



**V2Y CORPORATION LTD.**  
(Incorporated in Singapore)  
(Company Registration No. 201717972D)

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**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021**

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This announcement has been prepared by V2Y Corporation Ltd. (the “Company”) and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“the SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Khong Choun Mun - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).

**Background**

The Company was incorporated in Singapore on 28 June 2017, in accordance with the Companies Act as a private limited company under the name of “Synagie Corporation Pte. Ltd.”. The Company was subsequently renamed to “Synagie Corporation Ltd.” on 27 June 2018 in connection with its conversion into a public company limited by shares. On 12 November 2020, the Company’s name was changed to V2Y Corporation Ltd.

V2Y Corporation Ltd. and its subsidiaries (collectively the “Group”) main business segment is the Insurtech business segment. This segment provides third party administration and value-added services to help our Brand Partners in the computer, communication and consumer electronics sector manage and execute their extended warranty and accidental damage protection programmes. Leveraging on our technology platform and ecosystem, the Group is looking to expand its Insurtech business by extending existing offerings and new products to our brand partners, channel partners and end consumers.

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**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 30 June 2021**

	Note	Group		Increase/ (Decrease) %
		1H2021 S\$'000	1H2020 S\$'000	
<b>Revenue</b>	<b>4</b>	<b>658</b>	800	(17.8)
Cost of sales		<b>(444)</b>	(679)	(34.6)
<b>Gross Profit</b>		<b>214</b>	121	76.9
Other income	<b>5</b>	<b>133</b>	189	(29.6)
Distribution and selling costs		<b>(1)</b>	*	N.M.
Administrative expenses		<b>(1,052)</b>	(1,395)	(24.6)
Other operating expenses	<b>6</b>	<b>(3)</b>	-	N.M.
Finance costs		<b>(3)</b>	(3)	0.0
<b>Loss before income tax from continuing operations</b>	<b>7</b>	<b>(712)</b>	(1,088)	(34.6)
Income tax credit	<b>8</b>	<b>32</b>	43	(25.6)
<b>Loss after income tax from continuing operations</b>		<b>(680)</b>	(1,045)	(34.9)
<b><u>Discontinued operations</u></b>				
<b>Profit from discontinued operations, net of tax</b>	<b>9</b>	-	5,172	N.M.
<b>(Loss) / profit for the period</b>		<b>(680)</b>	4,127	N.M.
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		*	20	N.M.
<b>Total comprehensive (loss) / income for the period</b>		<b>(680)</b>	4,147	N.M.
<i>(Loss) / profit net of tax attributable to:</i>				
Owners of the Company		<b>(680)</b>	4,130	N.M.
Non-controlling interest		-	(3)	N.M.
<b>(Loss) / profit for the period</b>		<b>(680)</b>	4,127	N.M.
<i>Total comprehensive (loss) / income for the period</i>				
Owners of the Company		(680)	4,150	N.M.
Non-controlling interests		-	(3)	N.M.
<b>Total comprehensive (loss) / income for the period</b>		<b>(680)</b>	4,147	N.M.

N.M. - Denotes not meaningful

\* Less than S\$1,000

## Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 Jun 2021 S\$'000	31 Dec 2020 S\$000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,386	1,978	997	1,871
Trade and other receivables	11	114	590	733	314
Deferred costs	12	391	51	-	-
Total current assets		<b>3,891</b>	2,619	<b>1,730</b>	2,185
<b>Non-current assets</b>					
Plant and equipment		33	37	31	35
Right-of-use assets		58	78	42	60
Goodwill		971	971	-	-
Intangible assets	13	707	903	-	-
Investment in subsidiaries		-	-	1,300	1,300
Total non-current assets		<b>1,769</b>	1,989	<b>1,373</b>	1,395
<b>Total assets</b>		<b>5,660</b>	4,608	<b>3,103</b>	3,580
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	14	1,835	1,281	445	579
Bank borrowings	15	144	-	-	-
Provisions	16	147	147	-	-
Deferred revenue	17	833	96	-	-
Lease liabilities		39	39	37	37
Total current liabilities		<b>2,998</b>	1,563	<b>482</b>	616
<b>Non-current liabilities</b>					
Lease liabilities		20	39	5	24
Bank borrowings	15	348	-	-	-
Deferred tax liabilities		120	152	-	-
Total non-current liabilities		<b>488</b>	191	<b>5</b>	24
<b>Capital and reserves</b>					
Share capital	18	1,027	1,027	1,027	1,027
Other reserve	19	792	792	792	792
Translation reserve		*	-	-	-
Retained earnings		355	1,035	797	1,121
Total equity		<b>2,174</b>	2,854	<b>2,616</b>	2,940
<b>Total liabilities and equity</b>		<b>5,660</b>	4,608	<b>3,103</b>	3,580

