Sdn Bhd</li> <li>• Jiwa Baru Sdn Bhd</li> <li>• Kibar Konsep Sdn Bhd</li> <li>• Motorsports Adventure Sdn Bhd</li> <li>• Orient Escape Travel Sdn Bhd</li> <li>• Orient Escape Travel (Penang) Sdn Bhd</li> <li>• Osteria Gamberoni Sdn Bhd</li> <li>• Pacific Existence Sdn Bhd</li> <li>• Paydee Sdn Bhd</li> <li>• Paydee Capital Sdn Bhd</li> <li>• Paydee Nura Sdn Bhd</li> <li>• Paydee Ventures Sdn Bhd</li> <li>• Postpay Asia Sdn Bhd</li> <li>• Postpay Sdn Bhd</li> <li>• Postpay Technology Sdn Bhd</li> <li>• Primo Espresso Sdn Bhd</li> <li>• Qurex Sdn Bhd</li> <li>• Rangkai Global Sdn Bhd</li> <li>• Sisipan Nusa Sdn Bhd</li> <li>• SJ Capital Berhad</li> <li>• SJ Securities Sdn Bhd</li> <li>• SJ Sec Nominees (Asing) Sdn Bhd</li> </ul>

## CORPORATE GOVERNANCE REPORT

Table F: Additional Information on Directors Seeking Re-election

	Wong Tze Leng	Anton Syazi Ahmad Sebi
		<ul style="list-style-type: none"> <li>• SJ Sec Nominees (Tempatan) Sdn Bhd</li> <li>• Sjenie Sdn Bhd</li> <li>• Suasana Dinamik Sdn Bhd</li> <li>• Synergy Tours Sdn Bhd</li> <li>• Taste Artisan Sdn Bhd</li> <li>• Temasya House Sdn Bhd</li> <li>• Unified Assets Sdn Bhd</li> <li>• Unified Communications Sdn Bhd</li> <li>• Unified Communications (OHQ) Sdn Bhd</li> <li>• Unified Communications (OSS) Sdn Bhd</li> <li>• Urban G Sdn Bhd</li> <li>• Urban M Sdn Bhd</li> <li>• Urban W Sdn Bhd</li> <li>• Yap Ah Shak House Sdn Bhd</li> <li>• Captii Limited</li> <li>• 57-59 Philbeach Gardens Limited</li> <li>• Antigo Developments Limited</li> <li>• Antigo House Limited</li> <li>• Aquaint Capital Limited</li> <li>• Arin Capital Limited</li> <li>• Beaver Hotel Limited</li> <li>• Betula Ascot Limited</li> <li>• Breville Global Limited</li> <li>• Captii Ventures Pte Ltd</li> <li>• Demonton Investments Limited</li> <li>• Duston Investments Ltd</li> <li>• GlobeOSS (Brunei) Sdn Bhd</li> <li>• Gloxinia Holdings Limited</li> <li>• Leeds Property Limited</li> <li>• Pacific Maiden Holdings Limited</li> <li>• Stockdale Global Limited</li> <li>• Sun Global Developments Limited</li> <li>• Unified Communications Pte Ltd</li> <li>• Unified Communications (Tech) Pte Ltd</li> <li>• Unified Telecom Private Limited</li> <li>• Urban Alphabet Limited</li> <li>• Urban D Limited</li> <li>• Urban H Limited</li> <li>• Urban W Limited</li> </ul>
<p>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.</p>		
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

## CORPORATE GOVERNANCE REPORT

**Table F: Additional Information on Directors Seeking Re-election**

	Wong Tze Leng	Anton Syazi Ahmad Sebi
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
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

## CORPORATE GOVERNANCE REPORT

Table F: Additional Information on Directors Seeking Re-election

	Wong Tze Leng	Anton Syazi Ahmad Sebi
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
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>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</p> <p>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</p> <p>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</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

## CORPORATE GOVERNANCE REPORT

**Table F: Additional Information on Directors Seeking Re-election**

	Wong Tze Leng	Anton Syazi Ahmad Sebi
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
<b>Disclosure applicable to the appointment of Director only</b>		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>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.</p> <p>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).</p>	n.a.	n.a.

# STATEMENT BY DIRECTORS

The directors of Captii Limited (the “company”) hereby present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2023.

## 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 this 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. Director’s 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’ interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967, (“the Act”) except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of director or nominee		Shareholdings in which director is deemed to have an interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
<b>The company:</b>	<b>Number of ordinary shares of no par value</b>			
Wong Tze Leng <sup>(a)</sup>	1,903,432	1,903,432	–	–
Anton Syazi Ahmad Sebi <sup>(b)</sup>	517,600	517,600	–	–
Chuah Seong Phaik	–	–	100,000	50,000
Lee Su Nie <sup>(c)</sup>	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. Director's 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		Shareholdings in which director is deemed to have an interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
<b>Ultimate parent company:</b>	<b>Number of ordinary shares of no par value</b>			
– <u>Advance Synergy Berhad</u>				
Anton Syazi Ahmad Sebi	–	–	91,401,000	91,401,000
Lee Su Nie	–	–	1,095,000	1,095,000
<b>Related body corporate:</b>				
– <u>Acrylic Synergy Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	1	1	–	–
– <u>Segi Koleksi Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	1,586,013	1,670,796
– <u>Metroprime Corporation Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	350,000	6,675,277
– <u>Temasya House Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	150,000	150,000
– Yap Ah Shak <u>House Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	15,000	1,273,565
– <u>Primo Espresso Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	600,000	671,687
– <u>Osteria Gamberoni Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	345,000	1,022,964
– <u>Jiwa Baru Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	800,040	800,040
– <u>Alma Dining Sdn Bhd</u>				
Anton Syazi Ahmad Sebi	–	–	–	30
			<b><u>Number of ordinary shares of CHF500 each</u></b>	
– <u>Posthotel Arosa AG</u>				
Anton Syazi Ahmad Sebi	–	–	3,150	3,150
			<b><u>Number of ordinary shares of GBP1 each</u></b>	
– <u>57-59 Philbeach Gardens Ltd</u>				
Anton Syazi Ahmad Sebi	–	–	100	100
– <u>Beaver Hotels Ltd</u>				
Anton Syazi Ahmad Sebi	–	–	1,100	1,100

The directors' interests as at 21 January 2024 were the same as those at the end of the reporting year.

## STATEMENT BY DIRECTORS

### 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.

### 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 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 under option.

### 6. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

This independent auditor was known as RSM Chio Lim LLP before 1 March 2024.

### 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 the 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 SG Assurance 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 2023.



## 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 21 February 2024, 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

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Wong Tze Leng  
Director

18 March 2024

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Anton Syazi Ahmad Sebi  
Director

# 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 2023, 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 material accounting policy information.

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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and 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 company 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 16C "Goodwill" for relevant accounting policies, discussion of significant accounting estimates and the key assumptions used in the impairment assessment of goodwill.

As at the reporting year end, the group had goodwill of \$2.1 million, comprising approximately 4.5% 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 2023. 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 the 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 was 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 judgemental 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 on the assumptions to which the outcome of the impairment test is most sensitive, that is, those assumptions 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" and Note 29 "Financial Instruments" for relevant accounting policies, discussion of significant accounting estimates. Refer to Note 19 "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 the reporting year end, unquoted investments, comprising mainly of unquoted equity investments and unquoted debt securities, amounted to \$17.2 million and represented approximately 36% of the group's total assets. The fair value of the group's unquoted investments at the reporting year end were determined with the assistance of independent external specialists and applying valuation methodology that involved complex management's judgements 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 objectivity, professional qualifications and resources of the independent external specialists used by management in assessing their independence, competence and experience. As part of our 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 key assumptions used when valuing these unquoted investments.

## Other information

Management is responsible for the other information. The other information comprises the statement by directors 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 judgement 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

## Key audit matters (cont'd)

### 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 SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

18 March 2024

Engagement partner – Effective from year ended 31 December 2020

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Notes	Group	
		2023	2022
		\$'000	\$'000
<b>Revenue</b>	5	18,281	23,249
Cost of sales		(9,766)	(11,947)
<b>Gross profit</b>		8,515	11,302
Interest income	6	169	171
Other income and gains	7	140	59
Technical support expenses		(4,653)	(4,548)
Distribution costs		(1,186)	(1,201)
Administrative expenses		(3,100)	(3,272)
Other losses	7	(11,145)	(4,994)
Finance costs	9	(28)	(44)
<b>Loss before tax</b>		(11,288)	(2,527)
Income tax expense	11	(429)	(717)
<b>Loss, net of tax</b>		(11,717)	(3,244)
<b>Other comprehensive loss:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		(1,635)	(1,985)
<b>Total comprehensive loss for the year</b>		(13,352)	(5,229)
<b>(Loss) profit for the year attributable to:</b>			
- Owners of the company		(8,416)	(3,508)
- Non-controlling interests		(3,301)	264
		(11,717)	(3,244)
<b>Total comprehensive (loss) income for the year attributable to:</b>			
- Owners of the company		(9,781)	(5,250)
- Non-controlling interests		(3,571)	21
		(13,352)	(5,229)
<b>Earnings per share</b>			
		Cents	Cents
- Basic and diluted earnings per share	12	(26.34)	(10.98)

