



V2Y CORPORATION LTD.

(Incorporated in Singapore)
(Company Registration No. 201717972D)

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2020

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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.

On 5 November 2020, the Company had completed the sale of its e-Commerce and e-Logistics business segment (the "Disposal Group") and accordingly financial results of the Disposal Group were classified as discontinued operations. Please refer to announcements made on 5 August 2020, 4 September 2020, 28 September 2020 and 5 November 2020 for further information.

Our 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.

FULL YEAR FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	FY2020 ⁽¹⁾ S\$'000	FY2019 ⁽¹⁾ S\$'000	
<u>Continuing operations</u>			
Revenue	1,769	3,101	(43.0)
Cost of sales	(1,315)	(1,901)	(30.8)
Gross Profit	454	1,200	(62.2)
Other income	435	3,074	(85.8)
Distribution costs	(1)	(1)	-
Administrative expenses	(5,810)	(3,487)	66.6
Other operating expenses	(299)	(1,208)	(75.2)
Finance costs	(5)	(9)	(44.4)
Loss before income tax from continuing operations	(5,226)	(431)	1112.5
Income tax credit	124	87	42.5
Loss after income tax from continuing operations	(5,102)	(344)	1381.1
<u>Discontinued operations</u>			
Profit/ (Loss) from discontinued operations, net of tax	61,754	(8,108)	N.M.
Profit/ (Loss) for the year	56,652	(8,452)	N.M.
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	-	(9)	(100.0)
Total comprehensive income for the year	56,652	(8,461)	N.M.
<i>Profit / (Loss) net of tax attributable to:</i>			
Owners of the Company	56,652	(8,449)	N.M.
Non-controlling interests	-	(3)	N.M.
Profit/ (loss) for the year	56,652	(8,452)	N.M.
<i>Total comprehensive income/ (loss) for the year</i>			
Owners of the Company	56,652	(8,458)	N.M.
Non-controlling interests	-	(3)	N.M.
Total comprehensive income/ (loss) for the year	56,652	(8,461)	N.M.

N.M. - Denotes not meaningful

(1) In line with the requirement of Singapore Financial Reporting Standards ("SFRS (I)") 5 Non-Current Assets Held for Sale and Discontinued Operations ("SFRS (I) 5"), the Group's profit or loss items from the Disposal Group were re-presented accordingly and aggregated under Profit / (Loss) from Discontinued Operations, net of tax in the statement of comprehensive income for the full year ended 31 December 2020 and 31 December 2019.

1(a)(ii) Notes to Statement of Comprehensive Income

The Group continuing operations' loss for the year is arrived after charging/(crediting):

	Group		Increase (Decrease) %
	FY2020 S\$'000	FY2019 S\$'000	
Amortisation of intangible assets	420	420	-
Depreciation of plant and equipment	26	18	44.4
Depreciation of right-of-use assets	75	122	(38.5)
Foreign exchange loss, net	6	12	(50.0)
Government grants received	(223)	(8)	2687.5
Impairment of intangible assets	36	-	N.M.
Inventories written off	18	5	260.0
Operating lease expenses	5	10	(50.0)
Staff costs	4,475	1,741	157.0
Reversal of contingent consideration	-	(3,042)	N.M.
Impairment of goodwill	-	1,200	N.M.

The Group discontinued operations' profit / (loss) for the year is arrived after charging/(crediting):

	Group		Increase (Decrease) %
	FY2020 S\$'000	FY2019 S\$'000	
Amortisation of intangible assets	87	95	(8.4)
Depreciation of plant and equipment	139	140	(0.7)
Depreciation of right-of-use assets	99	85	16.5
Foreign exchange loss, net	191	16	1093.8
Gain on disposal of subsidiaries	(59,409)	-	N.M.
Government grants received	(507)	(48)	956.3
Inventories written off	478	240	99.2
Operating lease expenses	526	518	1.5
Staff costs	5,169	3,879	33.3

