Third Quarterly Report 2018

IAG Holdings Limited
迎宏控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code : 8513

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "**Directors**") of IAG Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report is originally prepared in English. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail and it is available on the Company's website at **www.inzign.com**.

SUMMARY

- The unaudited revenue of the Group amounted to approximately S$13.4 million for the nine months ended 30 September 2018, representing a decrease of approximately S$2.4 million or 15% as compared with the revenue of approximately S$15.8 million for the nine months ended 30 September 2017.

- The unaudited loss of the Group was approximately S$2.0 million for the nine months ended 30 September 2018 as compared to the profit of approximately S$78,000 for the nine months ended 30 September 2017. By excluding the listing expenses, exchange loss relating to remittance of IPO proceeds and expenses relating to on-going compliance with rules and regulations, the Group's adjusted profit for the nine months ended 30 September 2018 would be approximately S$47,000.

- Basic and diluted loss per share was 0.52 Singapore cents for the nine months ended 30 September 2018 compared to basic and diluted earnings per share of 0.03 Singapore cents for the nine months ended 30 September 2017.

- No dividend is recommended by the Board for the three months ended 30 September 2018.

UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the "**Board**") is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2018, together with the unaudited comparative figures for the corresponding period in 2017 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2018

	Notes	Nine months ended 30 September 2018 S$'000 (Unaudited)	2017 S$'000 (Unaudited)
Revenue	4	**13,391**	15,751
Cost of sales		**(11,396)**	(12,443)
Gross profit		**1,995**	3,308
Other income		**142**	217
Other (losses)/gains — net		**(224)**	20
Selling and distribution expenses		**(172)**	(139)
Administrative expenses		**(3,640)**	(2,940)
Operating (loss)/profit		**(1,899)**	466
Finance costs — net		**(88)**	(132)
(Loss)/profit before tax		**(1,987)**	334
Income tax expense	5	**(44)**	(256)
(Loss)/profit for the period		**(2,031)**	78

	Notes	Nine months ended 30 September 2018 S$'000 (Unaudited)	2017 S$'000 (Unaudited)
(Loss)/profit and total comprehensive (loss)/ income for the period attributable to:			
Equity holders of the Company		**(2,031)**	78
Non-controlling interests		**—**	—
		(2,031)	78
(Loss)/earnings per share attributable to equity holders of the Company			
— Basic and diluted (Singapore cents)	6	**(0.52)**	0.03

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2018

	Attributable to equity holders of the Company						
	Share capital S$'000	Share premium S$'000	Capital reserve S$'000	Retained earnings/ (accumulated losses) S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
2017 (unaudited)							
At 1 January 2017	–	–	1,118	1,883	3,001	(9)	2,992
Comprehensive income							
– Profit for the period	–	–	–	78	78	–	78
Transactions with owners							
– Dividend paid	–	–	–	(1,350)	(1,350)	–	(1,350)
Balance as at 30 September 2017	–	–	1,118	611	1,729	(9)	1,720
2018 (unaudited)							
At 1 January 2018	–	–	3,118	(289)	2,829	(9)	2,820
Comprehensive loss							
– Loss for the period	–	–	–	(2,031)	(2,031)	–	(2,031)
Transactions with owners							
– Issuance of shares by share offer, net of share issuing expenses	172	9,402	–	–	9,574	–	9,574
– Capitalisation of shares	517	(517)	–	–	–	–	–
Balance as at 30 September 2018	689	8,885	3,118	(2,320)	10,372	(9)	10,363

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2018

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 17 July 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 16 Kallang Place, #02–10 Singapore 339156.

The shares of the Company were listed on the GEM of the Stock Exchange on 19 January 2018 (the "**Listing Date**") by way of public offer and placing.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services. The immediate and ultimate holding company of the Company is Team One Global Limited. The controlling parties of the Group are Mr. Phua Swee Hoe and Ms. Ng Hong Kiew (the "**Controlling Shareholders**").