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Plant and equipment	14	1,199	1,205	-	-
Investment property	15	1,895	2,010	-	-
Intangible assets	16	2,896	7,344	-	-
Investments in subsidiaries	17	-	-	25,166	26,366
Other financial assets	19	17,171	23,898	-	-
Deferred tax assets	11	654	804	-	-
<b>Total non-current assets</b>		<b>23,815</b>	<b>35,261</b>	<b>25,166</b>	<b>26,366</b>
<b><u>Current assets</u></b>					
Inventories	20	5	5	-	-
Trade and other receivables	21	8,662	11,246	8,644	8,425
Other non-financial assets	22	4,628	3,399	44	47
Cash and cash equivalents	23	10,965	13,223	399	1,202
<b>Total current assets</b>		<b>24,260</b>	<b>27,873</b>	<b>9,087</b>	<b>9,674</b>
<b>Total assets</b>		<b>48,075</b>	<b>63,134</b>	<b>34,253</b>	<b>36,040</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	24	31,948	31,948	31,948	31,948
Retained earnings		15,950	24,765	448	1,962
Foreign currency translation reserve (adverse balance)		(11,755)	(10,390)	-	-
<b>Equity attributable to owners of the company</b>		<b>36,143</b>	<b>46,323</b>	<b>32,396</b>	<b>33,910</b>
Non-controlling interests		6,525	10,384	-	-
<b>Total equity</b>		<b>42,668</b>	<b>56,707</b>	<b>32,396</b>	<b>33,910</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities	28	343	176	-	-
Deferred tax liabilities	11	33	-	-	-
<b>Total non-current liabilities</b>		<b>376</b>	<b>176</b>	<b>-</b>	<b>-</b>
<b><u>Current liabilities</u></b>					
Income tax payable		45	253	4	5
Trade and other payables	25	3,364	4,321	1,853	2,125
Other non-financial liabilities	26	458	479	-	-
Borrowings	27	846	897	-	-
Lease liabilities	28	318	301	-	-
<b>Total current liabilities</b>		<b>5,031</b>	<b>6,251</b>	<b>1,857</b>	<b>2,130</b>
<b>Total liabilities</b>		<b>5,407</b>	<b>6,427</b>	<b>1,857</b>	<b>2,130</b>
<b>Total equity and liabilities</b>		<b>48,075</b>	<b>63,134</b>	<b>34,253</b>	<b>36,040</b>

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

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group:	Total equity	Attributable to owners of parent sub-total	Share capital	Retained earnings	Foreign exchange translation reserve	Non-controlling interest
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current year:</b>						
Opening balance at 1 January 2023	56,707	46,323	31,948	24,765	(10,390)	10,384
<b>Changes in equity:</b>						
Total comprehensive loss for the year	(13,352)	(9,781)	–	(8,416)	(1,365)	(3,571)
Dividend paid (Note 13)	(687)	(399)	–	(399)	–	(288)
<b>Closing balance at 31 December 2023</b>	<b>42,668</b>	<b>36,143</b>	<b>31,948</b>	<b>15,950</b>	<b>(11,755)</b>	<b>6,525</b>
<b>Previous year:</b>						
Opening balance at 1 January 2022	62,719	51,972	31,948	28,672	(8,648)	10,747
<b>Changes in equity:</b>						
Total comprehensive loss for the year	(5,229)	(5,250)	–	(3,508)	(1,742)	21
Dividend paid (Note 13)	(783)	(399)	–	(399)	–	(384)
<b>Closing balance at 31 December 2022</b>	<b>56,707</b>	<b>46,323</b>	<b>31,948</b>	<b>24,765</b>	<b>(10,390)</b>	<b>10,384</b>
<b>Company:</b>						
			Total equity	Share capital	Retained earnings	
			\$'000	\$'000	\$'000	
<b>Current year:</b>						
Opening balance at 1 January 2023			33,910	31,948	1,962	
<b>Changes in equity:</b>						
Total comprehensive loss for the year			(1,115)	–	(1,115)	
Dividend paid (Note 13)			(399)	–	(399)	
<b>Closing balance at 31 December 2023</b>			<b>32,396</b>	<b>31,948</b>	<b>448</b>	
<b>Previous year:</b>						
Opening balance at 1 January 2022			42,649	31,948	10,701	
<b>Changes in equity:</b>						
Total comprehensive loss for the year			(8,340)	–	(8,340)	
Dividend paid (Note 13)			(399)	–	(399)	
<b>Closing balance at 31 December 2022</b>			<b>33,910</b>	<b>31,948</b>	<b>1,962</b>	

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	2022
	\$'000	\$'000
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(11,288)	(2,527)
Adjustment for:		
Interest income	(169)	(171)
Fair value loss on unquoted investments	6,773	2,074
Amortisation of intangible assets	208	245
Depreciation of plant and equipment	682	808
Impairment loss on plant and equipment	–	15
Impairment loss on goodwill	4,200	2,800
Interest expense	28	44
Operating cash flows before changes in working capital	434	3,288
Inventories	2	(1)
Trade and other receivables	2,004	138
Other non-financial assets	(1,411)	(1,382)
Trade and other payables	(762)	(2,001)
Other non-financial liabilities	(6)	(228)
Net cash flows from (used in) operating activities	261	(186)
Income taxes paid	(485)	(844)
<b>Net cash flows used in operating activities</b>	<b>(224)</b>	<b>(1,030)</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment (Note 14)	(192)	(218)
Proceeds from disposal of unquoted investments	135	2,455
Investment in unquoted investments	(338)	(50)
Payments for development costs (Note 16)	(296)	(337)
Interest received	169	171
<b>Net cash flows (used in) from investing activities</b>	<b>(522)</b>	<b>2,021</b>
<b><u>Cash flows from financing activities</u></b>		
Dividend paid to equity owners	(399)	(399)
Dividends paid to non-controlling interests of subsidiary	(288)	(384)
Cash restricted in use	(35)	(38)
Lease liabilities – principal portion paid	(331)	(380)
Proceeds from interest bearing borrowings	846	897
Repayment of interest bearing borrowings	(846)	(257)
Interest paid	(28)	(44)
<b>Net cash flows used in financing activities</b>	<b>(1,081)</b>	<b>(605)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,827)</b>	<b>386</b>
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	10,831	11,332
Effect of exchange rate changes on cash and cash equivalents	(342)	(887)
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 23)</b>	<b>8,662</b>	<b>10,831</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 1. General

Captii Limited (the “company”) (Registration No. 200211129W) is incorporated in Singapore with limited liability. It is listed on the mainboard of the Singapore Exchange (“SGX”). The financial statements are presented in Singapore dollars (“\$”) and they cover the company (the “parent”) and the subsidiaries (the “group”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

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 is: 140 Paya Lebar Road, #10-14 AZ@Paya Lebar, Singapore 409015.

### Macroeconomic conditions related disclosures:

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios, in particular the recoverable amounts of the assets. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near 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 Accounting Standards Committee under ACRA (“ASC”). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

### Basis of preparation of the financial statements

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. Disclosures are made on the accounting policy information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard. It is regarded as material if users of the financial statements would need it to understand other material information in the financial statements. Account balance entity-specific accounting policy and other information is disclosed in the relevant respective account balances in the financial statements. Entity-specific accounting policy and other information that relates to more than one account balance or a class of material transactions is described below.

### Basis of presentation and principles of consolidation

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. They are de-consolidated from the date that control ceases.

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 financial assets in accordance with the financial reporting standard on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2. Disclosures of material accounting policy and other explanatory information

### 2A. Material accounting policy and other explanatory information – general

#### Foreign currency transactions

The functional currency 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 is in the functional currency.

#### Translation of financial statements of other entities

Each component 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 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.

#### 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 (e.g. 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 or 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.

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 (i.e. as prices) or indirectly (i.e. 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 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. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

#### Other specific material accounting policy and other explanatory information

These are disclosed at the relevant notes to the financial statements.

### 2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding Notes to these financial statements. 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2. Disclosures of material accounting policy and other explanatory information (cont'd)

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

- 1) Measurement of revenue recognised over time. Refer to Note 5.
- 2) Impairment assessment of goodwill. Refer to Note 16.
- 3) Assessment of the carrying amounts of deferred development costs. Refer to Note 16.
- 4) Assessment of the recoverability of the carrying amount of investments in subsidiaries. Refer to Note 17.
- 5) Determination of the fair value of unquoted investments. Refer to Note 19.
- 6) Assessment of expected credit loss on trade and other receivables. Refer to Note 21.

## 3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (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. Associates also include those that are associates of members of the above group.