\* Less than S\$1,000

## Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H2020	1H2020
	S\$'000	S\$'000
<b>Operating activities</b>		
Loss before income tax from continuing operations	(712)	(1,088)
Profit before income tax from discontinued operations	-	5,172
(Loss) / profit before income tax	<u>(712)</u>	<u>4,084</u>
<u>Adjustments for:</u>		
Amortisation of intangible assets	192	246
Depreciation of plant and equipment	8	116
Depreciation of right-of-use assets	20	113
Share-based payment expenses	-	112
Interest expense	3	6
Assets written off	4	-
Net unrealised exchange adjustment	-	20
Operating cash flows before working capital changes	<u>(485)</u>	<u>4,697</u>
Trade and other receivables	1,213	(958)
Inventories	-	(256)
Trade and other payables	<u>214</u>	<u>4,255</u>
Net cash generated from operations	942	7,738
Tax paid	-	-
<b>Net cash generated from operating activities</b>	<u>942</u>	<u>7,738</u>
<b>Investing activities</b>		
Purchase of plant and equipment	(4)	(58)
Expenditure on software development	-	(175)
<b>Net cash used in investing activities</b>	<u>(4)</u>	<u>(233)</u>

**Condensed Interim Consolidated Statement of Cash Flows (continued)**

	<b>Group</b>	
	<b>1H2021</b>	<b>1H2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financing activities</b>		
Proceeds from bank borrowings	<b>500</b>	-
Repayment of bank borrowings	<b>(8)</b>	
Repayment of lease liabilities	<b>(21)</b>	(113)
Interest paid	<b>(1)</b>	(6)
<b>Net cash generated from / (used in) financing activities</b>	<b>470</b>	(119)
Net increase in cash and cash equivalents	<b>1,408</b>	7,386
Cash and cash equivalents at beginning of the period	<b>1,978</b>	1,444
<b>Cash and cash equivalents at end of the period <sup>(1)</sup></b>	<b>3,386</b>	8,830

**Note:**

<sup>(1)</sup> Cash and cash equivalents in the statement of financial position

Less: monies pledged with bank for bank guarantee

**Cash and cash equivalents in the statement of cash flows**

	<b>3,386</b>	8,980
	-	(150)
	<b>3,386</b>	8,830

**Condensed Interim Statements of Changes in Equity**

<b>Group</b>	<b>Share capital</b>	<b>Capital contribution pending allotment</b>	<b>Merger reserve</b>	<b>Other reserve</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Total equity attributable to owners of the Company</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 Jan 2021</b>	<b>1,027</b>	-	-	<b>792</b>	-	<b>1,035</b>	<b>2,854</b>	-	<b>2,854</b>
<b><i>Total comprehensive loss for the period</i></b>									
Loss for the period	-	-	-	-	-	(680)	(680)	-	(680)
Other comprehensive income	-	-	-	-	*	-	*	-	*
	-	-	-	-	*	(680)	(680)	-	(680)
<b>Balance as at 30 Jun 2021</b>	<b>1,027</b>	-	-	<b>792</b>	<b>*</b>	<b>355</b>	<b>2,174</b>	-	<b>2,174</b>