The condensed consolidated results are presented in thousands of Singapore dollars ("**S$'000**"), unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2018 has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board. The accounting policies used in the preparation of these condensed consolidated financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2017.

The preparation of the condensed consolidated financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

The impact of the adoption of these new standards and the new accounting policies are disclosed in Note 3.2 below. Other new or amended standards did not have any material impact on the Group's accounting policies.

3.1 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the condensed consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the end of reporting period, the Group has non-cancellable operating lease commitments of S$4,565,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's (loss)/profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

3.1 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP (CONTINUED)

IFRS 16 Leases (Continued)

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

3.2 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's condensed consolidated financial information and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) IFRS 9 Financial Instruments — Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) IFRS 9 Financial Instruments — Impact of adoption (Continued)

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. All classes of financial assets and financial liabilities had the same carrying amounts in accordance with IAS 39 and IFRS 9 on 1 January 2018, the measurement categories of each material class of financial assets and liabilities were as follows:

	Measurement category under IAS 39	Measurement category under IFRS 9
Financial assets		
Trade and other receivables	Amortised cost	Amortised cost
Cash and cash equivalents	Amortised cost	Amortised cost
Financial assets at fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss
Financial liabilities		
Trade and other payables	Amortised cost	Amortised cost

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) IFRS 9 Financial Instruments — Impact of adoption (Continued)

(ii) Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade receivables. The Group was required to revise its impairment methodology under IFRS 9 for these classes of financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

For other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of the simplified expected loss approach under IFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 January 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI ("**FVOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018 (Continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses, net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the condensed consolidated statement of comprehensive income.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018 (Continued)

(ii) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the condensed consolidated statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other losses, net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other losses, net, and impairment expenses are presented as separate line item in the condensed consolidated statement of comprehensive income.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented within other losses, net, in the period in which it arises.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018 (Continued)

(ii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other losses, net, in the condensed consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment

The impairment of financial assets has changed from the incurred loss model under IAS 39 to the expected credit loss model under IFRS 9. Under the new expected loss approach, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in IFRS 15, the cumulative impact of the adoption was recognised in the opening retained profits at 1 January 2018 and comparative figures have not been restated.

The effects of the adoption of IFRS 15 are related to presentation of contract liabilities. Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under IFRS 15:

- Contract liabilities for receipt in advance from customers were previously presented as accruals and other payables.

(d) IFRS 15 Revenue from Contracts with Customers — Accounting policies applied from 1 January 2018

The Group sells a range of injection molded plastic parts for disposable medical devices and provision of tooling services.

Sales of injection molded plastic parts and provision of tooling services are recognised over time based on the actual cost incurred to the end of the reporting period as a proportion of the total cost to be provided because the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

4. REVENUE

Revenue represents the net invoiced value of goods sold, net of returns, rebates, discounts and sales related tax, where applicable. Revenue recognised during the respective periods are as follows:

	Nine months ended 30 September	
	2018	2017
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Sale of goods	**12,124**	15,021
Rendering of tooling services	**1,267**	730
	13,391	15,751
Timing of revenue recognition		
— Over time	**13,391**	15,751

5. INCOME TAX EXPENSE

	Nine months ended 30 September	
	2018	2017
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Current income tax	**44**	256

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and is exempted from the Cayman Islands income tax.

5. INCOME TAX EXPENSE (CONTINUED)

The Group is subjected to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operate.

Singapore corporate tax has been provided at the rate of 17% for the nine months ended 30 September 2018 (2017: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

6. (LOSS)/EARNINGS PER SHARE

	Nine months ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (S$'000)	**(2,031)**	78
Weighted average number of ordinary shares in issue (thousands)	**393,407**	300,000
Basic and diluted (loss)/earnings per share (Singapore cents)	**(0.52)**	0.03

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary issue in shares during the period ended 30 September 2017 and 2018.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2018.