### 3B. Related party transactions and balances:

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 information disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

Material related party transactions:

	Related companies	
	2023	2022
	\$'000	\$'000
Management fee received/receivable	(35)	(29)
Purchase of services	19	21
Rental and maintenance expense	198	211

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

### 3C. Key management compensation:

	Group	
	2023	2022
	\$'000	\$'000
Salaries and other short-term employee benefits	1,189	1,254

The above amounts are included under employee benefits expense. Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Other fees to key management:

	Group	
	2023	2022
	\$'000	\$'000
Remuneration of directors of the company and subsidiaries	315	326
Fees to directors of the company	91	91

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

### 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:

	Related companies	
	Group	
	2023	2022
	\$'000	\$'000
<u>Other receivables (other payables):</u>		
At beginning of the year - net debit	(14)	54
Amounts received and settlement of liabilities on behalf of the group	1,233	(112)
Amounts paid out and settlement of liabilities on behalf of the related parties	(1,234)	48
Foreign exchange adjustments	-	(4)
At end of the year - net (credit)	(15)	(14)
Presented in the statement of financial position as follows:		
Other receivables - ultimate parent company (Note 21)	-	1
Other payables - ultimate parent company (Note 25)	(1)	-
Other payables - related companies (Note 25)	(14)	(15)
Net	(15)	(14)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

### 3D. Other receivables from and other payables to related parties: (cont'd)

	Subsidiaries Company	
	2023	2022
	\$'000	\$'000
<u>Other receivables (other payables):</u>		
At beginning of the year - net debit	7,112	8,498
Amounts received and settlement of liabilities on behalf of the company	(1,803)	(4,172)
Amounts paid out and settlement of liabilities on behalf of the related parties	2,236	2,786
At end of the year - net debit	<u>7,545</u>	<u>7,112</u>
Presented in the statement of financial position as follows:		
Other receivables (Note 21)	9,138	8,919
Other payables (Note 25)	(1,593)	(1,807)
Net	<u>7,545</u>	<u>7,112</u>

## 4. Financial information by operating segments

Material accounting policy and 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 to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. 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.

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

For management purposes the reporting entity is organised into 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 board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

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 used by the reporting entity.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also given in Note 5.

# NOTES TO THE FINANCIAL STATEMENTS

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

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

	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
<u>2023</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Profit or loss:</u>						
Revenue by segment						
- External	11,743	6,538	-	-	-	18,281
- Inter-segment	-	476	-	602	(1,078)	-
	<u>11,743</u>	<u>7,014</u>	<u>-</u>	<u>602</u>	<u>(1,078)</u>	<u>18,281</u>
Cost of sales	(6,636)	(3,586)	-	(53)	509	(9,766)
Gross profit	<u>5,107</u>	<u>3,428</u>	<u>-</u>	<u>549</u>	<u>(569)</u>	<u>8,515</u>
Interest income	67	102	-	-	-	169
Other income and gains	259	11	-	278	(408)	140
Technical support expenses	(2,525)	(2,108)	-	(64)	44	(4,653)
Distribution costs	(417)	(778)	-	-	9	(1,186)
Administrative expenses	(2,032)	(564)	(359)	(869)	724	(3,100)
Other losses	(4,491)	(2)	(6,863)	(1,201)	1,412	(11,145)
Finance costs	(22)	(6)	-	-	-	(28)
(Loss) / profit before tax	<u>(4,054)</u>	<u>83</u>	<u>(7,222)</u>	<u>(1,307)</u>	<u>1,212</u>	<u>(11,288)</u>
Income tax expense	(410)	17	-	(36)	-	(429)
(Loss) / profit, net of tax	<u>(4,464)</u>	<u>100</u>	<u>(7,222)</u>	<u>(1,343)</u>	<u>1,212</u>	<u>(11,717)</u>
(Loss) / profit, net of tax, attributable to:						
Owners of the company	(4,464)	52	(3,873)	(1,343)	1,212	(8,416)
Non-controlling interests	-	48	(3,349)	-	-	(3,301)
(Loss) / profit, net of tax	<u>(4,464)</u>	<u>100</u>	<u>(7,222)</u>	<u>(1,343)</u>	<u>1,212</u>	<u>(11,717)</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
<u>2023</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Other information:</u>						
Impairment loss on goodwill	(4,200)	-	-	-	-	(4,200)
Impairment loss on investment in subsidiary	-	-	-	(1,200)	1,200	-
Depreciation of plant and equipment	(527)	(160)	-	(2)	7	(682)
Amortisation of intangible assets	(458)	-	-	-	250	(208)
Fair value loss on unquoted investments	-	-	(6,773)	-	-	(6,773)
<u>Assets and liabilities and reconciliations:</u>						
Segment assets	20,252	13,581	17,208	41,391	(45,011)	47,421
Unallocated assets						654
Total assets						48,075
Segment liabilities	6,068	2,625	10,576	3,853	(17,748)	5,374
Unallocated liabilities						33
Total liabilities						5,407
<u>Other segment items:</u>						
Capital expenditure						
- Plant and equipment	187	5	-	-	-	192
- Development costs	296	-	-	-	-	296
						488

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
<u>2022</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Profit or loss:</u>						
Revenue by segment						
- External	14,935	8,314	-	-	-	23,249
- Inter-segment	-	539	-	652	(1,191)	-
	14,935	8,853	-	652	(1,191)	23,249
Cost of sales	(8,073)	(4,426)	-	(56)	608	(11,947)
Gross profit	6,862	4,427	-	596	(583)	11,302
Interest income	69	102	-	-	-	171
Other income and gains	170	9	61	259	(440)	59
Technical support expenses	(2,374)	(2,137)	-	(66)	29	(4,548)
Distribution costs	(410)	(799)	-	-	8	(1,201)
Administrative expenses	(2,024)	(602)	(423)	(1,007)	784	(3,272)
Other losses	(3,121)	(3)	(2,145)	(8,413)	8,688	(4,994)
Finance costs	(31)	(13)	-	-	-	(44)
(Loss) / profit before tax	(859)	984	(2,507)	(8,631)	8,486	(2,527)
Income tax expense	(541)	(142)	1	(35)	-	(717)
(Loss) / profit, net of tax	<u>(1,400)</u>	<u>842</u>	<u>(2,506)</u>	<u>(8,666)</u>	<u>8,486</u>	<u>(3,244)</u>
(Loss) / profit, net of tax, attributable to:						
Owners of the company	(1,400)	429	(2,357)	(8,666)	8,486	(3,508)
Non-controlling interests	-	413	(149)	-	-	264
(Loss) / profit, net of tax	<u>(1,400)</u>	<u>842</u>	<u>(2,506)</u>	<u>(8,666)</u>	<u>8,486</u>	<u>(3,244)</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	Unified comms	GlobeOSS	Captii Ventures	Others	Elimination	Group
<u>2022</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Other information:</u>						
Impairment loss on plant and equipment	(15)	-	-	-	-	(15)
Impairment loss on receivables	(7)	-	-	-	-	(7)
Impairment loss on goodwill	(2,800)	-	-	-	-	(2,800)
Impairment loss on investment in subsidiary	-	-	-	(8,412)	8,412	-
Depreciation of plant and equipment	(650)	(185)	-	(2)	29	(808)
Amortisation of intangible assets	(601)	-	-	-	356	(245)
Fair value loss on unquoted investments	-	-	(2,074)	-	-	(2,074)
<u>Assets and liabilities and reconciliations:</u>						
Segment assets	26,883	14,729	23,949	42,110	(45,341)	62,330
Unallocated assets						804
Total assets						<u>63,134</u>
Segment liabilities	6,917	3,022	10,028	4,277	(17,817)	6,427
Unallocated liabilities						-
Total liabilities						<u>6,427</u>
<u>Other segment items:</u>						
Capital expenditure						
- Plant and equipment	195	23	-	-	-	218
- Development costs	337	-	-	-	-	337
						<u>555</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

### 4C. Geographical segments

Group	Revenue	Total assets	Non-current assets	Capital expenditure
	\$'000	\$'000	\$'000	\$'000
<b>2023</b>				
South East Asia (#)	17,990	46,298	23,098	439
South Asia	92	574	63	49
Middle East and Africa	199	89	-	-
Others	-	460	-	-
	<u>18,281</u>	<u>47,421</u>	<u>23,161</u>	<u>488</u>
<u>(#) South East Asia included</u>				
Singapore	509	11,580	10,199	5
Malaysia	16,392	24,014	5,296	432
Others	1,089	10,704	7,603	2
	<u>17,990</u>	<u>46,298</u>	<u>23,098</u>	<u>439</u>
	<b>Unified comms</b>	<b>GlobeOSS</b>	<b>Others</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>				
South East Asia	11,452	6,538	-	17,990
South Asia	92	-	-	92
Middle East and Africa	199	-	-	199
	<u>11,743</u>	<u>6,538</u>	<u>-</u>	<u>18,281</u>
<b>2022</b>				
South East Asia (#)	22,876	60,611	34,394	553
South Asia	175	718	42	2
Middle East and Africa	198	283	-	-
Others	-	718	21	-
	<u>23,249</u>	<u>62,330</u>	<u>34,457</u>	<u>555</u>
<u>(#) South East Asia included</u>				
Singapore	587	10,575	8,405	27
Malaysia	20,502	30,634	9,813	512
Others	1,787	19,402	16,176	14
	<u>22,876</u>	<u>60,611</u>	<u>34,394</u>	<u>553</u>
	<b>Unified comms</b>	<b>GlobeOSS</b>	<b>Others</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>				
South East Asia	14,562	8,314	-	22,876
South Asia	175	-	-	175
Middle East and Africa	198	-	-	198
	<u>14,935</u>	<u>8,314</u>	<u>-</u>	<u>23,249</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

### 4C. Geographical segments (cont'd)

The group's geographical segments in respect of revenue generating activities 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 non-current assets exclude any financial instruments and deferred tax assets.

