



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

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**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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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**”).

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.

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## Contents

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	2
Condensed Interim Statements of Financial Position .....	3
Condensed Interim Statements of Changes in Equity.....	4
Condensed Interim Consolidated Statement of Cash Flows .....	7
Notes to the Condensed Interim Financial Statements .....	9
<i>Geographical information</i> .....	15
<i>Major customer information</i> .....	15
Other Information Required by Appendix 7C of the Catalist Rules.....	18
Review .....	18
Review of Group Performance .....	18
Prospect Statement .....	21
Dividends.....	21
Interested person transactions.....	22
Use of placement proceeds .....	22
Confirmation of undertakings from Directors and Executive Officers.....	22
Negative confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules .....	23

**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	Group		Increase/ (Decrease) %
		1H2023 S\$'000	1H2022 S\$'000	
<b>Revenue</b>	<b>4</b>	<b>117</b>	172	(32.0)
Cost of sales		(57)	(134)	(57.5)
<b>Gross Profit</b>		<b>60</b>	38	57.9
Other income	<b>5</b>	<b>12</b>	37	(67.6)
Administrative expenses		(572)	(937)	(39.0)
Other operating expenses	<b>6</b>	<b>(4)</b>	(680)	(99.4)
Finance costs		(6)	(6)	-
<b>Loss before income tax</b>	<b>7</b>	<b>(510)</b>	(1,548)	(67.1)
Income tax credit	<b>8</b>	-	87	N.M.
<b>Loss for the period</b>		<b>(510)</b>	(1,461)	(65.1)
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		-	-	-
<b>Total comprehensive income for the period</b>		<b>(510)</b>	(1,461)	(65.1)
<i>Loss net of tax attributable to:</i>				
Owners of the Company		(510)	(1,461)	(65.1)
Non-controlling interest		-	-	-
<b>Loss for the period</b>		<b>(510)</b>	(1,461)	(65.1)
<i>Total comprehensive income for the period</i>				
Owners of the Company		(510)	(1,461)	(65.1)
Non-controlling interest		-	-	-
<b>Total comprehensive income for the period</b>		<b>(510)</b>	(1,461)	(65.1)

N.M. - Denotes not meaningful

## Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 Jun 2023 S\$'000	31 Dec 2022 S\$'000	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,085	1,623	869	1,266
Trade and other receivables	10	93	207	18	17
Deferred service costs	11	57	49	-	-
<b>Total current assets</b>		<b>1,235</b>	<b>1,879</b>	<b>887</b>	<b>1,283</b>
<b>Non-current assets</b>					
Deferred service costs	11	28	25	-	-
Plant and equipment		-	-	-	-
Right-of-use assets		-	-	-	-
Goodwill		-	-	-	-
Intangible assets	12	-	-	-	-
Investment in subsidiaries		-	-	-	-
<b>Total non-current assets</b>		<b>28</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,263</b>	<b>1,904</b>	<b>887</b>	<b>1,283</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	13	277	386	242	217
Bank borrowing	14	100	99	-	-
Provisions	15	17	17	-	-
Deferred service revenue	16	261	224	-	-
Lease liabilities		47	45	-	-
<b>Total current liabilities</b>		<b>702</b>	<b>771</b>	<b>242</b>	<b>217</b>
<b>Non-current liabilities</b>					
Lease liabilities		14	38	-	-
Bank borrowing	14	199	249	-	-
Deferred service revenue	16	74	62	-	-
<b>Total non-current liabilities</b>		<b>287</b>	<b>349</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>					
Share capital	17	2,935	2,935	2,935	2,935
Other reserve	18	792	792	792	792
Translation reserve		-	-	-	-
Retained earnings		(3,453)	(2,943)	(3,082)	(2,661)
<b>Total equity</b>		<b>274</b>	<b>784</b>	<b>645</b>	<b>1,066</b>
<b>Total liabilities and equity</b>		<b>1,263</b>	<b>1,904</b>	<b>887</b>	<b>1,283</b>

\* Less than S\$1,000



**Condensed Interim Statements of Changes in Equity**

<u>Group</u>	Share capital	Capital contribution pending allotment	Merger reserve	Other reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2023	2,935	-	-	792	-	(2,943)	784	-	784
<b><i>Total comprehensive income for the period</i></b>									
Loss for the period, representing total comprehensive income for the period	-	-	-	-	-	(510)	(510)	-	(510)
	-	-	-	-	-	(510)	(510)	-	(510)
Balance as at 30 Jun 2023	2,935	-	-	792	-	(3,453)	274	-	274

