



**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 2022**

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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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**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

	Note	Group		Increase/ (Decrease) %
		1H2022 S\$'000	1H2021 S\$'000	
<b>Revenue</b>	<b>4</b>	<b>172</b>	658	(73.9)
Cost of sales		<b>(134)</b>	(444)	(69.8)
<b>Gross Profit</b>		<b>38</b>	214	(82.2)
Other income	<b>5</b>	<b>37</b>	133	(72.2)
Distribution and selling costs		-	(1)	N.M.
Administrative expenses		<b>(937)</b>	(1,052)	(10.9)
Other operating expenses	<b>6</b>	<b>(680)</b>	(3)	N.M.
Finance costs		<b>(6)</b>	(3)	100.0
<b>Loss before income tax</b>	<b>7</b>	<b>(1,548)</b>	(712)	117.4
Income tax credit	<b>8</b>	<b>87</b>	32	171.9
<b>Loss for the period</b>		<b>(1,461)</b>	(680)	114.9
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		-	*	N.M.
<b>Total comprehensive loss for the period</b>		<b>(1,461)</b>	(680)	114.9
<i>Loss net of tax attributable to:</i>				
Owners of the Company		<b>(1,461)</b>	(680)	114.9
Non-controlling interest		-	-	N.M.
Loss for the period		(1,461)	(680)	114.9
<i>Total comprehensive loss for the period</i>				
Owners of the Company		(1,461)	(680)	114.9
Non-controlling interests		-	-	N.M.
<b>Total comprehensive loss for the period</b>		<b>(1,461)</b>	(680)	114.9

N.M. - Denotes not meaningful

\* Less than S\$1,000

## Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 Jun 2022 S\$'000	31 Dec 2021 S\$'000	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,049	1,624	1,832	562
Trade and other receivables	10	308	331	21	800
Deferred costs	11	46	84	-	-
Total current assets		2,403	2,039	1,853	1,362
<b>Non-current assets</b>					
Plant and equipment		18	25	18	24
Right-of-use assets		18	38	6	24
Goodwill		-	329	-	-
Intangible assets	12	2	515	-	-
Investment in subsidiaries		-	-	-	1,300
Total non-current assets		38	907	24	1,348
<b>Total assets</b>		<b>2,441</b>	<b>2,946</b>	<b>1,877</b>	<b>2,710</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	13	392	1,116	242	239
Bank borrowing	14	98	96	-	-
Provisions	15	-	-	-	-
Deferred revenue	16	125	199	-	-
Lease liabilities		7	26	5	24
Total current liabilities		622	1,437	247	263
<b>Non-current liabilities</b>					
Lease liabilities		12	13	-	-
Bank borrowing	14	299	348	-	-
Deferred tax liabilities		-	87	-	-
Total non-current liabilities		311	448	-	-
<b>Capital and reserves</b>					
Share capital	17	2,935	1,027	2,935	1,027
Other reserve	18	792	792	792	792
Translation reserve		*	*	-	-
Retained earnings		(2,219)	(758)	(2,097)	628
Total equity		1,508	1,061	1,630	2,447
<b>Total liabilities and equity</b>		<b>2,441</b>	<b>2,946</b>	<b>1,877</b>	<b>2,710</b>

\* Less than S\$1,000

### Condensed Interim Statements of Changes in Equity

Group	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 2022	1,027	-	-	792	*	(758)	1,061	-	1,061
<i>Transaction with owners, recognise directly in equity</i>									
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
<i>Total comprehensive loss for the period</i>									
Loss for the period	-	-	-	-	-	(1,461)	(1,461)	-	(1,461)
Other comprehensive income	-	-	-	-	-	-	*	-	*
	-	-	-	-	-	(1,461)	(1,461)	-	(1,461)
<b>Balance as at 30 Jun 2022</b>	<b>2,935</b>	<b>-</b>	<b>-</b>	<b>792</b>	<b>*</b>	<b>(2,219)</b>	<b>1,508</b>	<b>-</b>	<b>1,508</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>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>	1,027	-	-	792	-	1,035	2,854	-	2,854
<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>-</b>	<b>-</b>	<b>792</b>	<b>*</b>	<b>355</b>	<b>2,174</b>	<b>-</b>	<b>2,174</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 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 loss 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>
<b>Balance as at 1 Jan 2021</b>	<b>1,027</b>	-	<b>792</b>	<b>1,121</b>	<b>2,940</b>
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>