### 4D. Contract type

Group	System sales \$'000	Managed services \$'000	Total \$'000
<u>2023</u>			
Revenue	5,057	13,224	18,281
Gross profit	2,790	5,725	8,515
Gross profit margin	55.2%	43.3%	46.6%
<u>2022</u>			
Revenue	6,263	16,986	23,249
Gross profit	3,834	7,468	11,302
Gross profit margin	61.2%	44.0%	48.6%

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

- 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.
- 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 \$4,559,000 (2022: \$4,789,000) and \$3,928,000 (2022: \$6,605,000) were derived from two (2022: two) external customers. The former is attributable solely to the Unifiedcomms business segment while the latter is attributable to both the Unifiedcomms and GlobeOSS business segments.

# NOTES TO THE FINANCIAL STATEMENTS

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## 5. Revenue

Revenue from contracts with customers

	Group	
	2023	2022
	\$'000	\$'000
System sales	5,057	6,263
Managed services	13,224	16,986
Total revenue	<u>18,281</u>	<u>23,249</u>

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

Material accounting policy information and other explanatory information – Revenue:

General - 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), net of any related 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.

Sale of goods - Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions revenue is recognised as the services are provided.

Distinct goods or services in a series - For distinct goods or services in a series such as routine or recurring service contracts 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 constructing, manufacturing or developing an asset the value to the customer 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 including both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract is reported as an additional contract cost (an operating expense), and not as a reduction of revenue or a non-operating expense.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. Revenue (cont'd)

Critical judgements, assumptions and estimation uncertainties:

Measurement of revenue recognised over time:

Judgement is required whether the over-time method can be used. The assessment requires judgement and the consideration of many criteria that should be met to qualify for the over-time method 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. Judgement is required in selecting a method (output or input method) for measuring progress toward complete satisfaction of a performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. 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 above as well as in the relevant Notes on contract assets and contract liabilities.

## 6. Interest income

	Group	
	2023	2022
	\$'000	\$'000
Interest income from banks	169	171

## 7. Other income and gains and (other losses)

	Group	
	2023	2022
	\$'000	\$'000
Fair value loss on unquoted investments (Note 19)	(6,773)	(2,074)
Other income	140	59
Impairment loss on goodwill (Note 16C)	(4,200)	(2,800)
Impairment loss on receivables (Note 21)	-	(7)
Impairment loss on plant and equipment (Note 14)	-	(15)
Foreign exchange loss, net	(161)	(90)
Others	(11)	(8)
Net	<u>(11,005)</u>	<u>(4,935)</u>
Presented in profit or loss as:		
Other income and gains	140	59
Other losses	<u>(11,145)</u>	<u>(4,994)</u>
Net	<u>(11,005)</u>	<u>(4,935)</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. Employee benefits expense

	Group	
	2023	2022
	\$'000	\$'000
Short term employee benefits expense	5,558	5,696
Contributions to defined contribution plan	740	759
Other benefits	602	581
Total employee benefits expense	<u>6,900</u>	<u>7,036</u>
Charged to profit or loss, included in:		
Cost of sales	858	856
Technical support expenses	4,064	4,007
Distribution costs	1,023	1,023
Administrative expenses	955	1,150
Total employee benefits expense	<u>6,900</u>	<u>7,036</u>

Material accounting policy and other explanatory information – Employee benefits:

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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.

## 9. Finance cost

	Group	
	2023	2022
	\$'000	\$'000
Interest expense	–	6
Interest on lease liabilities	28	38
	<u>28</u>	<u>44</u>

## 10. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the Notes to the financial statements, this item includes the following expenses:

	Group	
	2023	2022
	\$'000	\$'000
Audit-related services ("ARS") fees to the independent auditors of the company	129	129
ARS fees to the other independent auditors – network firms	33	34
ARS fees to the other independent auditors – non-network firms	5	6
Non-ARS fees to the independent auditors of the company	15	15
Non-ARS fees to the other independent auditors – network firms	12	13

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. Income tax

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

	Group	
	2023	2022
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	194	524
Over provision in prior years	(3)	(49)
Withholding tax expense	55	21
Subtotal	<u>246</u>	<u>496</u>
<u>Deferred tax expense:</u>		
Deferred tax (income) expense	(37)	221
Write down of deferred tax assets	220	–
Total income tax expense	<u>429</u>	<u>717</u>

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2023	2022
	\$'000	\$'000
Loss before tax	<u>(11,288)</u>	<u>(2,527)</u>
Income tax income at the above rate	(1,919)	(430)
Effect of different tax rates in different countries	23	175
Expenses not deductible for tax purposes	1,916	1,054
Income not subject to tax	(28)	(30)
Unrecognised deferred tax assets	217	39
Previously unrecognised deferred tax assets utilised this year	(52)	(63)
Over provision in prior years	(3)	(49)
Reversal of deferred tax assets	220	–
Withholding tax expense	55	21
Total income tax expense	<u>429</u>	<u>717</u>

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

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

	Group	
	2023	2022
	\$'000	\$'000
Excess of book over tax depreciation of plant and equipment	18	(27)
Unutilised tax losses	187	105
Provisions	55	3
Difference in tax and accounting profit recognition for managed services and system sales contracts in certain jurisdictions	(70)	124
Others	(7)	16
Total deferred tax expense recognised in profit or loss	<u>183</u>	<u>221</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. Income tax (cont'd)

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

	Group	
	2023	2022
	\$'000	\$'000
Excess of book value of plant and equipment over tax values	(42)	(24)
Unutilised tax losses	389	576
Provisions	148	203
Difference in tax and accounting profit recognition for managed services and system sales contracts in certain jurisdictions	126	56
Others	–	(7)
Net balance	<u>621</u>	<u>804</u>
Presented in the statements of financial position as follows:		
Deferred tax assets	654	804
Deferred tax liabilities	<u>(33)</u>	<u>–</u>

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 are insignificant.

### 11D. Unrecognised deferred tax assets

	2023		2022	
	Gross amount	Tax effect	Gross amount	Tax effect
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
Unused tax losses	10,930	1,939	9,953	1,773
Unused capital allowances	91	22	96	23
	<u>11,021</u>	<u>1,961</u>	<u>10,049</u>	<u>1,796</u>

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

	Unutilised tax losses – gross amount		Tax effect	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
Expiring in year:				
2028	793	932	190	224
2029	362	18	87	4
2030	2	186	–	45
2031	118	21	28	5
2032	240	–	58	–
	<u>1,515</u>	<u>1,157</u>	<u>363</u>	<u>278</u>

No deferred tax assets for the unused tax losses (including any deductible temporary differences, unused tax losses and unused tax credits) were recognised for 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 loss carryforwards and temporary differences from capital allowances is available for an unlimited future period (except for those disclosed above) subject to the conditions imposed by law including the retention of majority shareholders as defined.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. Income tax (cont'd)

Material accounting policy information and other explanatory information – Income tax:

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. 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 and joint arrangements 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.

## 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	
	2023	2022
	\$'000	\$'000
Loss, net of tax attributable to owners of the company	(8,416)	(3,508)
	Number of shares	
	2023	2022
	'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			
	2023	2022	2023	2022
	\$	\$	\$'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 \$288,000 (2022: \$384,000) was paid by a Malaysian subsidiary to the non-controlling interest.

# NOTES TO THE FINANCIAL STATEMENTS

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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
<u>Cost or valuation:</u>				
At 1 January 2022	9,418	247	1,288	10,953
Additions	210	8	142	360
Disposals	(24)	(1)	–	(25)
Written off	(251)	(4)	(129)	(384)
Foreign exchange adjustments	(437)	(37)	(80)	(554)
At 31 December 2022	8,916	213	1,221	10,350
Additions	190	2	543	735
Disposals	(8)	–	–	(8)
Written off	(163)	–	(537)	(700)
Foreign exchange adjustments	(366)	(34)	(66)	(466)
At 31 December 2023	8,569	181	1,161	9,911
<u>Accumulated depreciation and impairment loss:</u>				
At 1 January 2022	8,503	95	544	9,142
Depreciation for the year	405	59	347	811
Impairment loss for the year	15	–	–	15
Disposals	(24)	(1)	–	(25)
Written off	(251)	(4)	(85)	(340)
Foreign exchange adjustments	(392)	(30)	(36)	(458)
At 31 December 2022	8,256	119	770	9,145
Depreciation for the year	308	46	328	682
Disposals	(8)	–	–	(8)
Written off	(163)	–	(537)	(700)
Foreign exchange adjustments	(331)	(29)	(47)	(407)
At 31 December 2023	8,062	136	514	8,712
<u>Carrying value:</u>				
At 1 January 2022	915	152	744	1,811
At 31 December 2022	660	94	451	1,205
At 31 December 2023	507	45	647	1,199

Material accounting policy information and other explanatory information – Plant and equipment:

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method 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 (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

The residual values of assets, useful lives of assets and recognised impairment losses are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. Plant and equipment (cont'd)

Any gains / losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment are included in acquisition cost.