N.M. – Denotes not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,978	1,594	1,871	69
Trade and other receivables	590	6,888	4,327	21,497
Deferred costs	51	857	-	-
Inventories	-	2,098	-	-
Total current assets	2,619	11,437	6,198	21,566
Non-current assets				
Plant and equipment	37	302	36	64
Right-of-use assets	78	297	60	112
Intangible assets	903	1,886	-	-
Goodwill	971	971	-	-
Investment in subsidiaries	-	-	1,300	9,413
Total non-current assets	1,989	3,456	1,396	9,589
Total assets	4,608	14,893	7,594	31,155
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	1,281	8,632	4,593	5,044
Provisions	147	147	-	-
Deferred revenue	96	971	-	-
Lease liabilities	39	195	37	47
Total current liabilities	1,563	9,945	4,630	5,091
Non-current liabilities				
Lease liabilities	39	107	24	66
Deferred tax liabilities	152	276	-	-
Total non-current liabilities	191	383	24	66
Capital and reserves				
Share capital	1,027	24,147	1,027	24,147
Capital contribution pending allotment	-	3,828	-	3,828
Merger reserve	-	(8,261)	-	-
Other reserve	792	792	792	792
Translation reserve	-	(34)	-	-
Retained earnings/ (Accumulated losses)	1,035	(15,910)	1,121	(2,769)
Total equity attributable to owners of the Company	2,854	4,562	2,940	25,998
Non-controlling interests	-	3	-	-
Total equity	2,854	4,565	2,940	25,998
Total liabilities and equity	4,608	14,893	7,594	31,155



1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

None.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2020	FY2019
	S\$'000	S\$'000
Operating activities		
Loss before income tax from continuing operations	(5,226)	(431)
Profit/ (Loss) before income tax from discontinued operations	61,754	(8,108)
Profit/ (Loss) before income tax	56,528	(8,539)
<u>Adjustments for:</u>		
Amortisation of intangible assets	507	515
(Reversal of)/ Impairment loss on financial assets, subject to ECL	(54)	401
Allowance for inventories obsolescence	318	322
Bad debts written off	122	144
Deposits written off	-	57
Depreciation of right-of-use assets	174	207
Depreciation of plant and equipment	165	158
Interest expense	11	20
Inventories written off	496	245
Intangible assets written off	10	4
Impairment of intangible assets	36	-
Gain on disposal of plant and equipment	(4)	-
Interest income	(3)	(23)
Reversal of contingent consideration	-	(3,042)
Gain on disposal of subsidiaries	(59,409)	-
Impairment of goodwill	-	1,200
Share-based expenses	112	378
Net unrealised exchange adjustment	-	(9)
Operating cash flows before working capital changes	(991)	(7,962)
Trade and other receivables	1,089	2,122
Inventories	(2,132)	(690)
Trade and other payables	1,811	(830)
Net cash used in operations	(223)	(7,360)
Income tax paid	-	(24)
Net cash used in operating activities	(223)	(7,384)
Investing activities		
Purchase of plant and equipment	(254)	(161)
Expenditure on software development	(369)	(220)
Net proceeds from disposal of subsidiaries	50,602	-
Interest received	3	23
Net cash generated from/ (used in) investing activities	49,982	(358)

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

	Group	
	FY2020	FY2019
	S\$'000	S\$'000
Financing activities		
Capital contribution from shareholders pending allotment	-	2,166
Capital reduction ^	(20,781)	-
Special dividend payout ^	(28,410)	-
Payment of rights issue expenses	-	(144)
Repayment of lease liabilities	(173)	(202)
Capital from non-controlling shareholders	-	6
Restricted funds	150	61
Interest paid	(11)	(20)
Net cash (used in) / generated from financing activities	(49,225)	1,867
Net increase / (decrease) in cash and cash equivalents	534	(5,875)
Cash and cash equivalents at beginning of the financial year	1,444	7,319
Cash and cash equivalents at end of the financial year ⁽¹⁾	1,978	1,444
Note:		
⁽¹⁾ Cash and cash equivalents in the statement of financial position	1,978	1,594
Less: monies pledged with bank	-	(150)
Cash and cash equivalents in the statement of cash flows	1,978	1,444