Note: \* Less than S\$1,000

**Condensed Interim Statements of Changes in Equity (continued)**

<b>Group</b>	<b>Share capital</b>	<b>Capital contribution pending allotment</b>	<b>Merger reserve</b>	<b>Other reserve</b>	<b>Translation reserve</b>	<b>Accumulated losses</b>	<b>Total equity attributable to owners of the Company</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 Jan 2020</b>	<b>24,147</b>	<b>3,828</b>	<b>(8,261)</b>	<b>792</b>	<b>(34)</b>	<b>(15,910)</b>	<b>4,562</b>	<b>3</b>	<b>4,565</b>
<b><i>Total comprehensive income for the period</i></b>									
Profit for the period	-	-	-	-	-	4,130	4,130	(3)	4,127
Other comprehensive income	-	-	-	-	20	-	20	-	20
	-	-	-	-	20	4,130	4,150	(3)	4,147
<b><i>Transaction recognised directly in equity</i></b>									
Completion of allotment of share capital	3,828	(3,828)	-	-	-	-	-	-	-
Issuance of shares awards	154	-	-	-	-	-	154	-	154
	3,982	(3,828)	-	-	-	-	154	-	154
<b>Balance as at 30 Jun 2020</b>	<b>28,129</b>	<b>-</b>	<b>(8,261)</b>	<b>792</b>	<b>(14)</b>	<b>(11,780)</b>	<b>8,866</b>	<b>*</b>	<b>8,866</b>

Note: \* Less than S\$1,000



**Condensed Interim Statements of Changes in Equity (continued)**

<u>Company</u>	Share capital	Capital contribution pending allotment	Other reserve	Retained earnings / (Accumulated losses)	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 Jan 2021</b>	1,027	-	792	1,121	2,940
Loss for the period, representing total comprehensive loss for the period	-	-	-	(324)	(324)
<b>Balance as at 30 Jun 2021</b>	<b>1,027</b>	-	<b>792</b>	<b>797</b>	<b>2,616</b>
<b>Balance as at 1 Jan 2020</b>	24,147	3,828	792	(2,769)	25,998
Loss for the period, representing total comprehensive loss for the period	-	-	-	(195)	(195)
<b>Transactions with owners, recognised directly in equity</b>					
Completion of allotment of shares	3,828	(3,828)	-	-	-
Issuance of share awards	154	-	-	-	154
<b>Balance as at 30 Jun 2020</b>	<b>28,129</b>	-	<b>792</b>	<b>(2,964)</b>	<b>25,957</b>

## **Selected Notes to the Condensed Interim Financial Statements**

### **1. General**

V2Y Corporation Ltd. (the “Company”) (Registration No. 201717972D) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 38 Jalan Pemimpin, #05-03 M38, Singapore 577178. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Company is that of holding company. The principal activities of the subsidiaries relates to those of the Insurtech business segment as disclosed on the cover page of this announcement.

The condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively the “Group”).

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS (I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. Selected explanatory notes to the interim financial statements are included to provide information on events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last audited financial statements for the year ended 31 December 2020.

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements, which were prepared in accordance with SFRS (I)s.

The condensed interim financial statements have been prepared on a going concern basis. The condensed interim financial statements are presented in Singapore dollars, which is also the Company’s functional currency.

## **Selected Notes to the Condensed Interim Financial Statements (continued)**

### **3. Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The key judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the consolidated financial statements for the year ended 31 December 2020. The following are the critical judgements (apart from those involving estimates covered below) that management has made in the process of applying the Group's accounting policies and which have a significant impact on the amount recognised in the consolidated financial statements:

#### Going concern

As at 30 Jun 2021, the Group is in a net current assets and net assets position of S\$893,000 and S\$2,174,000 (31 Dec 2020: S\$1,056,000 and S\$2,854,000) respectively. The COVID-19 pandemic has severely disrupted global economic activity and led to both demand and supply side shocks to the global economy. These factors may cast significant doubt on the Group's ability to continue as a going concern.