The annual rates of depreciation are as follows:

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

Allocation of the depreciation expense:

	Group	
	2023	2022
	\$'000	\$'000
Cost of sales	282	378
Technical support expenses	63	71
Distribution costs	11	14
Administrative expenses	326	348
Total	<u>682</u>	<u>811</u>

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 33 months with an average lease term of 19 months; there are usually no options to purchase; there are no variable payments linked to an index.

See also Note 28.

## 15. Investment property

	Group	
	2023	2022
	\$'000	\$'000
At fair value:		
Balance at beginning of the year	2,010	2,137
Foreign exchange adjustments	(115)	(127)
Balance at end of the year	<u>1,895</u>	<u>2,010</u>
Direct operating expenses arising from investment property that did not generate rental income during the reporting year	<u>(53)</u>	<u>(56)</u>

As at 31 December 2023, the strata title of the investment property has not been issued by Department of Director General of Lands and Mines in Malaysia.

The fair value of the investment property was measured in December 2023 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 CBRE WTW Valuation & Advisory Sdn Bhd, a firm of independent professional valuers, which holds 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 asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15. Investment property (cont'd)

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the material 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	:	\$1,895,000 (2022: \$2,010,000)
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. RM819 (2022: RM819)
Sensitivity on management's estimates – 10% variation from estimate	:	Impact – lower by \$190,000 (2022: \$201,000); higher by \$190,000 (2022: \$201,000).

Material accounting policy information and other explanatory information – 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) 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.

## 16. Intangible assets

Group	Deferred development costs (under development) \$'000	Deferred development costs (completed) \$'000	Intellectual property \$'000	Goodwill \$'000	Total \$'000
<u>Cost:</u>					
At 1 January 2022	239	9,090	17	10,383	19,729
Additions	337	-	-	-	337
Reclassification	(166)	166	-	-	-
Foreign exchange adjustments	(14)	(540)	-	(616)	(1,170)
At 31 December 2022	396	8,716	17	9,767	18,896
Additions	296	-	-	-	296
Reclassification	(133)	133	-	-	-
Foreign exchange adjustments	(21)	(512)	-	(558)	(1,091)
At 31 December 2023	538	8,337	17	9,209	18,101
<u>Accumulated amortisation and impairment loss:</u>					
At 1 January 2022	-	8,575	17	492	9,084
Impairment for the year	-	-	-	2,800	2,800
Amortisation for the year	-	245	-	-	245
Foreign exchange adjustments	-	(477)	-	(100)	(577)
At 31 December 2022	-	8,343	17	3,192	11,552
Impairment for the year	-	-	-	4,200	4,200
Amortisation for the year	-	208	-	-	208
Foreign exchange adjustments	-	(477)	-	(278)	(755)
At 31 December 2023	-	8,074	17	7,114	15,205
<u>Carrying value:</u>					
At 1 January 2022	239	515	-	9,891	10,645
At 31 December 2022	396	373	-	6,575	7,344
At 31 December 2023	538	263	-	2,095	2,896

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. Intangible assets (cont'd)

### 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.

Material accounting policy information and other explanatory information - Intangible assets other than goodwill:

An acquired or internally generated identifiable non-monetary asset without physical substance is recognised as an intangible asset 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. Development cost incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be viable considering its commercial and technical feasibility and its costs can be measured reliably and there are sufficient resources to complete development. After initial recognition, an intangible asset with finite useful life is carried at cost less accumulated amortisation and any accumulated impairment losses. 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. Research expenditure is expensed when incurred. Where no internally generated intangible asset can be recognised, development cost is expensed when incurred.

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.

The annual rates of amortisation are as follows:

Deferred development costs (completed) – 5 years

An assessment is made at each reporting date by evaluating conditions specific to the reporting entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Critical judgements, assumptions and estimation uncertainties:

#### Assessment of the carrying amounts of deferred development costs

An assessment is made of the carrying value of identifiable intangible assets annually, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. Factors that trigger an impairment review include underperformance relative to historical or projected future results, significant changes in the manner of the use of the acquired assets or the strategy for the overall business and significant negative industry or economic trends. The most significant variables in determining cash flows are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. The carrying amount of intangible assets is disclosed above. Amounts estimated could differ materially from what will actually occur in the future.

Certain development costs are capitalised when it is probable that a development project will generate future economic benefits and certain criteria, including commercial and technological feasibility, have been met. Should a product fail to substantiate its estimated feasibility or life cycle, material development costs may be required to be written-off in future periods.

### 16B. Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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.

Critical judgements, assumptions and estimation uncertainties:

#### Impairment assessment of goodwill

An assessment is made annually whether goodwill has suffered any impairment loss based on the recoverable amount of the cash generating unit ("CGU"). The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the CGU and the use of estimates as disclosed above. Actual outcomes could vary from these estimates.

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 was measured based on the value-in-use method. Based on this measurement, the carrying amount of the CGU had been reduced to its recoverable amount through recognition of an impairment loss allowance of \$4,200,000 (2022: \$2,800,000). The impairment loss arose principally because of a reduction in the forecasted cash flows from the CGU's managed services revenue stream, arising out of changes to the competitive environment during the year. The impairment loss in the prior year arose from higher discount rates due to rising interest rates and market premiums.

The value-in-use was determined by management using a discounted cash flow valuation technique. The key assumptions for the value-in-use calculations are as follows. The value-in-use is a recurring fair value measurement (Level 3). The quantitative information about the value-in-use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

Unobservable inputs	2023	2022
Estimated discount rates that reflect current market assessments of the risks specific to the CGU	14.68%	14.54%
Growth rates based on management estimate forecasts and not exceeding the average long-term growth rate for the relevant markets	2%	2%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

The sensitivity of the recoverable amount of the CGU to changes in the unobservable inputs are:

	2023 (Increase)/ decrease in loss after tax \$'000	2022 (Increase)/ decrease in loss after tax \$'000
Discount rate		
- Increase by 1%	(569,000)	(794,000)
- Decrease by 1%	596,000	929,000
Terminal growth rate		
- Increase by 1%	312,000	513,000
- Decrease by 1%	(326,000)	(437,000)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. Intangible assets (cont'd)

### 16C. Goodwill (cont'd)

Material accounting policy information other explanatory information – 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. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For the purpose of impairment testing and 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 represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

## 17. Investments in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Movements during the year:		
Balance at beginning of the year	26,366	34,778
Impairment loss during the year	(1,200)	(8,412)
Balance at end of the year	25,166	26,366
Analysis of above amount denominated in non-functional currency:		
Malaysian Ringgit	23,788	23,778

The impairment loss during the current and prior years were in relation to Unified Communications Pte Ltd, which arose largely due to the decreasing performance of the subsidiary and the unfavourable economic situation.

Material accounting policy information and other explanatory information – 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. The 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.

Critical judgements, assumptions and estimation uncertainties:

#### Assessment of the recoverability of the carrying amount of investments in 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 \$1,388,000 (2022: \$2,588,000), after recognising in an impairment loss of \$1,200,000 (2022: 8,412,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. Investment 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	
	2023 \$'000	2022 \$'000
<u>Held by the company</u>		
Unified Communications Pte Ltd <sup>(a)</sup> 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 <sup>(b)</sup> 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 <sup>(b)</sup> Provisions of management and operational headquarters ("OHQ") services to its related companies. Malaysia	208	208
Unified Communications (OSS) Sdn Bhd <sup>(b)</sup> Investment holding. Malaysia	*	*
Unified Assets Sdn Bhd <sup>(b)</sup> Investment holding. Malaysia	494	494
Captii Ventures Pte Ltd <sup>(a)</sup> Undertake investment in technology companies. Singapore	*	*
Postpay Asia Sdn Bhd <sup>(b)</sup> Investment holding. Malaysia	1,550	1,550
	34,778	34,778
<u>Held by Unified Communications Sdn Bhd</u>		
Unified Communications (Tech) Pte Ltd <sup>(a)</sup> Distribution of information technology and telecommunications products. Singapore	100	100
Ahead Mobile Sdn Bhd <sup>(b)</sup> Software engineering, system integration, project management and maintenance and support services for the telecommunications industry. Malaysia	100	100



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. Investment in subsidiaries (cont'd)

Name of subsidiaries, principal activities, country of incorporation and place of operations	Effective equity held by the group	
	2023	2022
	%	%
<u>Held by Unified Communications Pte Ltd</u>		
Adzentrum Sdn Bhd <sup>(b)</sup> Dormant Malaysia	100	100
Unified Communications (Private) Limited <sup>(c)</sup> Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises. Pakistan	100	100
<u>Held by Postpay Asia Sdn Bhd</u>		
Postpay Sdn Bhd <sup>(b)</sup> 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 <sup>(b)</sup> Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises. Malaysia	100	100
<u>Held by Captii Ventures Pte Ltd</u>		
OOPA Pte Ltd <sup>(a)</sup> Investment holding. Singapore	57.5	57.5
<u>Held by Unified Communications (OSS) Sdn Bhd</u>		
GlobeOSS Sdn Bhd <sup>(b)</sup> Provision of global roaming quality of services management solutions. Malaysia	51.0	51.0
GlobeOSS Pte Ltd <sup>(a)</sup> Dormant Singapore	51.0	51.0
<u>Held by GlobeOSS Pte Ltd</u>		
GlobeOSS (Brunei) Sdn Bhd <sup>(d)</sup> Provision of global roaming quality of services management solutions. Brunei Darussalam	51.0	51.0

\* Amount less than \$1,000.