^ The payment for capital reduction and special dividend was partially offset against the promissory note (including interests) of S\$9.4 million. Please refer to the Circular to Shareholders dated 4 September 2020 for further details.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital	Capital contribution pending allotment	Merger reserve	Other reserve	Translation reserve	Retained Earnings / (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 January 2020	24,147	3,828	(8,261)	792	(34)	(15,910)	4,562	3	4,565
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	56,652	56,652	-	56,652
Other comprehensive income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	56,652	56,652	-	56,652
Transaction recognised directly in equity									
Issuance of performance shares awards	154	-	-	-	-	-	154	-	154
Reclassification of capital contribution pursuant to rights issue exercise	3,972	(3,972)	-	-	-	-	-	-	-
Reclassification of capitalisation of listing expenses	(144)	144	-	-	-	-	-	-	-
Special dividend	-	-	-	-	-	(31,446)	(31,446)	-	(31,446)
Capital reduction	(27,102)	-	-	-	-	-	(27,102)	-	(27,102)
Disposal of subsidiaries	-	-	-	-	34	-	34	(3)	31
Reclassification of merger reserve from e-Commerce business segment	-	-	8,261	-	-	(8,261)	-	-	-
	(23,120)	(3,828)	8,261	-	34	(39,707)	(58,360)	(3)	(58,363)
Balance as at 31 December 2020	1,027	-	-	792	-	1,035	2,854	-	2,854

Note: * Less than S\$1,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Capital contribution pending allotment	Merger reserve	Other reserve	Translation reserve	Retained Earnings/ (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 January 2019	23,769	-	(8,261)	792	(25)	(7,461)	8,814	-	8,814
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	(8,449)	(8,449)	(3)	(8,452)
Other comprehensive loss	-	-	-	-	(9)	-	(9)	-	(9)
	-	-	-	-	(9)	(8,449)	(8,458)	(3)	(8,461)
Transaction recognised directly in equity									
Issuance of performance shares	378	-	-	-	-	-	378	-	378
Contributions from non-controlling shareholders	-	-	-	-	-	-	-	6	6
Capital contribution pursuant to rights issue exercise	-	3,972	-	-	-	-	3,972	-	3,972
Capitalisation of listing expenses	-	(144)	-	-	-	-	(144)	-	(144)
	378	3,828	-	-	-	-	4,206	6	4,212
Balance as at 31 December 2019	24,147	3,828	(8,261)	792	(34)	(15,910)	4,562	3	4,565

Note: * Less than S\$1,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

<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
Balance as at 1 January 2020	24,147	3,828	792	(2,769)	25,998
Profit for the year, representing total comprehensive income for the year	-	-	-	35,336	35,336
Transactions recognised directly in equity					
Issuance of performance shares	154	-	-	-	154
Reclassification of capital contribution pursuant to rights issue exercise	3,972	(3,972)	-	-	-
Reclassification of capitalisation of rights issue exercise	(144)	144	-	-	-
Dividend paid on ordinary share	-	-	-	(31,446)	(31,446)
Capital reduction	(27,102)	-	-	-	(27,102)
Total	(23,120)	(3,828)	-	(31,446)	(58,394)
Balance as at 31 December 2020	1,027	-	792	1,121	2,940
Balance as at 1 January 2019	23,769	-	792	(1,793)	22,768
Loss for the year, representing total comprehensive loss for the year	-	-	-	(976)	(976)
Transactions recognised directly in equity					
Issuance of performance shares	378	-	-	-	378
Capital contribution pending allotment	-	3,972	-	-	3,972
Capitalisation of rights issue expenses	-	(144)	-	-	(144)
Total	378	3,828	-	-	4,206
Balance as at 31 December 2019	24,147	3,828	792	(2,769)	25,998

Note: * Less than S\$1,000

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of new issued shares	Number of shares	Movement from issued/ (reduced) capital (S\$)	Resultant issued and paid-up share capital (S\$)
Balance as at 1 January 2020	-	264,766,689	-	24,888,639
Issuance of new shares pursuant to rights issue	39,715,003	304,481,692	3,971,500	28,860,139
Issuance of new shares pertain to share awards	1,414,216	305,895,908	154,149	29,014,288
Capital reduction	-	-	(27,102,377)	1,911,911
Balance as at 31 December 2020	-	305,895,908	-	1,911,911

The Company had no treasury shares as at 31 December 2020 and 31 December 2019.