**Condensed Interim Consolidated Statement of Cash Flows**

	1H2022 S\$'000	Group 1H2021 S\$'000
<b>Operating activities</b>		
Loss before income tax	(1,548)	(712)
<u>Adjustments for:</u>		
Amortisation of intangible assets	192	192
Depreciation of plant and equipment	7	8
Depreciation of right-of-use assets	20	20
Impairment loss on goodwill	329	-
Impairment loss on intangible assets	351	-
Interest expense	6	3
Assets written off	-	4
Operating cash flows before working capital changes	(643)	(485)
Trade and other receivables	(81)	1,213
Trade and other payables	(686)	214
Net cash generated from operations	(1,410)	942
Tax paid	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,410)</b>	<b>942</b>
<b>Investing activity</b>		
Purchase of plant and equipment	-	(4)
<b>Net cash used in investing activity</b>	<b>-</b>	<b>(4)</b>



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

	Group	
	1H2022	1H2021
	S\$'000	S\$'000
<b>Financing activities</b>		
Proceeds from bank borrowing	-	500
Proceeds from issuance of ordinary share (net of issuance expenses)	<b>1,908</b>	-
Repayment of bank borrowing	<b>(47)</b>	(8)
Repayment of lease liabilities	<b>(21)</b>	(21)
Interest paid	<b>(5)</b>	(1)
<b>Net cash generated from financing activities</b>	<b>1,835</b>	470
Net increase in cash and cash equivalents	<b>425</b>	1,408
Cash and cash equivalents at beginning of the period	<b>1,624</b>	1,978
<b>Cash and cash equivalents at end of the period <sup>(1)</sup></b>	<b>2,049</b>	3,386
<b>Note:</b>		
<sup>(1)</sup> Cash and cash equivalents in the statement of financial position	<b>2,049</b>	3,386
Less: monies pledged with bank for bank guarantee	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>2,049</b>	3,386

## **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 2022 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 2022 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 2021.

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 2021. 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 June 2022, the Group is in a net current assets and net assets position of S\$1,781,000 and S\$1,508,000 (31 December 2021: S\$602,000 and S\$1,061,000) 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 decreased in revenue 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 ended 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\$2,049,000 as at 30 June 2022. 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 June 2022, the net carrying amounts of goodwill and intangible assets were S\$Nil and S\$2,000 (31 December 2021: S\$329,000 and S\$515,000) 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, impairment losses of S\$329,000 on goodwill and S\$351,000 on intangible assets were recognised during the financial period.

#### 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 2022, there is no additional allowance for doubtful debts required as a significant portion of accounts receivables outstanding had been fully collected.

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

### Allowance for impairment loss of trade receivables (continued)

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\$1,049,000 (30 June 2021: S\$Nil).

#### 4. Revenue

	Group	
	1H2022	1H2021
	S\$'000	S\$'000
Insurtech:		
Sale of warranty support services recognised over time	172	658

### Seasonality of operations

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

#### 5. Other income

	Group	
	1H2022	1H2021
	S\$'000	S\$'000
Government grants	3	109
Foreign exchange gain	34	24
	37	133

#### 6. Other operating expenses

	Group	
	1H2022	1H2021
	S\$'000	S\$'000
Impairment of goodwill	329	-
Impairment of intangible assets	351	-
Others	-	3
	680	3

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

### 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	
	1H2022 S\$'000	1H2021 S\$'000
Amortisation of intangible assets	192	192
Depreciation of plant and equipment	7	8
Depreciation of right-of-use assets	20	20
Directors' fees	101	173
Foreign exchange gain, net	(34)	(24)
Impairment loss on goodwill	329	-
Impairment loss on intangible assets	351	-
Professional fees	101	173
Staff costs (including directors' fees)	<u>581</u>	<u>668</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	
	1H2022 S\$'000	1H2021 S\$'000
Corporate income tax	-	-
Deferred tax credit	87	32
Income tax credit recognised in profit or loss	<u>87</u>	<u>32</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>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