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

<b>Group</b>	<b>Share capital</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>Balance as at 1 Jan 2022</b>	<b>1,027</b>	<b>792</b>	<b>*</b>	<b>(758)</b>	<b>1,061</b>	<b>-</b>	<b>1,061</b>
<b>Transaction with owners, recognise directly in equity</b>							
Issuance of shares	2,001	-	-	-	2,001	-	2,001
Capitalisation of expenses in relation to shares issuance	(93)	-	-	-	(93)	-	(93)
	1,908	-	-	-	1,908	-	1,908
<b>Total comprehensive income for the period</b>							
Loss for the period, representing total comprehensive income for the period	-	-	-	(1,461)	(1,461)	-	(1,461)
	-	-	-	(1,461)	(1,461)	-	(1,461)
<b>Balance as at 30 Jun 2022</b>	<b>2,935</b>	<b>792</b>	<b>*</b>	<b>(2,219)</b>	<b>1,508</b>	<b>-</b>	<b>1,508</b>

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

<u>Company</u>	Share capital	Other reserve	(Accumulated losses) / Retained Earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 Jan 2023</b>	2,935	792	(2,661)	1,066
Loss for the period, representing total comprehensive income for the period	-	-	(421)	(421)
<b>Balance as at 30 Jun 2023</b>	<b>2,935</b>	<b>792</b>	<b>(3,082)</b>	<b>645</b>
<b>Balance as at 1 Jan 2022</b>	<b>1,027</b>	<b>792</b>	<b>628</b>	<b>2,447</b>
<b><i>Transaction with owners, recognise directly in equity</i></b>				
Issuance of shares	2,001	-	-	2,001
Capitalisation of expenses in relation to shares issuance	(93)	-	-	(93)
	1,908	-	-	1,908
Loss for the period, representing total comprehensive income for the period	-	-	(2,725)	(2,725)
<b>Balance as at 30 Jun 2022</b>	<b>2,935</b>	<b>792</b>	<b>(2,097)</b>	<b>1,630</b>

**Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Loss before income tax	<b>(510)</b>	(1,548)
<u>Adjustments for:</u>		
Amortisation of intangible assets	-	192
Depreciation of plant and equipment	-	7
Depreciation of right-of-use assets	-	20
Impairment loss on goodwill	-	329
Impairment loss on intangible assets	-	351
Interest expense	<b>6</b>	6
Operating cash flows before working capital changes	<b>(504)</b>	(643)
Trade and other receivables	<b>163</b>	(81)
Trade and other payables	<b>(120)</b>	(686)
Net cash used in operations, representing net cash used in operating activities	<b>(461)</b>	(1,410)



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

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
<b>Financing activities</b>		
Proceeds from issuance of ordinary share (net of issuance expenses)	-	1,908
Repayment of bank borrowing	(49)	(47)
Repayment of lease liabilities	(22)	(21)
Interest paid	(6)	(5)
<b>Net cash (used in) / generated from financing activities</b>	<b>(77)</b>	<b>1,835</b>
Net (decrease) / increase in cash and cash equivalents	<b>(538)</b>	425
Cash and cash equivalents at beginning of the period	<b>1,623</b>	1,624
<b>Cash and cash equivalents at end of the period <sup>(1)</sup></b>	<b>1,085</b>	<b>2,049</b>

**Note:**

<sup>(1)</sup> Cash and cash equivalents in the statement of financial position	<b>1,085</b>	2,049
Less: monies pledged with bank for bank guarantee	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>1,085</b>	<b>2,049</b>

## 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.

The Insurtech business 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.

The condensed interim financial statements as at and for the six months ended 30 June 2023 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 2023 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 2022.

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.

## 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 2022. 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

Pursuant to the announcement on 31 March 2023, the Group's independent auditors, BDO LLP, had included a Material Uncertainty Related to Going Concern ("MUGC") section in the Independent Auditors' Report on the audited financial statements for the financial year ended 31 December 2022.

As at 30 June 2023, the Group is in a net current assets and net assets position of S\$533,000 and S\$274,000 (31 December 2022: S\$1,108,000 and S\$784,000) respectively. The Group had experienced decrease in revenue mainly due to decrease in projects from its customers and new projects. While the Group continues to explore opportunities to expand and improve its business performance, the decrease in revenue may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the appropriateness of the going concern assumptions of the Group, the following factors were considered:

- 1) Management had carried out a review of the cash flows forecast of the Group for the next 12 months period ended 30 June 2023. 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\$1,085,000 as at 30 June 2023;
- 2) Management will implement cost reduction measures such as reducing operating costs; and
- 3) Management is tendering for new projects, as well as actively pursuing new business opportunities and expanding its business within local and international markets.