Management had carried out a review of the cash flows forecast of the Group for the next 12 months period ending 30 June 2022. Based on the forecast, management estimated that adequate liquidity exists to finance the working capital requirements of the Group for the next financial year considering the cash and cash equivalents of the Group of S\$3,386,000 as at 30 Jun 2021. Accordingly, management is of the view that there is no material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern and that the use of going concern to prepare the Group's financial statements is appropriate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates were revised and in any future period affected.

#### Impairment review of goodwill and intangible assets

The Group reviews goodwill and intangible assets for impairment annually. As at 30 Jun 2021, the net carrying amounts of goodwill and intangible assets were S\$971,000 and S\$707,000 (31 Dec 2020: S\$971,000 and S\$903,000) respectively.

The management required to estimate the future market conditions, including future contract revenue, discount rate, EBITDA and terminal growth rate in the key inputs used in the discounted cash flow forecasts to determine the recoverable amounts for goodwill and intangible assets, and the amount of any impairment required.

Based on the current market conditions, management is of the view that the slowdown in contracts renewal and new contracts sign up will not have a significant impact on the carrying amount of the goodwill and intangible assets.

#### Allowance for impairment loss of trade receivables

The Group determines expected credit losses on trade receivables from third parties by making individual assessment of expected credit loss ("ECL") for long overdue balances and using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Notwithstanding the above, the Group evaluates the ECL on customers in financial difficulties separately. As at 30 Jun 2021, there is no additional allowance for doubtful debts required as a significant portion of accounts receivables outstanding had been fully collected.

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 4. Revenue

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Continuing operations</b>		
Insurtech:		
Sale of warranty support services recognised over time	658	800

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Discontinued operations</b>		
e-Commerce		
- Sale of products on online channels recognised at a point in time	-	33,118
- Marketing support fees recognised over time	-	3,487
e-Logistics		
- Warehouse and logistics support fees recognised over time	-	909
	-	37,514

#### Seasonality of operations

The Group's operations are not affected significantly by seasonal or cyclical factors during the financial period.

### 5. Other income

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Continuing operations</b>		
Government grants	109	153
Foreign exchange gain	24	33
Others	-	3
	133	189

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Discontinued operations</b>		
Government grants	-	336
Foreign exchange gain	-	-
Others	-	10
	-	346

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 6. Other operating expenses

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Continuing operations</b>		
Withholding taxes	-	-
Foreign exchange loss	-	-
Others	<b>3</b>	-
	<b>3</b>	-

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Discontinued operations</b>		
Withholding taxes	-	25
Foreign exchange gain	-	178
Others	-	71
	-	<b>274</b>

### 7. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the statement of profit or loss, the above includes the following charges / (credits):

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Continuing operations</b>		
Amortisation of intangible assets	<b>192</b>	192
Depreciation of plant and equipment	<b>8</b>	34
Depreciation of right-of-use assets	<b>20</b>	54
Foreign exchange gain, net	<b>(24)</b>	(33)
Professional fees	<b>173</b>	216
Staff costs (including directors' fees)	<b>465</b>	877

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Discontinued operations</b>		
Amortisation of intangible assets	-	54
Depreciation of plant and equipment	-	82
Depreciation of right-of-use assets	-	59
Foreign exchange loss, net	-	178
Marketing expenses	-	398
Professional fees	-	187
Warehouse rental and handling expenses	-	1,923
Staff costs (including directors' fees)	-	<b>2,742</b>

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 8. Income tax credit

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual earnings. The major components of the income tax credit in the condensed interim consolidated statement of profit or loss are as follow:

	Group	
	1H2021	1H2020
	S\$'000	S\$'000
<b>Continuing operations</b>		
Corporate income tax	-	-
Deferred tax credit	32	43
Income tax credit recognised in profit or loss	<u>32</u>	<u>43</u>

### 9. Discontinued operations

Discontinued operations of the Group include its e-Commerce and e-Logistics segments. The disposal of the Group's e-Commerce and e-Logistics segments was completed on 5 November 2020. The results of the discontinued operations are as follow:

	1H2021	1H2020
	S\$'000	S\$'000
Revenue	-	37,514
Cost of sales	-	(24,709)
Gross profit	-	12,805
Other income	-	346
Distribution costs	-	(1,335)
Administrative expenses	-	(6,367)
Other operating expenses	-	(274)
Finance costs	-	(3)
Profit from discontinued operations	-	5,172
Income tax expense	-	-
Profit after income tax from discontinued operations	<u>-</u>	<u>5,172</u>

The effect of the discontinued operations are as follows:

	1H2021	1H2020
	S\$'000	S\$'000
Cash flows generated from operating activities	-	371
Cash flows used in investing activities	-	(352)
Cash flows used in financing activities	-	(104)
Net cash outflows	<u>-</u>	<u>(85)</u>

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 10. Segment information

For purposes of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn are segregated based on the type of goods and services supplied.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, and if applicable, the nature of the regulatory environment.

The Group has two reportable operating segments:

- Insurtech – providing third party administration and value-added services to brand partners in the computer, communication and consumer electronic sector, manage and execute their extended warranty and accidental damage protection programs.
- Investment holding – relates to investment holding company.

	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
<b>1H2021</b>			
<b>Revenue</b>			
Segment revenue	658	-	658
<b>Results</b>			
Segment results	(356)	(483)	(839)
Other income			133
Other operating expenses			(3)
Finance costs			(3)
Loss before income tax from continuing operations			(712)
Income tax credit			32
Loss for the period from continuing operations			(680)
<b>Other material non-cash items</b>			
Amortisation of intangible assets	192	-	192
Depreciation of plant and equipment	2	6	8
Depreciation of right-of-use assets	2	18	20
<b>Capital expenditure</b>			
Plant and equipment	2	2	4
Right-of-use-assets	-	-	-
Intangible assets	-	-	-

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 10. Segment information (continued)

	e-Commerce S\$'000	e-Logistics S\$'000	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
<b>1H2020</b>					
<b>Revenue</b>					
Segment revenue	-	-	800	-	800
<b>Results</b>					
Segment results	-	-	(521)	(753)	(1,274)
Other income					189
Other operating expenses					-
Finance costs					(3)
Loss before income tax from continuing operations					(1,088)
Income tax credit					43
Loss after tax from continuing operations					(1,045)
Profit for the period from discontinued operations, net of tax (Note 9)					5,172
Profit for the period					4,127
<b>Other material non-cash items</b>					
Amortisation of intangible assets	54	-	192	-	246
Depreciation of plant and equipment	82	-	19	15	116
Depreciation of right-of-use assets	59	-	30	24	113
<b>Capital expenditure</b>					
Plant and equipment	58	-	-	-	58
Intangible assets	175	-	-	-	175
<b>30 Jun 2021</b>					
<b>Assets and liabilities</b>					
Segment assets	-	-	4,565	1,095	5,660
Segment liabilities	-	-	3,041	445	3,486
<b>31 Dec 2020</b>					
<b>Assets and liabilities</b>					
Segment assets	-	-	2,620	1,988	4,608
Segment liabilities	-	-	966	788	1,754



## Selected Notes to the Condensed Interim Financial Statements (continued)

### 10. Segment information (continued)

#### *Geographical information*

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	Revenue		Non-current assets	
	1H2021	1H2020	30 Jun 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing operations</b>				
Singapore	658	800	1,769	1,989
<b>Discontinued operations</b>				
Singapore	-	33,015	-	-
Malaysia	-	2,681	-	-
Vietnam	-	619	-	-
Philippines	-	871	-	-
Thailand	-	328	-	-
	-	37,514	-	-

#### *Major customer information*

The Group's revenue derived for 1H2021 from 1 customer (1H2020: 1 customer) who individually accounted for 10% or more of the Group's revenue.