Note: As at 31 December 2020, total expenses arising from issuance of share capital that were capitalised amounted to S\$885,158 (31 December 2019: S\$741,475). Total share capital net of expenses arising from the issuance of share capital as at 31 December 2020 is S\$1,026,753 (31 December 2019: S\$24,147,164).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

See above for the total number of issued shares. There were no treasury shares as at 31 December 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3a. 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.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those applied in the audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY2020	FY2019
Earnings		
Loss from continuing operations (S\$'000)	(5,102)	(344)
Profit/ (Loss) from discontinued operations (S\$'000)	61,754	(8,108)
Earnings per ordinary share ("EPS")		
Basic and diluted (cents) – continuing operations	(1.67)	(0.13)
Basic and diluted (cents) – discontinued operations	20.22	(3.08)

Note: For FY2020 and FY2019, EPS was computed based on the weighted average number of shares after taking into account share issuance during the relevant years.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value ("NAV") (S\$'000)	2,854	4,562	2,940	25,998
NAV per share (cents)	0.93	1.72	0.96	9.82

For the computation of NAV, the total number of issued shares excluding treasury shares as at 31 Dec 2020 is 305,895,908 (31 Dec 2019: 264,766,689).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

Statement of Comprehensive Income

During the year, the Group disposed its e-Commerce and e-Logistics business segments. On 5 November 2020, the disposal was completed and the financial performance for the period 1 January 2020 to 5 November 2020 were reported as discontinued operations with comparative information re-presented accordingly.

Revenue

Our revenue for continuing operations had decreased by 43.0% or S\$1.3 million, from S\$3.1 million in FY2019 to S\$1.8 million in FY2020. This was mainly due to the lower demand from Insurtech customers and decreased end consumer sales during the COVID-19 period. The uncertainty over the COVID-19 situation had led to slow contract renewals in FY 2020.

Cost of sales

The cost of sales from continuing operations decreased by 30.8% or S\$0.6 million, from S\$1.9 million in FY2019 to S\$1.3 million in FY2020. The decrease in cost of sales was in tandem with the decrease in revenue from our Insurtech business segments.

Gross profit and gross profit margin

The Group's gross profit from continuing operations decreased by 62.2% or S\$0.7 million, from S\$1.2 million in FY2019 to S\$0.5 million in FY2020. This was mainly due to the reduction in Insurtech's contract which resulted in lower revenue for FY2020. Gross profit margin reduced from 38.7% in FY2019 to 25.7% in FY2020. Gross profit margin had reduced as our customers had lesser business activities during the COVID-19 period.

Other income

Other income from continuing operations decreased by 85.8% or S\$2.6 million in FY2020. The decrease was mainly due to the one-off reversal of contingent consideration of S\$3.0 million in FY2019, as 1Care Global Pte. Ltd. did not achieve the performance targets as disclosed in Note 29 to the audited financial statements for year ended 31 December 2018 and no payout was made in FY2019.

The decrease in other income was partly offset by increase in grants from government, which had increased from S\$8,000 in FY2019 to S\$0.2 million in FY2020. In FY2020, the Group had also successfully negotiated with its supplier to reduce on the premium costs charged in FY2019 and had resulted in a one-off cost savings of S\$0.2 million.

Distribution costs

There had been no significant differences between the distribution costs incurred in FY2020 and FY2019.

Administrative expenses

Administrative expenses from continuing operations increased by 66.6% or S\$2.3 million to S\$5.8 million in FY2020 as compared to S\$3.5 million in FY2019. The increase in administrative expenses was mainly due to increase in staff costs of S\$2.7 million as a result of the performance bonus paid to the former executive directors of S\$2.8 million in accordance with the respective service agreements. The performance bonus paid to the former executive directors arise from the profit before tax which was mainly due to the one-off gain from disposal of subsidiaries. It was partly offset by a decrease in staff costs of S\$0.1 million due to reduced headcount in the Insurtech Segment in FY2020 and a decrease in share-based payout of S\$0.4 million.

Other operating expenses

Other operating expenses decreased by 75.2% or S\$0.9 million from S\$1.2 million in FY2019 to S\$0.3 million in FY2020. In FY2019, based on the value in use calculation, an impairment of goodwill amounting to S\$1.2 million was made and there is no impairment in goodwill in FY2020.

The decrease in other operating expenses was partly offset by an impairment in intangible assets of S\$36,000 and an fair value adjustment for deferred revenue contract of S\$0.2 million in FY2020.

Finance costs

There had been no significant differences in the finance costs incurred in FY2020 and FY2019.

Loss for the year from continuing operations

The loss before income tax from continuing operations had increased by S\$4.8 million in FY2020. The increase is mainly due to an increase in administrative expenses of S\$2.3 million and a decrease in gross profit of S\$0.7 million and in other income of S\$2.6 million, partly offset by a decrease in other operating expenses of S\$0.9 million.