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 plant and equipment, right-of-use assets and intangible assets

The Group reviews plant and equipment, right-of-use assets and intangible assets for impairment annually. The Group's plant and equipment, right-of-use assets and intangible assets were fully impaired in the year ended 31 December 2022.

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 reversal of impairment is required.

Based on the current market conditions, there were no reversal of impairment losses on plant and equipment, right-of-use assets and intangible assets during the financial period.

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

### 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 June 2023, there is no additional allowance for doubtful debts required as a significant portion of accounts receivables outstanding had been fully collected.

Based on the current market conditions and business performance of the Group’s subsidiaries, the Company had provided an allowance for loss on other receivables from subsidiaries amounting to S\$10,000 (30 June 2022: S\$1,049,000).

#### 4. Revenue

	Group	
	1H2023	1H2022
	S\$’000	S\$’000
Insurtech:		
Sale of warranty support services recognised over time	<u>117</u>	<u>172</u>

### Seasonality of operations

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

#### 5. Other income

	Group	
	1H2023	1H2022
	S\$’000	S\$’000
Government grants	3	3
Interest income	4	-
Foreign exchange gain	-	34
Other income	5	-
	<u>12</u>	<u>37</u>

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

### 6. Other operating expenses

	Group	
	1H2023	1H2022
	S\$'000	S\$'000
Impairment of goodwill	-	329
Impairment of intangible assets	-	351
Foreign exchange loss	4	-
	<u>4</u>	<u>680</u>

### 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	
	1H2023	1H2022
	S\$'000	S\$'000
Amortisation of intangible assets	-	192
Depreciation of plant and equipment	-	7
Depreciation of right-of-use assets	-	20
Directors' fees	86	86
Foreign exchange loss / (gain), net	4	(34)
Impairment loss on goodwill	-	329
Impairment loss on intangible assets	-	351
Professional fees	68	101
Staff costs (including directors' remuneration)	<u>347</u>	<u>581</u>

### 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	
	1H2023	1H2022
	S\$'000	S\$'000
Corporate income tax	-	-
Deferred tax credit	-	87
Income tax credit recognised in profit or loss	<u>-</u>	<u>87</u>

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

### 9. 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>1H2023</b>			
<b>Revenue</b>			
Segment revenue	117	-	117
<b>Results</b>			
Segment results	(99)	(413)	(512)
Other income			12
Other operating expenses			(4)
Finance costs			(6)
Loss before income tax			(510)
Income tax credit			-
Loss for the period			(510)
<b>Other material non-cash items</b>			
Amortisation of intangible assets	-	-	-
Depreciation of plant and equipment	-	-	-
Depreciation of right-of-use assets	-	-	-
Impairment loss on goodwill	-	-	-
Impairment loss on intangible assets	-	-	-

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

### 9. Segment information (continued)

	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
<b>1H2022</b>			
<b>Revenue</b>			
Segment revenue	172	-	172
<b>Results</b>			
Segment results	(446)	(453)	(899)
Other income			37
Other operating expenses			(680)
Finance costs			(6)
Loss before income tax			(1,548)
Income tax credit			87
Loss for the period			(1,461)
<b>Other material non-cash items</b>			
Amortisation of intangible assets	192	-	192
Depreciation of plant and equipment	-	7	7
Depreciation of right-of-use assets	2	18	20
Impairment loss on goodwill	329	-	329
Impairment loss on intangible assets	351	-	351

	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
<b>30 Jun 2023</b>			
<b>Assets and liabilities</b>			
Segment assets	376	887	1,263
Segment liabilities	803	186	989
<b>31 Dec 2022</b>			
<b>Assets and liabilities</b>			
Segment assets	626	1,278	1,904
Segment liabilities	909	211	1,120

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

### 9. 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	
	1H2023	1H2022	30 Jun 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	117	172	28	25

#### Major customer information

The Group's revenue derived for 1H2023 from 2 customers (1H2022: 2 customers) who individually accounted for 10% or more of the Group's revenue.

