Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: V2Y Corporation Limited

Stock code: V2Y

Meeting details:
Date: 21 April 2022
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. The group disposed of its e-commerce and e-logistics business to focus on "insurtech". Currently, the group mainly provides third-party administration and value-added services to help brand partners in the computer, communication and consumer electronics sector manage and execute their extended warranty and accidental damage protection programmes. The clients are mainly manufacturers, distributors and retailers of laptops, digital tablets and mobile phones.

In this segment, the group recognised revenue of $1.09 million while reporting a segment loss of $(655,000). For FY2021, the group's total loss from continuing operations was $(1.79) million.

As noted in the chairman's message, as of 31 December 2021, the group had launched its direct business-to-consumer (B2C) mobile screen protection coverage and is collaborating with schools and clubs to increase its outreach and awareness.

(i) **What is the name of the B2C service? What is the progress made by the group since the launch more than three months ago?**

(ii) **Can the board/management help shareholders better understand the group's business model for both the B2B and the B2C segments?**

(iii) **How scalable is the group's business? Has the board estimated the group's market share in Singapore?**

(iv) **In the B2B business, how does the group acquire more "clients", i.e. the manufacturers, distributors and retailers of consumer electronics?**

In the chairman's message, the decrease in FY2021 revenue has been attributed mainly to global chip shortage and rising costs expected in 2022, which led to slower renewal and contract sign up by customers as they become more cautious in their spending.

(v) **Can management further elaborate on the (direct/indirect) impact to the group's operations as a result of the global chip shortage? What renewals and contract sign ups is the group referring to?**

As disclosed in Note 34 (page 149 – Segmental information), the (only) major customer of the group accounted for 77% or $841,000 (2020: $1,327,000) of the group's total revenue.

(vi) **What is the profile of the major customer?**

(vii) **Did the major customer also experience a decline in their revenue in tandem with the decline in revenue by the group?** The group's revenue declined by 37%. **If not, what are the other factors that contributed to the group's revenue decline?**

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Q2. On 22 February 2022, the company announced that it has issued a non-binding letter of offer to a "renowned insurance company in Singapore" for the proposed acquisition of all or a substantial percentage of the seller's general insurance business portfolio.

As noted in the company's announcement and in the CEO's message, the potential transaction is to acquire a general insurance business with products that includes motor vehicle, travel and personal accident insurance, sold online and through traditional distribution channels. The target business has many years of operating history in Singapore.

(i) **How was the company introduced to the proposed target?**

(ii) The company has already set a purchase consideration of approximately $20 million, subject to further terms. **How much due diligence was carried out before the $20 million price tag was determined? Did the board have access to the target's financial data? Has the board assessed the commercial merits of the proposed $20 million acquisition? If the due diligence was not carried out, what was the basis to set the purchase consideration at approximately $20 million?**

The business of insurance is highly regulated in Singapore and the Monetary Authority of Singapore governs the regulation of insurance business in Singapore under the Insurance Act (Cap. 142). The profiles of the directors can be found on pages 12 and 13. Collectively, the board has professional experience in the civil service, telecommunications, finance, investments and legal.

(iii) **Is there sufficient experience among the directors in insurance, which is highly regulated and technical, to ensure proper and effective oversight during the due diligence, valuation and overseeing the operations (if and when the acquisition is completed)?**

(iv) **How will the company be funding this proposed acquisition?**

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Q3. Mr Ong Shen Chieh (Wang Shengjie) is the chief executive officer and executive director of the company. He is also a non-executive independent director of Eindec Corporation. In addition, Mr Ong lists his other principal commitments as the managing director of Sakal Investments Limited and the director of Sakal Capital Pte. Ltd.

Name of Directors	Directorship in Listed Company		Principal Commitments	Shareholding in the Company and related corporations	
	Present	Past Preceding three years		Direct	Indirect
Ong Shen Chieh (Wang Shengjie)	V2Y Corporation Ltd. Eindec Corporation Limited	• P99 Holdings Limited • Elec & Eltek International Company Limited • Kakiko Group Limited (Listed on HKSE)	• Executive Director and CEO of V2Y Corporation Ltd. • Non-Executive and Independent Director of Eindec Corporation Limited • Managing Director of Sakal Investments Limited • Director of Sakal Capital Pte. Ltd. (formerly known as Husk Life Pte. Ltd.)	Nil	Nil

(Adapted from company annual report)

(i) **Can the board/director help shareholders understand if Mr Ong Shen Chieh (Wang Shengjie) is committing 100% of his (working) time to the group as the executive director and CEO? What are the time commitments from his other appointments? How much (working) time does he spend away from matters of the company?**

(ii) Mr Ong Shen Chieh also sits on the board of Eindec. **As the CEO and executive director, how relevant is his directorship on Eindec? Does the current arrangement benefit the group by having its CEO and executive director sit on Eindec as an ID?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)