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

### 9. Segment information (continued)

	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			(712)
Income tax credit			32
Loss for the period			(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
	<b>Insurtech S\$'000</b>	<b>Investment holding S\$'000</b>	<b>Total S\$'000</b>
<b>30 Jun 2022</b>			
<b>Assets and liabilities</b>			
Segment assets	564	1,877	2,441
Segment liabilities	692	241	933
<b>31 Dec 2021</b>			
<b>Assets and liabilities</b>			
Segment assets	2,320	626	2,946
Segment liabilities	1,646	239	1,885

## 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	
	1H2022	1H2021	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	172	658	38	907

#### *Major customer information*

The Group's revenue derived for 1H2022 from 2 customers (1H2021: 1 customer) who individually accounted for 10% or more of the Group's revenue.

### 10. Trade and other receivables

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Trade receivables</b>				
- Third parties	1	17	-	-
Less: Loss allowance	-	-	-	-
	1	17	-	-
<b>Other receivables</b>				
- Third parties	279	243	4	3
- Subsidiaries	-	-	1,049	784
- Less: Loss allowance for other receivables from subsidiaries	-	-	(1,049)	-
Deposits	7	38	7	8
GST receivables	5	21	5	-
Prepayments	16	12	5	5
Government grant receivables	-	-	-	-
Total trade and other receivables	308	331	21	800

### 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

During the half year ended 30 June 2022, the aggregate amortisation of intangible assets amounted to S\$192,000 (30 June 2021: S\$192,000) and an impairment loss of S\$351,000 (30 June 2021: S\$NIL) were recognised. There is no addition to intangible assets for the half year ended 30 June 2022 and 30 June 2021.



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

### 13. Trade and other payables

	Group		Company	
	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000
<b>Trade payables</b>				
- Third parties	13	364	-	-
<b>Other payables</b>				
- Third parties	28	327	15	15
- Subsidiaries	-	-	-	-
Accruals	348	398	227	224
Goods and services tax payables	3	24	-	-
Deferred government grant	-	3	-	-
<b>Total trade and other payables</b>	<b>392</b>	<b>1,116</b>	<b>242</b>	<b>239</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 within 12 months.

### 17. Share capital

	Group and Company	
	Number of shares	S\$'000
Issued and paid-up share capital		
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 30 Jun 2022	<b>353,885,908</b>	<b>2,935</b>

There is no movement in the issued and paid-up share capital of the Company for the financial year ended 31 December 2021.

The Company had no treasury shares as at 30 June 2022 and 31 December 2021.

### 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.

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

### 19. Earnings per share

	Group	
	1H2022	1H2021
Loss attributable to owners of the Company (S\$'000)	(1,461)	(680)
Basic and diluted earnings per share (cents)	<u>(0.46)</u>	<u>(0.22)</u>

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.

### 20. Net asset value

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value (S\$'000)	1,508	1,061	1,630	2,447
Net asset value per share (cents)	<u>0.43</u>	0.35	<u>0.46</u>	0.80

The computation of net assets value per share, the total number of issued shares excluding treasury shares is 353,885,908 (31 Dec 2021: 305,895,908).

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

### **Review**

The figures in the condensed interim financial statements for financial year ended 30 June 2022 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 73.9% or S\$0.5 million, from S\$0.7 million in financial year ended 30 June 2021 ("1H2021") to S\$0.2 million in financial year ended 30 June 2022 ("1H2022"). The decrease in revenue was mainly due to decrease in revenue from its customers and new projects.

Cost of sales decreased by 69.8% or S\$0.3 million, from S\$0.4 million in 1H2021 to S\$0.1 million in 1H2022, mainly due to the decrease in revenue.

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

The Group's gross profit decreased by 82.2% or S\$0.2 million, from S\$0.2 million in 1H2021 to S\$38,000 in 1H2022. The Group's gross profit margin reduced from 32.5% in 1H2021 to 22.1% in 1H2022 mainly due to ongoing fixed administration costs classified within cost of sales, which resulted in decrease gross profit when revenue decreases.