8. CONTINGENT LIABILITIES

In November 2014, the Group commenced legal proceedings against one of its suppliers ("**Defendant**"). In January 2015, the Defendant filed a defence and counterclaim against the Group. In March 2018, the trial of the above legal proceedings were heard before the Singapore Courts and the trial judge granted judgement including expenses in favour of the Defendant of approximately S$127,000. Up to the date of this report, both the Group and the Defendant have filed their Notices of Appeal and the date of the hearing before the Court of Appeal has not been fixed. The Board, pursuant to the advice from the Company's legal adviser, is of the opinion that the Group has valid grounds to appeal and as such, it is likely that the Defendant's counterclaim against the Group will not succeed.

9. MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries during the nine months ended 30 September 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a contract manufacturer based in Singapore that is principally engaged in the manufacture and sales of injection molded plastic parts for disposable medical devices and the provision of tooling services.

For the nine months ended 30 September 2018, the Group recorded a net loss of approximately S$2.0 million as compared to net profit of approximately S$78,000 for the nine months ended 30 September 2017. The Directors are of the view that the net loss was mainly attributable to a) decrease in revenue of approximately S$2.4 million; b) increase in non-recurring listing expenses of approximately S$0.2 million for the nine months ended 30 September 2018; c) increase in professional and directors fees of S$0.5 million mainly relating to on-going compliance with relevant rules and regulations; and d) net foreign exchange loss of approximately S$0.2 million relating to remittance of proceeds from share offer from Hong Kong dollars to Singapore dollars. The mounting trade tensions and global economy uncertainties have resulted in a fall in our customers' orders for the nine months ended 30 September 2018. Nevertheless, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

OUTLOOK

The Group may experience some volatility in the near term due to customers' new product/platform transitions and escalation in the global trade dispute. The Group remains focused on sustaining operational excellence and continues to strengthen its manufacturing product development capabilities. The Group is in the process of assisting a customer to obtain product certification/approval for a product. Upon successfully obtaining such certification/approval by the customer, our Group will be able to start the production for this product for the customer. With its experience and production know-how, the Group will continue to strive and achieve its business strategies and maintain the Group's market position in the medical devices plastic molding industry.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately S$2.4 million or approximately 15% from approximately S$15.8 million for the nine months ended 30 September 2017 to approximately S$13.4 million for the nine months ended 30 September 2018. Such decrease was mainly attributable to the impact arising from customer's planned transition to new products.

Cost of sales

The Group's cost of sales decreased by approximately S$1.0 million or approximately 8% from approximately S$12.4 million for the nine months ended 30 September 2017 to approximately S$11.4 million for the nine months ended 30 September 2018. Such decrease was in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's overall gross profit decreased by approximately S$1.3 million or approximately 40% from approximately S$3.3 million for the nine months ended 30 September 2017 to approximately S$2.0 million for the nine months ended 30 September 2018. The Group's overall gross profit margin has decreased from approximately 21% for the nine months ended 30 September 2017 to approximately 15% for the nine months ended 30 September 2018. Such decrease was mainly due to the lower sales volume of products and change in product mix.

Administrative expenses

The Group's administrative expenses increased by approximately S$0.7 million or approximately 24% from approximately S$2.9 million for the nine months ended 30 September 2017 to approximately S$3.6 million for the nine months ended 30 September 2018.

This increase was primarily due to increase in non-recurring listing expenses of approximately S$0.2 million and increase in professional and directors fees mainly relating to post-listing continuing obligations of approximately S$0.5 million.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATION

As at 30 September 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/Interested[3]	Percentage of shareholding
Mr. Phua Swee Hoe ("**Mr. Phua**")	Interest in controlled corporation[2]/ Interest of spouse[3]	300,000,000 (L)	75%
Ms. Ng Hong Kiew ("**Ms. Ng**")	Interest of spouse[3]	300,000,000 (L)	75%

Notes:

1. The letter "L" denotes the person's long position in the relevant shares of the Company.
2. All the issued shares of Team One Global Limited are legal and beneficially owned as to 87.9% and 12.1% by Mr. Phua and Ms. Ng, respectively. Accordingly, Mr. Phua is deemed to be collectively interested in 300,000,000 shares of the Company held by Team One Global Limited by virtue of the SFO.
3. Mr. Phua and Ms. Ng are spouses. Therefore, Mr. Phua is deemed to be interested in shares of the Company held by Ms. Ng, and vice versa, pursuant to the SFO.

