



V2Y CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201717972D)

**RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN
RELATION TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2021**

The board of directors (the "**Board**") of V2Y Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to provide its responses to the queries received from the Securities Investors Association (Singapore) ("**SIAS**") in relation to the Company's Annual Report for the financial year ended 31 December 2021 ("**FY2021**") prior to the upcoming annual general meeting for FY2021 to be held by way of electronic means on 21 April 2022 at 3.00 p.m. (the "**AGM**").

The Company did not receive any questions from shareholders as at the deadline stated in the Notice of AGM dated 6 April 2022.

Question 1

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?**

Company's response:

The Group's B2C business mainly sells its service online and it is known as Device Care. The Group primary business model is still B2B. With the recent launch of the Group's B2C services, the Group remains in the early stages for its B2C model and is currently focusing on building awareness amongst consumers of its services.

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

Company’s response:

For the B2B segment, the Group primarily works as back-end support and a third-party administrator for OEM and retailers. It provides support for the extended warranty and accidental damage protection programs for devices marketed and sold by the OEM and retailers. For the B2C segment, the Group offers an accidental damage protection service package for devices through e-Commerce platform(s) and other online channels to end-consumers directly.

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

Company’s response:

The Board is of the view that there is a sizable laptop and mobile phone user population in Singapore to pursue this business. In Singapore, there are over 5 million smartphone users in Singapore in 2020¹ with a mobile phone penetration rate of more than 150%² in 2019. Personal computers shipments had reached 339.8 million units in 2021, a 9.9% increase from 2020³. With the ongoing trend of remote work arrangement, the function and role of laptop and mobile phone for its users will only become more important. The Board is therefore of the view that with the usage of the laptop and mobile phone becoming more ubiquitous in Singapore, there is a sizeable market for the Group to grow in. Whilst there are other Insurtech operators in Singapore, the Group is looking to grow its business in this segment, which it believes has potential.

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

Company’s response:

The Group works through its existing network and contacts, as well as through professional agencies to tender for new projects and for business opportunities.

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?**

Company’s response:

¹ <https://www.statista.com/statistics/494598/smartphone-users-in-singapore/>

² <https://data.gov.sg/dataset/mobile-penetration-rate>

³ <https://www.gartner.com/en/newsroom/press-releases/2022-01-12-gartner-says-worldwide-pc-shipments-declined-5-percent-in-fourth-quarter-of-2021-but-grew-nearly-10-percent-for-the-year>

Our product lines are closely related to the number of new laptops and mobile phones produced and sold in the market. With the global chip shortage, the number of new laptops and mobile phones are likely impacted and as a result our sales will likely be affected. Please refer to the Company's response to Question 1(vii) for further details on renewals and contract sign ups.

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?

Company's response:

The customer is a leading global manufacturer of personal computers and electronic devices.

(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?

Company's response:

The Group had experienced decline in their revenue mainly due to the slowdown in the rate of new contract sign up during the COVID 19 period. Due to reasons of confidentiality and for the protection of business interests, the Group is unable to share further details on the major customer.

Question 2

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?

Company's response:

The Company has been a part of the insurance industry as an insurance agent and TPA service provider and has always been on a lookout for potential opportunities to expand the Insurtech business segment. It was through the Company's industry network that the Company had been 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?

Company's response:

This was an estimate based on the net asset value from the latest financial results available to the public. The offer is non-binding and was mainly intended to acquire exclusivity and rights to carry out due diligence to further assess the target and to determine the final consideration.

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)?**

Company's response:

As set out in our earlier announcement dated 22 February 2022, the acquisition will also include key employees from the seller who will have the experience and expertise, in the business and operations of the Target Asset (if and when the acquisition is completed).

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

Company's response:

The Company is exploring various ways to raise funds for the proposed acquisition, including considering undertaking bank facilities and/or fund raising through the capital market.

Question 3

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	<ul style="list-style-type: none"> P99 Holdings Limited 	<ul style="list-style-type: none"> Executive Director and CEO of V2Y Corporation Ltd. 	Nil	Nil

	Corporation Limited	<ul style="list-style-type: none"> • Elec & Eltek International Company Limited • Kakiko Group Limited (Listed on HKSE) 	<ul style="list-style-type: none"> • Non-Executive and Independent Director of Eindex Corporation Limited • Managing Director of Sakal Investments Limited • Director of Sakal Capital Pte. Ltd. (formerly known as Husk Life Pte. Ltd.) 		
--	---------------------	---	---	--	--

(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?**

Company's response:

Mr Ong Shen Chieh ("**Mr Ong**") wishes to clarify that whilst he is currently holding directorship in the Sakal Capital Pte. Ltd. and Sakal Investments Limited ("**Sakal Group**") and as a non-executive and independent director of Eindex Corporation Limited ("**Eindex**"), they do not compromise his ability to commit his working time to the Company. This is as amongst others, Sakal Group is mainly an investment holding company and Mr Ong mainly uses Sakal Group for his own personal investments. As such, this enables Mr Ong to devote a significant portion of his working time to the Company. The Nominating Committee of the Company (the "**NC**") has previously reviewed the working arrangement and is satisfied that Mr Ong has been able to devote adequate time and attention to the affairs of the Company, and that he is able to satisfy his duties as CEO and Executive Director of the Company.

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

Company's response:

Mr Ong has confirmed to the Board and NC that his commitments at Eindec will not affect his ability to fulfil his duties as CEO and Executive Director of the Company. As Mr Ong's position on the board of Eindec is in his own personal capacity, the Board is of the view that where Mr Ong continues to be able to fulfil his duties as CEO and Executive Director of the Company, it has no objection to his position on the board of Eindec. The Company also wishes to refer to the NC's view as set out in the Company's response to Question 3(i) above.

By order of the Board of
V2Y CORPORATION LTD.

Ong Shen Chieh (Wang Shengjie)
Executive Director and Chief Executive Officer

14 April 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") 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.

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