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

Other income decreased by 72.2% in 1H2022 as compared to 1H2021 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.

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

### **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 1H2022 and 1H2021.

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

Administrative expenses decreased by 10.9% or S\$0.1 million to S\$0.9 million in 1H2022 as compared to S\$1.0 million in 1H2021. The decrease is mainly due to decrease in payroll costs of S\$0.1 million due to reduction in the number of headcount in the Insurtech segment.

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

Other operating expenses increased by S\$0.7 million to S\$0.7 million in 1H2022. The increase is mainly due to the impairment loss on goodwill of S\$0.3 million and impairment loss on intangible assets of S\$0.4 million.

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

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

##### ***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***

The loss for the period increased by S\$0.8 million, from S\$0.7 million in 1H2021 to S\$1.5 million in 1H2022. The increase in loss for the period was mainly due to the decrease in gross profit of S\$0.2 million, decrease in other income of S\$0.1 million and increase in other operating expenses of S\$0.7 million, partly offset by a decrease in administrative expenses of S\$0.1 million.

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

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

The Group's current assets increased from S\$2.0 million as at 31 December 2021 to S\$2.4 million as at 30 June 2022, mainly attributed to increase in cash and cash equivalents of S\$0.4 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\$0.9 million as at 31 December 2021 to S\$38,000 as at 30 June 2022 mainly due to the impairment loss made on goodwill and intangible assets.

## **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\$1.4 million as at 31 December 2021 to S\$0.6 million as at 30 June 2022. This was mainly due to decrease in trade and other payables of S\$0.7 million and deferred revenue 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 decreased from S\$0.4 million as at 31 December 2021 to S\$0.3 million as at 30 June 2022 mainly due to decrease in deferred tax liabilities.

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

As at 30 June 2022, the Group's equity of S\$1.5 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\$2.2 million.

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

The Group used S\$1.4 million in operating activities in 1H2022 as compared to S\$0.9 million generated from operating activities in 1H2021, mainly due to negative operating cash flows before movement in working capital of S\$0.6 million, adjusted for net working capital inflows of S\$0.8 million.

The net working capital outflows were due to an increase in trade and other receivables of S\$0.1 million, and a decrease in trade and other payables of S\$0.7 million.

Net cash from financing activities of S\$1.8 million in 1H2022 was mainly due to net proceeds from the issuance of ordinary shares of S\$1.9 million, partly offset repayment of term loans and lease liabilities approximately of S\$0.1 million.

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

The Group had experienced decrease in revenue from its Insurtech business due to decrease in projects from its customers. Despite the opening of borders across countries globally, challenges remain that can affect the pace of recovery. The global economy faces rising prices resulting from the war in Ukraine, rising interest rates and supply chain disruptions. The International Monetary Fund has warned of an increasing risk of recession in the next 12 months<sup>1</sup>. The Group will continue to seek opportunities to expand and improve its business performance.

On 22 February 2022, the Group had announced that the Company had issued a non-binding letter of offer in relation to the proposed acquisition of general insurance business portfolio to a renowned insurance company in Singapore. On 14 March 2022, the Group had also successfully completed a placement of new ordinary shares with warrants and raised a total of approximately S\$2 million. The Group will continue to provide updates on upcoming events on SGXNET.

### **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 1H2022 and 1H2021, considering the Group's and Company's cash flow requirement for future business development.

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<sup>1</sup> <https://www.theguardian.com/business/2022/jul/14/global-recession-risk-rising-as-economic-outlook-darkens-significantly-imf-says>

## **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 1H2022 and 1H2021.

### **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”). As at the date of this announcement, the Net Proceeds have been utilised as following:

	<b>Amount allocated</b>	<b>Amount utilised</b>	<b>Balance</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
Acquisition expenses	978	(21)	957
Working capital	903	(382)	521
	<b>1,881</b>	<b>(403)</b>	<b>1,478</b>

### **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 2022 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

Date: 29 July 2022