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far is known to the Directors, as at 30 September 2018, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/interested[1]	Percentage of shareholdings
Team One Global Limited	Beneficial owner[2]	300,000,000 (L)	75%

Notes:

1. The letter "L" denotes the person's long position in the relevant shares of the Company.

2. All the issued shares of Team One Global Limited are legal and beneficially owned as to 87.9% and 12.1% by Mr. Phua and Ms. Ng, respectively. Accordingly, Mr. Phua is deemed to be collectively interested in 300,000,000 shares of the Company held by Team One Global Limited by virtue of the SFO.

Save as disclosed above, as at date of this report, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2018.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Scheme**") on 19 December 2017. The purpose of the Scheme is to advance the interests of the Company and the shareholders of the Company by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group. The principal terms of the Scheme are summarized in the section headed "Share Option Scheme" in Appendix IV of the prospectus dated 29 December 2017. Up to the date of this report, no share options were granted by the Company.

COMPETING BUSINESS AND CONFLICT OF INTERESTS

As at the date of this report, none of the Directors, substantial shareholders of the Company and any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly, or indirectly, with the business of the Group or has any other conflict of interests with the Group.

COMPLIANCE ADVISER'S INTERESTS

As at the date of this report, save and except for the compliance adviser's agreement entered into between the Company and Fortune Finance Capital Limited (the "**Compliance Adviser**") dated 26 August 2017, neither the Compliance Adviser nor its directors, employees or associates had any interest in relation to the Company which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company's corporate governance Code practices are based on the principles and code provision as set out in the Corporate Governance Code ("**CG Code**") in Appendix 15 to the GEM Listing Rules. Save for Code Provision A.2.1, the Company had complied with the code provisions in the CG Code from the Listing Date to the date of this report.

Paragraph A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Phua currently holds both positions. Considering that Mr. Phua has been operating and managing the Group since 1981, the Board consider Mr. Phua is the best candidate for both positions and the present arrangement is beneficial and in the interests of our Company and our shareholders as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on specific enquiry made with all the Directors, each of them has confirmed that they have fully complied with the required standard of dealings throughout the period from the Listing Date to the date of this report, and no incident of non-compliance was noted by the Company during the nine months ended 30 September 2018.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with rules 5.28 of the GEM Listing Rules and the CG Code. The Audit Committee comprises four independent non-executive Directors being Mr. Ong Kian Guan, Mr. Tan Yew Bock, Mr. Chow Wen Kwan and Mr. Lau Yau Chuen Louis. Mr. Ong Kian Guan was appointed to serve as the Chairman of the Audit Committee. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The Audit Committee has discussed and reviewed the unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2018, and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

By order of the Board
IAG Holdings Limited
Mr. Phua Swee Hoe
Chairman and executive Director

Singapore, 12 November 2018

As at the date of this report, the executive Directors are Mr. Phua Swee Hoe, Ms. Ng Hong Kiew and Mr. Ang Lai Seng; the non-executive Director is Mr. Tay Koon Chuan; and the independent non-executive Directors are Mr. Tan Yew Bock, Mr. Ong Kian Guan, Mr. Chow Wen Kwan and Mr. Lau Yau Chuen Louis.

This report will remain on the Stock Exchange's website at http://www.hkexnews.hk and on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for a minimum period of seven days from the date of this posting. This report will also be published on the Company's website at www.inzign.com.