Profit from discontinued operations

The profit from discontinued operations was S\$61.8 million in FY2020 and was mainly due to the gain in disposal of e-Commerce and e-Logistics business segment, which was completed on 5 November 2020.

Statement of Financial Position

Current assets

Current assets decreased by 77.1% or S\$8.8 million, from S\$11.4 million as at 31 December 2019 to S\$2.6 million as at 31 December 2020, mainly attributed to decrease in trade and other receivables of S\$6.3 million, inventories of S\$2.1 million and deferred costs of S\$0.8 million, partly offset by an increase in cash and cash equivalents of S\$0.4 million.

Trade and other receivables and inventories decreased mainly due to the disposal of e-Commerce and e-Logistics business segments which was completed on 5 November 2020.

Non-current assets

Non-current assets decreased by 42.4% or S\$1.5 million from S\$3.5 million as at 31 December 2019 to S\$2.0 million as at 31 December 2020. The decreased in non-current assets was mainly attributed by the completion of the disposal of e-Commerce and e-Logistics business segments, where intangible assets, plant and equipment and right-of-use assets had decreased by S\$1.0 million, S\$0.3 million and S\$0.2 million respectively.

Current liabilities

Current liabilities decreased by 84.3% or S\$8.4 million, from S\$9.9 million as at 31 December 2019 to S\$1.6 million as at 31 December 2020, mainly due to the decrease in trade and other payables of S\$7.4 million, deferred revenue of S\$0.9 million and lease liabilities of S\$0.2 million. The decrease in current liabilities was mainly due to the disposal of e-Commerce and E-Logistic business segments which was completed on 5 November 2020.

Non-current liabilities

Non-current liabilities decrease by 50.1% or S\$0.2 million, from S\$0.4 million as at 31 December 2019 to S\$0.2 million as at 31 December 2020, due to the decrease in deferred tax liabilities of S\$0.1 million and lease liabilities of S\$0.1 million.

Equity

Capital contribution pending allotment net of expenses arising from issuance of share capital of S\$3.8 million mainly relates to the capital raised from shareholders during the rights issue exercise in November 2019. The allotment was completed on 2 January 2020. Share capital had decreased from S\$24.1 million to S\$1.0 million, mainly due to the capital reduction exercise in December 2020. For capital reduction, a cash distribution of S\$0.0886 per ordinary share was declared to the shareholders of the Company on 16 December 2020, totaling S\$27.1 million. The cash distribution was made via a cash payment of S\$20.8 million and S\$6.3 million was offset against promissory note issued by a controlling shareholder of the Company.

Statement of Cash Flows

The Group used approximately S\$0.2 million in its operating activities in FY2020, mainly due to operating cash flows before working capital changes of S\$1.0 million, adjusted for net working capital inflow of S\$0.8 million.

Net cash generated from investing activities of S\$50.0 million in FY2020 were mainly attributed to the disposal of the e-Commerce and E-Logistic business segments which the Group collected net proceeds of S\$50.6 million. This was offset by the purchase of equipment of S\$0.3 million and software development of S\$0.4 million.

Net cash used in financing activities of S\$49.2 million in FY2020 was mainly due to capital reduction of S\$20.8 million and special dividend paid of S\$28.4 million. The payment for capital reduction and special dividend was partly offset by the promissory note (including interests) of S\$9.4 million.

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

Not applicable.

10. A 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 global Insurtech market is expected to grow at a CAGR of 41.0% (US\$15.6 billion) from 2020 to 2023.¹ In FY 2020, the Group saw some near-term impact to its Insurtech business during the COVID-19 period, with a slowdown in renewal of contracts by customers due to reduced business activities. Although the availability of COVID-19 vaccine had raised hopes of a turnaround in 2021, new variant of the virus had posed concerns on the economic outlook ahead.

Amid the uncertainty brought by the pandemic, in February 2021, the Ministry of Trade and Industry projected the growth forecast for Singapore's Gross Domestic Product at 4% to 6% for 2021², an improvement from the contraction of 5.4% in 2020. The Group view the long-term outlook for the industry to remain positive.

¹ <https://www.businesswire.com/news/home/20190201005309/en/>

² <https://www.businesstimes.com.sg/government-economy/mti-maintains-singapores-gdp-growth-forecast-at-4-to-6-for-2021>

11. Dividend

(a) Current Financial Period Reported On

(Any dividend recommended for the current financial period reported on?)