### 10. Trade and other receivables

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Trade receivables</b>				
- Third parties	54	131	-	-
Less: Loss allowance	-	-	-	-
	54	131	-	-
<b>Other receivables</b>				
- Third parties	14	56	5	5
- Subsidiaries	-	-	1,167	1,157
- Less: Loss allowance for other receivables from subsidiaries	-	-	(1,167)	(1,157)
Deposits	8	8	*	-
Goods and services tax receivables	8	-	8	5
Prepayments	9	10	5	5
Interest receivables	-	2	-	2
Total trade and other receivables	93	207	18	17

\* Less than S\$1,000

### 11. 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.

### 12. Intangible assets

Intangible assets were fully impaired in the financial year ended 31 December 2022. There is no addition to intangible assets for the half year ended 30 June 2023 and 30 June 2022. During the half year ended 30 June 2023, there is no amortisation of intangible assets (30 June 2022: S\$192,000) and no reversal and additional impairment loss were recognised (30 June 2022: impairment loss of S\$351,000 were recognised).



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

### 13. Trade and other payables

	Group		Company	
	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
<b>Trade payables</b>				
- Third parties	16	60	-	-
<b>Other payables</b>				
- Third parties	3	17	2	15
- Subsidiaries	-	-	55	-
Accruals	258	300	185	202
Goods and services tax payables	-	9	-	-
<b>Total trade and other payables</b>	<b>277</b>	<b>386</b>	<b>242</b>	<b>217</b>

### 14. Bank borrowings

The Group's bank borrowings are denominated in SGD and are secured by corporate guarantee issued by the Company to a subsidiary, and repayable on monthly basis and be fully repaid by 2026.

### 15. 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.

### 16. 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 over the next 1 to 3 years.

### 17. Share capital

	Group and Company	
	Number of shares	S\$'000
Issued and paid-up share capital		
As at 1 Jan 2023 and as at 30 June 2023	353,885,908	2,935
As at 1 Jan 2022	305,895,908	1,027
Placement of shares	47,990,000	2,001
Capitalisation of expenses in relation to shares issuance	-	(93)
As at 31 Dec 2022	353,885,908	2,935

On 14 March 2022, the Company had allotted and issued an aggregate of 47,990,000 new ordinary shares at a price of S\$0.0417 per share, representing an increase in the share capital of approximately S\$2,001,000.

There is no movement in the issued and paid-up share capital of the Company for the half year ended 30 June 2023.

The Company had no treasury shares as at 30 June 2023 and 31 December 2022.

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

### **18. 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.

### **19. Losses per share**

	Group	
	1H2023	1H2022
<b>Loss attributable to owners of the Company (\$'000)</b>	<b>(510)</b>	<b>(1,461)</b>
Basic and diluted losses per share (cents)	<b>(0.14)</b>	<b>(0.46)</b>

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

### **20. Net asset value**

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Net asset value (\$'000)	<b>274</b>	784	<b>645</b>	1,066
Net asset value per share (cents)	<b>0.08</b>	0.22	<b>0.18</b>	0.30

The computation of net assets value per share, the total number of issued shares excluding treasury shares is 353,885,908 (31 Dec 2022: 353,885,908).

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

### **Review**

The figures in the condensed interim financial statements for financial year ended 30 June 2023 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.**
- b) **Confirmation from Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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

### **Review of Group Performance**

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

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

The Group's revenue decreased by 32.0%, from S\$172,000 in the financial period ended 30 June 2022 ("1H2022") to S\$117,000 in financial period ended 30 June 2023 ("1H2023"). The decrease in revenue was mainly due to decrease in revenue from its customers and new projects.

Cost of sales decreased by 57.5%, from S\$134,000 in 1H2022 to S\$57,000 in 1H2023, mainly due to the decrease in revenue.

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

The Group's gross profit increased by 57.9% in 1H2023 to S\$60,000 from S\$38,000 in 1H2022. The Group's gross profit margin improved from 22.1% in 1H2022 to 51.3% in 1H2023 mainly due to reduction in fixed administration costs classified within cost of sales. The reduction in fixed administration costs resulted from a lower headcount in 1H2023 compared to 1H2022.

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

Other income decreased by 67.6% in 1H2023 as compared to 1H2022 mainly due to decrease in foreign exchange gains of S\$34,000.

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

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

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

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

Administrative expenses decreased by 39.0% or S\$365,000 to S\$572,000 in 1H2023 as compared to S\$937,000 in 1H2022. The decrease is mainly due to decrease in payroll costs of S\$191,000 due to reduction in the number of headcount in the Insurtech segment.