(a) Audited by RSM SG Assurance LLP.

(b) Audited by RSM Malaysia PLT, a member firm of RSM International of which RSM SG Assurance LLP in Singapore is a member.

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

(d) Audited by WKA and Associates, Brunei Darussalam

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. Investment in subsidiaries (cont'd)

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.

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

OOPA Pte Ltd	Group	
	2023	2022
	\$'000	\$'000
Loss allocated to NCI of the subsidiary during the reporting year	(3,349)	(149)
NCI of the subsidiary at the end of the reporting year	1,791	5,199
<u>The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations):</u>		
Non-current assets	4,195	12,136
Current assets	35	48
Current liabilities	(4)	(13)
Loss for the year	(7,877)	(349)
Total comprehensive loss for the year	<u>(8,016)</u>	<u>(349)</u>

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

GlobeOSS Sdn Bhd, GlobeOSS Pte Ltd, GlobeOSS (Brunei) Sdn Bhd	Group	
	2023	2022
	\$'000	\$'000
Profit allocated to NCI of the subsidiaries during the reporting year	48	413
Accumulated NCI of the subsidiaries at the end of the reporting year	4,734	5,185
<u>The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations):</u>		
Dividends paid to NCI	288	384
Non-current assets	356	479
Current assets	12,018	13,276
Non-current liabilities	(8)	(109)
Current liabilities	(2,706)	(3,064)
Revenue	7,014	8,853
Profit for the year	100	844
Total comprehensive (loss)/income for the year	<u>(332)</u>	<u>348</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. Investment in a joint arrangement

	Group	
	2023 \$'000	2022 \$'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	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
<u>Held by Unified Communications Pte Ltd</u>				
Unified Telecom Private Limited <sup>(a)</sup>	583	583	50	50
Provision of telecommunications products, services and customised solutions.				
India				

<sup>(a)</sup> The statutory reporting year end of the joint venture is 31 March. The unaudited management financial statements for the period from 1 January 2023 to 31 December 2023 of the joint venture have been used for equity accounting since it is not significant to the group. Also see Note 30(b).

## 19. Other financial assets

	Group	
	2023 \$'000	2022 \$'000
Balance is made up of:		
Unquoted investments at fair value through profit or loss ("FVTPL")	17,171	23,898
Analysis of amounts denominated in non-functional currency:		
United States Dollars	8,591	17,233
Malaysian Ringgit	129	155

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. Other financial assets (cont'd)

### 19A. Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

	Group	
	2023	2022
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	23,898	28,523
Additions	338	50
Disposal	(135)	(2,455)
Decrease in fair value included under other income and gains and (other losses) (Note 7)	(6,773)	(2,074)
Foreign exchange adjustments	(157)	(146)
Fair value at end of the year	17,171	23,898

### 19B. 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:

		Group	
	Level	2023	2022
		\$'000	\$'000
<u>Enterprise Application Technology</u>			
Unquoted convertible preference shares in Singapore	3	701	1,071
Unquoted convertible loan notes in Singapore	3	8,769	6,535
Unquoted convertible preference shares in Malaysia	3	129	155
Unquoted convertible preference shares in Indonesia	3	3,377	4,001
<u>Marketplace Technology</u>			
Unquoted convertible preference shares in Vietnam	3	4,195	12,136
Total investments at FVTPL		17,171	23,898

### 19C. Fair value measurements (Level 3) recognised in statement of financial position

For the fair value recurrent measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the material unobservable inputs used in the fair value measurement are as follows:

- (a) **Cost approach:** This is applied to estimate the fair value of companies in very preliminary development stages where revenue forecasts are difficult to estimate with any degree of certainty, and assumes that 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. Other financial assets (cont'd)

### 19C. Fair value measurements (Level 3) recognised in statement of financial position (cont'd)

- (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	2023	2022	Sensitivity of inputs to fair value
Risk free rates (range)	1.7% – 5.4%	2.4% – 4.7%	Increase (decrease) of the inputs would result in decrease (increase) in fair values
Asset volatility (range)	30% – 95%	31% – 100%	
Expected terms (years)	1.1 to 3.3	0.25 to 3	

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

Refer to Note 29 "Financial Instruments" for material accounting policy information and other explanatory information relating to other financial assets.

Critical judgements, assumptions and estimation uncertainties:

#### Determination of the 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 above.

## 20. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Finished goods for resale	5	5
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	88	89
Used	(22)	–
Foreign exchange adjustments	(1)	(1)
Balance at end of the year	65	88

There are no inventories pledged as security for liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Outside parties	5,877	8,568	-	-
Less: Allowance for impairment	(45)	(50)	-	-
Net trade receivables – subtotal	5,832	8,518	-	-
<u>Other receivables:</u>				
Ultimate parent company (Note 3)	-	1	-	-
Subsidiaries (Note 3)	-	-	9,138	8,919
Less: Allowance for impairment	-	-	(497)	(497)
Refundable deposits	2,830	2,727	3	3
Net other receivables – subtotal	2,830	2,728	8,644	8,425
Total trade and other receivables	8,662	11,246	8,644	8,425
Movements in above allowance for trade receivables:				
Balance at beginning of the year	50	46	497	497
Charged to profit or loss included in other losses (Note 7)	-	7	-	-
Foreign exchange adjustments	(5)	(3)	-	-
Balance at end of the year	45	50	497	497

The expected credit losses (“ECL”) on the trade receivables is based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets 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 including the impact of the current economic conditions. At each reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The ageing of all the balance is as follows:

	Gross amount		Loss allowance	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
<u>Ageing of trade receivables:</u>				
Within due date	2,100	4,189	-	-
1 to 90 days past due	1,339	1,994	-	-
91 to 270 days past due	2,393	1,179	-	-
Over 270 days past due	45	1,206	45	50
Total	5,877	8,568	45	50

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 is 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 about 30 to 90 days (2022: 30 to 90 days). However, some customers take a longer period to settle the amounts.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. Trade and other receivables (cont'd)

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

	2023		2022	
	\$'000	%	\$'000	%
Top 1 customer	3,391	58	3,675	43
Top 2 customers	4,110	70	4,842	57
Top 3 customers	4,539	78	5,418	64

Critical judgements, assumptions and estimation uncertainties:

Assessment of expected credit loss on trade and other receivables

The assessment of the expected credit losses ("ECL") requires a degree of estimation and judgement. 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. 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 above.

### Other receivables:

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 current economic conditions.

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 (2022: \$497,000) has been recognised for other receivables of the company.

Refer to Note 29 "Financial Instruments" for material accounting policy information and other explanatory information relating to trade and other receivables.

## 22. Other non-financial assets

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract assets (Note 22A)	3,252	1,782	-	-
Contract costs (Note 22B)	852	1,078	-	-
Prepayments	524	539	44	47
Net	4,628	3,399	44	47

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 22. Other non-financial assets (cont'd)

### 22A. Contract assets

	Group	
	2023	2022
	\$'000	\$'000
The amount is made up of:		
Consideration for work completed but not billed at the reporting date	3,252	1,782
The movements in contract assets are as follows:		
Balance at beginning of the year	1,782	339
Consideration for work completed but not billed at the reporting date	2,935	2,711
Transfers to trade receivables	(1,390)	(1,260)
Foreign exchange adjustments	(75)	(8)
Balance at end of the year	3,252	1,782

The contract assets are for the group'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 group recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

The increase of contract assets is due to higher 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.

### 22B. Contract costs

	Group	
	2023	2022
	\$'000	\$'000
The amount is made up of:		
Costs incurred to obtain or fulfil a contract	852	1,078
The movements in contract costs are as follows:		
Balance at beginning of the year	1,078	1,176
Additions	1,261	2,824
Recognised as cost for performance obligation satisfied	(1,425)	(2,855)
Foreign exchange adjustments	(62)	(67)
Balance at end of the year	852	1,078

Refer to Note 5 "Revenue" for material accounting policy information and other explanatory information relating to other non-financial assets.



# NOTES TO THE FINANCIAL STATEMENTS

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## 23. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Not restricted in use <sup>(a)</sup>	8,662	10,831	399	1,202
Cash pledged for bank facilities	2,303	2,392	-	-
	<u>10,965</u>	<u>13,223</u>	<u>399</u>	<u>1,202</u>
Interest earning balances	<u>3,622</u>	<u>5,929</u>	<u>-</u>	<u>-</u>

The rates of interest for the cash on interest earning balances ranged between 2.30% to 2.90% (2022: 1.40% to 2.65%) per annum.

<sup>(a)</sup> The group has an amount of \$440,000 (2022: \$577,000) 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.