No dividend was recommended for the current financial year ended 31 December 2020 save for the special one-tier tax exempt cash dividend of S\$0.1028 per ordinary share which was declared on 5 November 2020 and paid on 20 November 2020.

(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.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared and recommended for the year ended 31 December 2020 as the Group is conserving its cash for business development and growth.

13. If the Group has obtained a general mandate from shareholders for interested persons transaction (“IPT”) the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained a general mandate from shareholders for IPT.

During FY2020, the Group had entered into the following IPTs:

- 1) An IPT with Synagistics Pte. Ltd. (the “Purchaser”) who is deemed as an associate of Metadrome Ltd. and Lee Shieh-Peen Clement, a controlling shareholder of the Company and sole shareholder of the Purchaser, for the sale of the e-Commerce and e-Logistics business segments for a total consideration of S\$61.7 million (the “Consideration”); and
- 2) An IPT with Metadrome Ltd., a controlling shareholder of the Company in which the Purchaser had assigned an interest-bearing promissory note issued by Metadrome Ltd. to the Company. The aggregate amount of the interest-bearing promissory note is S\$9.4 million (including interest).

The above IPTs were approved by shareholders at the Extraordinary Meeting held on 28 September 2020 For further information about the disposal of the -Commerce and e-Logistics business segments and the assignment of the Promissory Note, please refer to the Company’s announcements dated 5 August 2020 and 5 November 2020 as well as the Circular to shareholders dated 4 September 2020.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

<u>FY2020</u>	e-Commerce S\$'000	e-Logistics S\$'000	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
Revenue					
Segment revenue	-	-	1,769	-	1,769
Result					
Segment results	-	-	(907)	(4,450)	(5,357)
Other income					435
Other operating expenses					(299)
Finance costs					(5)
Loss before income tax					(5,226)
Income tax credit					124
Loss for the year					(5,102)
Profit from discontinued operation					61,754
Net profit for the year					56,652
Assets					
Segment assets	-	-	2,620	1,988	4,608
Unallocated assets					-
					4,608
Liabilities					
Segment liabilities	-	-	966	788	1,754
Unallocated liabilities					-
					1,754

FY2019	e-Commerce S\$'000	e-Logistics S\$'000	Insurtech S\$'000	Investment holding S\$'000	Total S\$'000
Revenue					
Segment revenue	-	-	3,101	-	3,101
Result					
Segment results	-	-	(282)	(2,006)	(2,288)
Other income					3,074
Other operating expenses					(1,208)
Finance costs					(9)
Loss before income tax					(431)
Income tax credit					87
Loss for the year					(344)
Loss from discontinued operations					(8,108)
Net loss for the year					(8,452)
Assets					
Segment assets	7,339	241	2,165	4,241	13,986
Unallocated assets					907
					14,893
Liabilities					
Segment liabilities	6,718	64	2,496	1,050	10,328
Unallocated liabilities					-
					10,328

Note: In line with SFRS (I) 5, the Group's profit or loss items from Disposal Group were re-presented accordingly and aggregated under Profit/ (Loss) from Discontinued Operations.

Geographical information:

With the disposal of e-Commerce and e-Logistics business segments, the Group mainly operates in Singapore, with its revenue derived from and its non-current assets located in Singapore only.

Information about major customer:

The Group's revenue derived from customers who individually accounted for 10% or more of the Group's revenue amounted to S\$1,300,000 (2019: S\$2,247,000).

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

17. A breakdown of sales as follows:

	Group		
	FY2020 S\$'000	FY2019 S\$'000	Change %
Revenue from continuing operations			
<u>First half</u>			
(a) Sales reported for first half year	800	1,776	(55.0)
(b) Profit/ (Loss) after tax	(462)	(24)	1825.0
<u>Second half</u>			
(a) Sales reported for second half year	969	1,325	(26.9)
(b) Profit/ (Loss) after tax	(4,640)	(320)	1350.0

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2020 S\$'000	FY2019 S\$'000
Special one-tier tax exempt dividend of S\$0.1028 per ordinary share, representing total dividend for the year	31,446	-

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10), we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the Company.

BY ORDER OF THE BOARD

V2Y Corporation Ltd.

Ong Shen Chieh (Wang Shengjie)

Executive Director and Chief Executive Officer

26 February 2021