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 11. Trade and other receivables

	Group		Company	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
<b>Trade receivables</b>				
- Third parties	18	513	-	-
Less: Loss allowance	-	-	-	-
	18	513	-	-
<b>Other receivables</b>				
- Third parties	12	9	9	8
- Subsidiaries	-	-	708	292
Deposits	40	40	9	9
GST receivables	3	-	-	-
Prepayments	41	7	7	2
Government grant receivables	-	21	-	3
<b>Total trade and other receivables</b>	<b>114</b>	<b>590</b>	<b>733</b>	<b>314</b>

### 12. Deferred service costs

Cost relating to warranty services is recognized over time although the Group pays up-front in full for these services. These costs are amortised on a straight-line basis over the period of warranty services.

### 13. Intangible assets

During the half year ended 30 June 2021, the aggregate amortisation of intangible assets amounted to S\$192,000 (30 June 2020: S\$246,000). There is no addition to intangible assets for the half year ended 30 June 2021 (30 June 2020: S\$175,000).

### 14. Trade and other payables

	Group		Company	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
<b>Trade payables</b>				
- Third parties	1,180	423	-	-
<b>Other payables</b>				
- Third parties	81	167	2	116
- Subsidiaries	-	-	-	-
Accruals	486	602	358	415
Goods and services tax payables	88	61	85	43
Deferred government grant	-	28	-	5
<b>Total trade and other payables</b>	<b>1,835</b>	<b>1,281</b>	<b>445</b>	<b>579</b>

### 15. Bank Borrowings

All bank borrowings are denominated in SGD and are secured by corporate guarantee issued by the Company to a subsidiary, repayable monthly over a period of 5 years.

## **Selected Notes to the Condensed Interim Financial Statements (continued)**

### **16. Provisions**

Provision for warranty is made only for those contracts for which warranty for defects is provided for agreed period. The provision for warranty is based on estimates made from historical warranty data associated with similar completed contracts. The Group expects to incur the majority of the liability over next 12 months.

### **17. Deferred service revenue**

Revenue relating to warranty services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the warranty services at the time of the initial sales transaction and is amortised over the service period. Deferred service revenue as at the end of each reporting period is expected to be utilised within 12 months.

### **18. Share capital**

	<b>Group and Company</b>	
	<b>Number of shares</b>	<b>S\$'000</b>
Issued and paid-up share capital		
As at 1 Jan 2021 and 30 Jun 2021	305,895,908	1,027

There is no movement in the issued and paid-up share capital of the Company since 31 December 2020.

The Company had no treasury shares as at 30 June 2021 and 31 December 2020.

### **19. Other reserve**

This represents the excess of the Convertible Notes reserve and principal amount of the Convertible Notes upon conversion to share capital of the Company recognised in prior financial year.

## Selected Notes to the Condensed Interim Financial Statements (continued)

### 20. Earnings per share

	Group and Company	
	1H2021	1H2020
<b>Continuing operations</b>		
<b>Loss attributable to owners of the Company (S\$'000)</b>	<b>(680)</b>	<b>(1,045)</b>
Basic and diluted earnings per share (cents)	<b><u>(0.22)</u></b>	<b><u>(0.34)</u></b>
	Group and Company	
	1H2021	1H2020
<b>Discontinued operations</b>		
<b>Profit attributable to owners of the Company (S\$'000)</b>	<b>-</b>	<b>5,175</b>
Basic and diluted earnings per share (cents)	<b><u>-</u></b>	<b><u>1.70</u></b>

Basic and diluted earnings per share for the respective financial periods are computed based on the weighted average number of shares in issue during the respective financial periods.

### 21. Net asset value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value (S\$'000)	<b>2,174</b>	2,854	<b>2,616</b>	2,940
Net asset value per share (cents)	<b><u>0.71</u></b>	0.93	<b><u>0.86</u></b>	0.96

The computation of net assets value per share, the total number of issued shares excluding treasury shares is 305,895,908 (31 Dec 2020: 305,895,908).