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

Other operating expenses decreased by S\$0.7 million in 1H2023 mainly due to the one-off impairment loss on goodwill of S\$0.3 million and impairment loss on intangible assets of S\$0.4 million recognised in 1H2022.

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

Finance costs relate to interest expense on lease liabilities and bank borrowing.

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

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

##### ***Loss for the period***

The loss for the period decreased by S\$1.0 million, from S\$1.5 million in 1H2022 to S\$0.5 million in 1H2023. The decrease in loss for the period was mainly due to the decrease in other operating expenses of S\$0.7 million and administrative expenses of S\$0.3 million.

#### **Statement of Financial Position**

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

The Group's current assets decreased from S\$1.9 million as at 31 December 2022 to S\$1.2 million as at 30 June 2023, mainly due to decrease in cash and cash equivalents of S\$0.5 million and trade and other receivables of S\$0.1 million. The overall decrease in trade receivables was mainly due to lower sales due to lower contract and tender won during the financial period.

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

The Group's non-current assets comprise plant and equipment, intangible assets, goodwill, and right-of-use assets, which was fully impaired in the financial year ended 31 December 2022. There is no significant movement in non-current assets between 1H2023 and FY2022.

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

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

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

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

The Group's current liabilities decreased from S\$0.8 million as at 31 December 2022 to S\$0.7 million as at 30 June 2023. This was mainly due to decrease in trade and other payables of S\$0.1 million, mainly due to the lower operation costs and premium payable from less contract and tender won during the financial period.

Deferred service 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 decreased by S\$62,000 mainly due to decrease in non-current bank borrowings of S\$50,000 and non-current lease liabilities of S\$24,000, partly offset by increase in deferred service revenue of S\$10,000.

##### ***Equity***

As at 30 June 2023, the Group's equity of S\$0.3 million includes mainly issued and full paid-up share capital of S\$2.9 million, other reserve of S\$0.8 million partly offset by accumulated losses of S\$3.5 million.

#### **Statement of Cash Flows**

The Group used S\$461,000 in operating activities in 1H2023 as compared to S\$1.4 million used in operating activities in 1H2022, mainly due to negative operating cash flows before movement in working capital of S\$504,000, adjusted for net working capital inflows of S\$43,000.

The net working capital inflows were due to a decrease in trade and other receivables of S\$0.2 million, and a decrease in trade and other payables of S\$0.1 million.

Net cash used in financing activities of S\$0.1 million in 1H2023 was mainly due to repayment of term loans and lease liabilities approximately of S\$0.1 million.

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

### **Prospect Statement**

#### **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

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**

In the audited financial statements for the financial year ended 31 December 2022, the Group's independent auditors, BDO LLP, had included a MUGC section in the Independent Auditors' Report.

The Group is currently in the process of renewing contracts with its customers and tendering for new projects. The Group is also exploring other business opportunities for expansion, and will continue its effort in cost savings to improve its business performance.

### **Dividends**

- a) **Current Financial Period Reported on**  
**Any dividend declared for the current financial period reported on?**
- No dividend has been declared or recommended for the current financial period.
- b) **Corresponding Period of the Immediately Preceding Financial Year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**
- No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.
- 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 1H2023 and 1H2022, considering the Group's and Company's cash flow requirement for future business development.

## Other Information Required by Appendix 7C of the Catalyst Rules (continued)

### Interested person transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions (“IPT”) and there was no IPT entered into during 1H2023 and 1H2022.

### Use of placement proceeds

Pursuant to the Company’s placement completed on 14 March 2022, the Company received net proceeds of approximately S\$1.9 million (the “**Net Proceeds**”). On 24 March 2023, the Company re-allocated the unutilised Net Proceeds to general working capital. As at the date of this announcement, the Net Proceeds have been utilised as following:

	Amount allocated S\$’000	Amount re-allocated S\$’000	Amount utilised S\$’000	Balance S\$’000
Acquisition expenses	978	21	(21)	-
Working capital	903	1,860	(1,202) <sup>1</sup>	658
	1,881	1,881	(1,223)	658

1. Breakdown of amount utilised for working capital:

	S\$’000
Employee remunerations	566
Directors’ fees	220
Professional fees & compliance costs	315
Other operating expenses	101
Total	1,202

### Confirmation of undertakings from Directors and Executive Officers

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7H pursuant to Rule 720(1) of the Catalyst Rules.

**Other Information Required by Appendix 7C of the Catalist Rules (continued)**

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

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 2023 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

4 August 2023