### 23A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2023	2022
	\$'000	\$'000
Amount as shown above	10,965	13,223
Cash pledged for bank facilities	(2,303)	(2,392)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	<u>8,662</u>	<u>10,831</u>

### 23B. Reconciliation of liabilities arising from financing activities:

	2022	Cash flows	Non-cash changes		2023
	\$'000	\$'000	\$'000		\$'000
Group					
Borrowings	897	-	(51)	(a)	846
Lease liabilities	477	(359)	543	(b)	661
Total liabilities from financing activities	<u>1,374</u>	<u>(359)</u>	<u>492</u>		<u>1,507</u>
	2021	Cash flows	Non-cash changes		2022
	\$'000	\$'000	\$'000		\$'000
Group					
Borrowings	274	634	(11)	(a)	897
Lease liabilities	759	(418)	136	(b)	477
Total liabilities from financing activities	<u>1,033</u>	<u>216</u>	<u>125</u>		<u>1,374</u>

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

(b) Recognition of new leases and accretion of interest.

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. Cash and cash equivalents (cont'd)

Material accounting policy information and other explanatory information – Cash and cash equivalent:

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.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

## 24. Share capital

	Number of shares issued	Share capital
	'000	\$'000
<u>Ordinary shares of no par value:</u>		
Balance at 1 January 2022, 31 December 2022 and 31 December 2023	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. Adjusted capital comprises all components of equity (that is, share capital and reserves).

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	1,465	1,989	-	-
<u>Other payables:</u>				
Outside parties	372	421	-	-
Ultimate parent company (Note 3)	1	-	-	-
Subsidiaries (Note 3)	-	-	1,593	1,807
Related companies (Note 3)	14	15	-	-
Accrued expenses	1,512	1,884	260	318
Deposits to secure services	-	12	-	-
Other payables – subtotal	1,899	2,332	1,853	2,125
Total trade and other payables	3,364	4,321	1,853	2,125

## 26. Other non-financial liabilities

	Group	
	2023	2022
	\$'000	\$'000
Contract liabilities	458	479

The movements in contract liabilities are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Balance at beginning of the year	479	707
Consideration received or receivable	634	1,424
Performance obligation satisfied – revenue recognised	(631)	(1,636)
Foreign exchange adjustments	(24)	(16)
Balance at end of the year	458	479

Transaction price allocated to the remaining performance obligations:

	Group	
	2023	2022
	\$'000	\$'000
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	458	479

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. Borrowings

	Group	
	2023	2022
	\$'000	\$'000
<u>Financial instruments with floating interest rates:</u>		
Term loan (Note 27A)	846	897
Total current borrowings	<u>846</u>	<u>897</u>

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

	Group	
	2023	2022
	\$'000	\$'000
Term loan	<u>4.87%</u>	<u>4.72%</u>

### 27A. Term loan (secured)

A subsidiary of the company utilised banking facilities granted by a financial institution for working capital purposes. This facility is secured by fixed deposits of the subsidiary amounting to approximately \$1,987,000, a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of \$1,781,000.

The loan quantum at the prior period end was repaid in full in May 2023. Another loan was subsequently drawn down in December 2023 and shall be repaid in full upon expiry of the tenure in May 2024.

## 28. Lease liabilities

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

	Group	
	2023	2022
	\$'000	\$'000
Lease liabilities, current	318	301
Lease liabilities, non-current	343	176
Lease liabilities, total	<u>661</u>	<u>477</u>

A summary of the maturity analysis of lease liabilities is disclosed in Note 29E. 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.

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 4.72% (2022: 6.40%) per year.

Other disclosures on leases:

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

	Group	
	2023	2022
	\$'000	\$'000
Expense relating to leases of low-value assets included in profit or loss	<u>66</u>	<u>61</u>

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that 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 liability and the right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 28. Lease liabilities (cont'd)

Lease liabilities under lease arrangements are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Material accounting policy information other explanatory information – Lease of lessee:

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less or leases of low value assets are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## 29. Financial instruments: information on material policy information and financial risks

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised 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.

### 29A. Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At the end of the reporting year, the reporting entity had the following categories financial assets and liabilities:

- 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.
- 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.
- Financial liabilities are categorised 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Financial instruments: information on material policy information and financial risks (cont'd)

### 29A. Categories of financial assets and financial liabilities (cont'd)

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	19,627	24,469	9,043	9,627
Financial assets at fair value through profit or loss ("FVTPL")	17,171	23,898	–	–
At end of the year	<u>36,798</u>	<u>48,367</u>	<u>9,043</u>	<u>9,627</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	4,871	5,695	1,853	2,125
At end of the year	<u>4,871</u>	<u>5,695</u>	<u>1,853</u>	<u>2,125</u>

Further quantitative disclosures are included throughout these financial statements.

### 29B. 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. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. 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 (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

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.

### 29C. Fair values of financial instruments

The analyses 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 both 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Financial instruments: information on material policy information and financial risks (cont'd)

### 29D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates.

Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any 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 23 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.

### 29E. 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 within twelve months after at the end of the reporting year. The average credit period taken to settle current trade payables is about 30 to 60 days (2022: 30 to 60 days). 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.

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

	Less than 1 year	2 – 5 years	Total
	\$'000	\$'000	\$'000
<u>Group</u>			
Non-derivative financial liabilities:			
<u>2023:</u>			
Gross borrowings commitments	865	–	865
Gross lease liabilities	334	359	693
Trade and other payables	3,364	–	3,364
At end of year	4,563	359	4,922
<u>2022:</u>			
Gross borrowings commitments	916	–	916
Gross lease liabilities	321	187	508
Trade and other payables	4,321	–	4,321
At end of year	5,558	187	5,745

The company provides financial guarantees to financial institutions for banking facilities granted to subsidiaries (see Note 27). These financial guarantees are provided without charge. 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:

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Financial instruments: information on material policy information and financial risks (cont'd)

### 29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

	Less than 1 year	
	2023	2022
	\$'000	\$'000

#### Company

Financial guarantee contracts – in favour of subsidiaries	846	897
-----------------------------------------------------------	-----	-----

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.

<u>Bank facilities:</u>	2023	2022
	\$'000	\$'000

The undrawn or contracted financing facilities are as follows:

Undrawn credit facilities in relation to banker acceptance	751	878
------------------------------------------------------------	-----	-----

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.

### 29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	Group	
	2023	2022
	\$'000	\$'000

#### Financial liabilities with interest:

Floating rates	846	897
Fixed rates	661	477

#### Financial assets with interest:

Fixed rates	3,622	5,929
-------------	-------	-------

The floating rate debt assets are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit or loss is not material.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Financial instruments: information on material policy information and financial risks (cont'd)

### 29G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency.

	Singapore dollars	US dollars	Indonesia rupiah	Malaysia ringgit	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2023</u>					
<u>Financial assets:</u>					
Cash and cash equivalents	209	492	-	-	701
Trade and other receivables	-	232	-	-	232
Other financial assets	-	8,591	-	129	8,720
Total financial assets	209	9,315	-	129	9,653
<u>Financial liabilities:</u>					
Trade and other payables	(4)	(429)	-	-	(433)
Net financial assets	205	8,886	-	129	9,220

	Singapore dollars	US dollars	Indonesia rupiah	Malaysia ringgit	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2022</u>					
<u>Financial assets:</u>					
Cash and cash equivalents	440	1,141	-	-	1,581
Trade and other receivables	67	460	51	-	578
Other financial assets	-	17,233	-	155	17,388
Total financial assets	507	18,834	51	155	19,547
<u>Financial liabilities:</u>					
Trade and other payables	(19)	(619)	(1)	-	(639)
Net financial assets	488	18,215	50	155	18,908

	US dollars	Total
Company	\$'000	\$'000
<u>2023</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	173	173
<u>2022</u>		
<u>Financial assets:</u>		
Cash and cash equivalents	375	375

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Financial instruments: information on material policy information and financial risks (cont'd)

### 29G. Foreign currency risks (cont'd)

Sensitivity analysis:

	2023	2022
	\$'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 or loss before tax of	<u>(889)</u>	<u>(1,822)</u>

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.

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.

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.

### 29H. 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 19.

## 30. Contingent liabilities

	Company	
	2023	2022
	\$'000	\$'000
Undertaking to support subsidiaries with deficits <sup>(a)</sup>	780	680
Litigation <sup>(b)</sup>	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 2023 amounting in aggregate to \$780,000 (2022: \$680,000) 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.

#### (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 advice 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30. Contingent liabilities (cont'd)

### (b) Litigation (cont'd)

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.

Since 2015, a number of procedural hearings have been held by the Arbitrator in relation to the matter. During the year, the provision of evidence by all witnesses and the subsequent cross examination of these witnesses was completed by all parties. Following these, UTPL and the Telco filed their final written submission on 10 February 2024. The matter is now pending final determination by the arbitrator.

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

## 31. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued amendment to SFRS 1 and Practice Statement 2 on disclosures of material accounting policy and other explanatory information. The amendments state that immaterial information need not be disclosed in the financial statements and that disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc.). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity.

## 32. New or amended standards in issue but not yet effective

For the future reporting years the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting 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. Those applicable to the reporting entity for future reporting years are listed below.