## **Other Information Required by Appendix 7C of the Catalist Rules**

### **Review**

The figures in the condensed interim financial statements have not been audited or reviewed by the Company's auditors.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

**a) Updates on efforts taken to resolve each outstanding audit issue.**

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**b) Confirmation from Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

### **Review of Group Performance**

#### **Statement of Comprehensive Income**

##### ***Revenue***

The Group's revenue decreased by 17.8% or S\$0.1 million, from S\$0.8 million in 1H2020 to S\$0.7 million in 1H2021. The decrease in revenue was mainly due to slower renewal and contract sign up due to more cautious approach by customers during the COVID-19 pandemic period.

Cost of sales decreased by 34.6% or S\$0.2 million, from S\$0.7 million in 1H2020 to S\$0.5 million in 1H2021, mainly due to the decrease in revenue.

##### ***Gross profit and gross profit margin***

The Group's gross profit increased by 76.9% or S\$0.1 million, from S\$0.1 million in 1H2020 to S\$0.2 million in 1H2021. The Group's gross profit margin improved from 15.1% in 1H2020 to 32.5% in 1H2021 mainly due to decreased in headcount costs for operations support team.

##### ***Other income***

Other income decreased by 29.6% in 1H2021 as compared to 1H2020 mainly due to decrease in government grants received. The government grants received mainly relates to the Job Support Scheme implemented by the Singapore government during the COVID-19 period.

## **Review of Group Performance (continued)**

### **Statement of Comprehensive Income (continued)**

#### ***Distribution and selling costs***

There had been no significant differences in distribution and selling costs incurred for 1H2021 and 1H2020.

#### ***Administrative expenses***

Administrative expenses decreased by 24.6% or S\$0.3 million to S\$1.1 million in 1H2021 as compared to S\$1.4 million in 1H2020. The decrease is mainly due to decrease in payroll costs of S\$0.4 million due to reduction in the number of executive directors and headcount for the Insurtech segment. On 5 November 2020, the disposal of the e-Commerce and e-Logistics segment was completed and the executive directors had resigned, which led to the reduction in payroll costs for 1H2021.

#### ***Other operating expenses***

There had been no significant differences in other operating expenses incurred for 1H2021 and 1H2020.

#### ***Finance costs***

There had been no significant differences in finance costs incurred for 1H2021 and 1H2020.

#### ***Income tax credit***

Income tax credit arise from the unwinding of deferred tax liabilities associated with the acquisition of Insurtech Subsidiary.

#### ***Loss for the period for continuing operations***

The loss for the period decreased by S\$0.4 million, from a loss of S\$1.1 million in 1H2020 to S\$0.7 million in 1H2021. The decrease in loss for the period was mainly due to the increase in gross profit of S\$0.1 million and a decrease in administrative expenses of S\$0.3 million.

#### ***Profit from discontinued operations***

The profit from discontinued operations of S\$5.2 million was mainly due to the profit generated from the e-Commerce and e-Logistics business segments. The disposal of the e-Commerce and e-Logistics business segments was completed on 5 November 2020.

### **Statement of Financial Position**

#### ***Current assets***

The Group's current assets increased from S\$2.6 million as at 31 December 2020 to S\$3.9 million as at 30 June 2021, mainly attributed to increase in cash and cash equivalents and deferred costs of S\$1.4 million and S\$0.3 million respectively.

The increase in current assets was partly offset by decrease in trade and other receivables of S\$0.5 million.

#### ***Non-current assets***

The Group's non-current assets comprise plant and equipment, intangible assets, goodwill, and right-of-use assets. Non-current assets decreased from S\$2.0 million as at 31 December 2020 to S\$1.8 million as at 30 June 2021 mainly due to the depreciation and amortisation of the plant and equipment and intangible assets.

## **Review of Group Performance (continued)**

### **Statement of Financial Position (continued)**

#### ***Current liabilities***

The Group's current liabilities increased from S\$1.6 million as at 31 December 2020 to S\$3.0 million as at 30 June 2021. This was mainly due to increase in trade and other payables of S\$0.6 million, deferred revenue of S\$0.7 million and bank borrowings of S\$0.1 million.

Deferred revenue relates to service billings for the Insurtech business segment which is recognised over the service period.

#### ***Non-current liabilities***

The Group's non-current liabilities increased from S\$0.2 million as at 31 December 2020 to S\$0.5 million as at 30 June 2021. The increase was mainly due to the bank borrowings of S\$0.3 million.

#### ***Equity***

As at 30 June 2021, the Group's equity of S\$2.2 million includes mainly issued and full paid-up share capital of S\$1.0 million, other reserve of S\$0.8 million and retained earnings of S\$0.4 million.

### **Statement of Cash Flows**

The Group generated S\$0.9 million in from operating activities in 1H2021 as compared to S\$7.7 million in 1H2020, mainly due to negative operating cash flows before movement in working capital of S\$0.5 million, adjusted for net working capital inflows of S\$1.4 million.

The net working capital inflows were due to decrease of trade and other receivables of S\$0.5 million, and an increase in trade and other payables of S\$0.5 million and deferred revenue of S\$0.7 million, partly offset by an increase in deferred costs of S\$0.3 million.

Net cash used in investing activities mainly comprise of expenditure on software development and purchase of plant and equipment had decreased due to the disposal of the e-Commerce and e-Logistics segments that was completed on 5 November 2020.

Net cash from financing activities of S\$0.5 million in 1H2021 was mainly due to proceeds from bank borrowings.

## **Prospect statement**

The Group has not issued any prospect statement or forecast.

### **Commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group had experienced decrease in revenue from its Insurtech business during the COVID-19 period, due to slowdown in contracts renewal and new contracts sign up by customers. Due to the crowd control measures imposed by the Singapore government, lesser retail customers had also contributed to lesser revenue for the Group's mobile phone screen protection program. However, the Group's view on the long-term outlook of the industry and retail sector remains positive.

With the ongoing COVID-19 vaccination in Singapore<sup>1</sup>, the Group is optimistic on the recovery in the retail sector. In addition, by the end of 2021, it is estimated that the number of installed personal computers and tablets will reach 1.77 billion, up from 1.64 billion in 2019.<sup>2</sup> The increase in demand for personal computers and tablets will likely create more opportunities for the Group's Insurtech business segment. To reach out to more customers, the Group will launch its direct business-to-consumer mobile phone screen protection coverage, known as Device Care Essential, through e-Commerce channel in the second half of 2021.

## **Dividends**

- a) **Current Financial Period Reported on**  
**Any dividend declared for the current financial period reported on?**
- No.
- b) **Corresponding Period of the Immediately Preceding Financial Year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**
- No.
- c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
- Not applicable.
- d) **Date payable**
- Not applicable.
- e) **Record date**
- Not applicable.

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

No dividend had been recommended or declared for the 1H2021 and 1H2020, considering the Group's and Company's cash flow requirement for future business development.

<sup>1</sup> <https://www.bloomberg.com/news/articles/2021-06-24/singapore-to-accelerate-vaccination-flags-reopening-prospects>

<sup>2</sup> <https://www.channelnewsasia.com/news/business/laptops--desktop-sales-see--renaissance---shortages-won-t-ease-until-2022-13837832>



### **Interested person transactions**

The Group has not obtained a general mandate from shareholders for IPT and there was no IPT entered into during 1H2021 and 1H2020.

### **Confirmation of undertakings from Directors and Executive Officers**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Rules.

### **Negative confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Listing Manual**

Having considered, including but not limited to, the following:

- Whether the financial statements provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position; and
- All material information has been assessed to ensure reliability of the financial statements.

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the half year financial results for the period ended 30 June 2021 to be false or misleading in any material aspect.

#### **BY ORDER OF THE BOARD**

V2Y Corporation Ltd.

#### **Lim Chuan Poh**

Non-Executive Director and Independent Chairman

#### **Ong Shen Chieh (Wang Shengjie)**

Executive Director and Chief Executive Officer

12 August 2021