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 January 2024

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

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	4	0.32	23	0.00
100 - 1,000	578	46.46	390,100	1.22
1,001 - 10,000	544	43.73	2,071,576	6.48
10,001 - 1,000,000	114	9.17	6,783,824	21.23
1,000,001 AND ABOVE	4	0.32	22,711,741	71.07
<b>TOTAL</b>	<b>1,244</b>	<b>100.00</b>	<b>31,957,264</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	Worldwide Matrix Sdn Bhd	12,692,293	39.72
2	Phillip Securities Pte Ltd	6,476,116	20.26
3	Citibank Nominees Singapore Pte Ltd	1,903,432	5.96
4	DBS Nominees (Private) Limited	1,639,900	5.13
5	Eng Koon Hock	749,000	2.34
6	Chang Shaw Chuin	549,150	1.72
7	Ang Hao Yao (Hong Haoyao)	382,300	1.20
8	Ramesh S/O Pritamdas Chandiramani	338,500	1.06
9	DBSN Services Pte Ltd	226,900	0.71
10	Maybank Securities Pte Ltd	217,900	0.68
11	Chin Khan Hee @Chin Kian Hee	200,000	0.63
12	Morph Investments Ltd	198,000	0.62
13	United Overseas Bank Nominees (Private) Limited	197,700	0.62
14	Hong Leong Finance Nominees Pte Ltd	190,000	0.59
15	Raffles Nominees (Pte.) Limited	171,520	0.54
16	Ong Wooi Siang	159,500	0.50
17	ABN AMRO Clearing Bank N.V.	145,946	0.46
18	Puah Sze Ngee	135,800	0.42
19	Tan Sze Hong	123,000	0.38
20	Ng Wang @ Ng Chiang Chin	95,500	0.30
	<b>TOTAL</b>	<b>26,792,457</b>	<b>83.84</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

## SUBSTANTIAL SHAREHOLDERS

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

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

<sup>(b)</sup> 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.

<sup>(c)</sup> 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 18 March 2024, approximately 33.90% 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 held at Grand Mercure Singapore Roxy Hotel, 50 East Coast Road, Roxy Square, Singapore 428769, Frankel & Meyer Room, Level 3 on **Wednesday, 24 April 2024** at **3.00 p.m.** 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 2023 and the Independent Auditors’ Report thereon. | <b>Resolution 1</b> |
| 2. | To approve the directors’ fees of S\$91,100/- for the financial year ended 31 December 2023 [2022: S\$91,100/-].                                                                              | <b>Resolution 2</b> |
| 3. | To re-elect Mr Anton Syazi Ahmad Sebi who is retiring pursuant to Article 103 of the company’s Constitution.<br><i>(See Explanatory Note 1)</i>                                               | <b>Resolution 3</b> |
| 4. | To re-elect Mr Wong Tze Leng who is retiring pursuant to Article 103 of the company’s Constitution.<br><i>(See Explanatory Note 2)</i>                                                        | <b>Resolution 4</b> |
| 5. | To re-appoint RSM Chio Lim LLP as auditors of the company and to authorise the directors to fix their remuneration.                                                                           | <b>Resolution 5</b> |

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following with or without modifications:-

### Ordinary Resolutions

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 6. | <b>Authority to allot and issue shares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |
|    | (a) “That, pursuant to Section 161 of the Companies Act 1967, and the Listing Manual of the 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:-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Resolution 6</b> |
|    | (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 be included in the aforementioned limits; |                     |

## NOTICE OF ANNUAL GENERAL MEETING

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
  - 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 9<sup>th</sup> day of April 2024

By Order of the Board

Hon Wei Ling  
Company Secretary

### **Explanatory Notes on business to be transacted:**

1. Mr Anton Syazi Ahmad Sebi will, upon re-election as Director, remain as the Group Executive Director of the company.  
*Please refer to pages 30 to 35 of the Corporate Governance Report in the 2023 Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.*
2. Mr Wong Tze Leng will, upon re-election as Director, remain as the Group Executive Chairman.  
*Please refer to pages 30 to 35 of the Corporate Governance Report in the 2023 Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the 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.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. The members of the company (the “Members”) are invited to **attend physically** at the AGM. **There will be no option for the Members to participate virtually.**
2. Printed copies of the Annual Report, this Notice of AGM and the Proxy Form will be sent by post to the Members and published on the company’s website at <https://captii.listedcompany.com/>. and SGX website at <https://www.sgx.com/securities/company-announcements>.
3. **Arrangements for participation in the AGM physically**

Members (including investors who hold shares through the Relevant Intermediaries, including Central Provident Fund (“CPF”) Investment Scheme (“CPF Investors”) and/or Supplementary Retirement Scheme (“SRS Investors”)) may participate in the AGM by:

- (a) attending the AGM in person;
- (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
- (c) voting at the AGM
  - (i) themselves personally; or
  - (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **3.00 p.m. on 15 April 2024**, being seven (7) working days prior to the date of the AGM.

To attend the AGM, please bring along your NRIC/passport so as to enable the company to verify your identity. Members are requested to arrive early to facilitate the registration process.

4. A Member, who is not a Relevant Intermediary, is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A Member, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.

Where such Member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

A Member, who is a Relevant Intermediary, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A Member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

If a Member wishes to appoint the Chairman of the AGM as proxy, such Member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:
  - (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 by attaching and sending a clear scanned PDF copy of it to the company’s share registrar at [captii-agm2024@boardroomlimited.com](mailto:captii-agm2024@boardroomlimited.com).

in either case, by no later than **3.00 p.m. on 22 April 2024**, being at least 48 hours before the time appointed for holding the AGM. Members are strongly encouraged to submit the completed proxy forms electronically by email.



# NOTICE OF ANNUAL GENERAL MEETING

The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The company shall be entitled to reject the instrument appointing the proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the proxy).

In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited, the company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the Member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM.

7. Members may raise questions at the AGM and/or submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by **3.00 p.m. on 16 April 2024**:
- (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-agm2024@boardroomlimited.com](mailto:captii-agm2024@boardroomlimited.com).

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 <https://captii.listedcompany.com/>, by **19 April 2024**.

8. The company will, within one month after the date of the AGM, publish the minutes of the AGM on the SGX website at <https://www.sgx.com/securities/company-announcements> and the company's website at <https://captii.listedcompany.com/>, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

## Personal Data Privacy

"**Personal data**" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes the Member's name and its proxy's and/or representative's name, address, email address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the company (or its agents or service providers) for the purpose of processing, administration and analysis by the company (or its agents or service providers) of the proxies and representatives appointed 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. The Member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the company's verification and record purposes.

Photographic, sound and/or video recordings of the AGM may be made by the company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the personal data of a Member or its proxy and/or representative (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the company for such purpose.

# CAPTII LIMITED

(Company Registration No. 200211129W)  
(Incorporated in the Republic of Singapore)

## IMPORTANT

1. The Annual General Meeting will be held physically. **Members have no option to participate virtually.**
2. For CPF Investors/SRS Investors who have used their CPF/SRS monies to buy the company's shares, this Proxy Form is not valid to use by CPF Investors/ SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors/SRS Investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. 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.

## PROXY FORM

I/We \_\_\_\_\_ (Name) NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of CAPTII LIMITED (the "company"), hereby appoint: -

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)	
			No. of shares	(%)

\*and/or

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)	
			No. of shares	(%)

or failing which, the Chairman of the Annual General Meeting ("AGM") of the company as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the AGM of the company to be held at Grand Mercure Singapore Roxy Hotel, 50 East Coast Road, Roxy Square, Singapore 428769, Frankel & Meyer Room, Level 3 on **Wednesday, 24 April 2024 at 3.00 p.m.** and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for, against or abstain the Resolutions proposed at the AGM as indicated hereunder.

No.	Resolutions	*For	*Against	*Abstain
<b>Ordinary Business</b>				
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the company for the financial year ended 31 December 2023 and the Independent Auditors' Report thereon.			
2.	To approve the directors' fees of S\$91,100/- for the financial year ended 31 December 2023 [2022: S\$91,100/-].			
3.	To re-elect Mr Anton Syazi Ahmad Sebi pursuant to Article 103 of the company's constitution.			
4.	To re-elect Mr Wong Tze Leng 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.			
<b>Special Business</b>				
6.	To authorise directors to allot shares pursuant to Section 161 of the Companies Act 1967.			

\* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a "✓" or a "X" in the box provided. Alternatively, please indicate the number of shares as appropriate. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof.

Dated this \_\_\_\_\_ day \_\_\_\_\_ 2024

Total Number of Shares Held

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Corporate Member

\* Delete accordingly

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



## Notes:-

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. 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.
3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. The Chairman of the AGM, as proxy, need not be a member of the company.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM i.e. by **3.00 p.m. on 15 April 2024**. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
8. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either: -
  - (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 by attaching and sending a clear scanned PDF copy of it to the company's share registrar at [captii-agm2024@boardroomlimited.com](mailto:captii-agm2024@boardroomlimited.com).

in either case, not less than 48 hours before the time appointed for holding the Meeting i.e. by **3.00 p.m. on 22 April 2024**, and failing which, the Proxy Form will not be treated as valid.

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.

9. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

## General:

The company shall be entitled to reject the instrument appointing the Chairman of the Meeting if it 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 appointing the Chairman of the Meeting. In addition, in the case of members of the company whose shares are entered against their names in the Depository Register, the company may reject any instrument appointing the Chairman of the Meeting lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated **9 April 2024**.

