

IAG Holdings Limited

官酝控股有限公司

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

2020

Third Quarterly Report



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

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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.

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*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.*

The original report is prepared in the English language. 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\$17.1 million for the nine months ended 30 September 2020, representing an increase of approximately S\$6.5 million or 61.3% as compared with the revenue of approximately S\$10.6 million for the nine months ended 30 September 2019.
- The unaudited profit of the Group was approximately S\$0.8 million for the nine months ended 30 September 2020 as compared to the loss of approximately S\$1.8 million for the nine months ended 30 September 2019.
- Basic and diluted earnings per share was 0.16 Singapore cents for the nine months ended 30 September 2020 compared to basic and diluted loss per share of 0.46 Singapore cents for the nine months ended 30 September 2019.
- No dividend is recommended by the Board for the nine months ended 30 September 2020.

UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) of IAG Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in 2019 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2020

		Nine months ended 30 September	
	Notes	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Revenue	4	17,140	10,639
Cost of sales	6	(13,035)	(9,950)
Gross profit		4,105	689
Other income	5	866	188
Other gains/(losses) – net		18	(36)
Selling and distribution expenses	6	(313)	(256)
Administrative expenses	6	(3,275)	(2,180)
Operating profit/(loss)		1,401	(1,595)
Finance costs	7	(233)	(254)
Profit/(loss) before tax		1,168	(1,849)
Income tax expense	8	(386)	—
Profit/(loss) for the period		782	(1,849)

	Notes	Nine months ended	
		30 September	
		2020	2019
		S\$'000	S\$'000
		(Unaudited)	(Unaudited)
Other comprehensive income:			
<i>Item that may be reclassified</i>			
<i>to profit or loss</i>			
Exchange differences on			
translation of foreign			
operations		51	—
Total comprehensive income		833	(1,849)
Profit/(loss) attributable to:			
Equity holders of the Company		731	(1,849)
Non-controlling interests		51	—
		782	(1,849)
Total comprehensive income			
attributable to:			
Equity holders of the Company		782	(1,849)
Non-controlling interests		51	—
		833	(1,849)
Earnings/(loss) per share for			
profit/(loss) attributable to			
equity holders of the Company			
(expressed in S cents)			
— Basic and diluted	9	0.16	(0.46)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Currency translation reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	689	8,885	3,118	—	—	(3,037)	9,655	(8)	9,647
Comprehensive loss									
Loss for the period	—	—	—	—	—	(1,849)	(1,849)	—	(1,849)
Balance as at 30 September 2019	689	8,885	3,118	—	—	(4,886)	7,806	(8)	7,798

2020 (unaudited)

At 1 January 2020

Issue of shares	105	6,346	—	2,150	—	—	8,601	—	8,601
Acquisition of subsidiaries	—	—	—	—	—	—	—	616	616
Total comprehensive income for the period:									
Profit for the period	—	—	—	—	—	731	731	51	782
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	51	—	51	—	51
	—	—	—	—	51	731	782	51	833
Balance as at 30 September 2020	794	15,231	3,118	2,150	52	(3,966)	17,379	688	18,067

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

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 Company is an investment holding company and its subsidiaries are principally engaged in i) the manufacture and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services in Singapore; ii) Chinese liquor trading and development; and iii) manufacturing and installation of amusement machines and equipment in the People's Republic of China ("**PRC**").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2020 have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board.

The preparation of the condensed consolidated financial statements 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.

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

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

3. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The significant accounting policies that have been used in the preparation of the Group's condensed consolidated financial statements for the nine months ended 30 September 2020 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except as described below.

The Group has adopted and applied, for the first time, the following new standards and interpretations that have been issued and effective for the accounting periods beginning on 1 January 2020:

Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform
IFRS 3 (Amendment)	Definition of a business
Conceptual framework for 2018	Amendments to the conceptual framework for financial reporting

These new or amended standards and interpretation did not have any material impact on the Group's accounting policies.

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

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	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Sale of goods	16,652	10,501
Rendering of tooling services	488	138
	<u>17,140</u>	<u>10,639</u>
Timing of revenue recognition		
— At a point in time	9,698	6,283
— Over time	7,442	4,356
	<u>17,140</u>	<u>10,639</u>

5. OTHER INCOME

	Nine months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Government grants	626	144
Sales of scrap material	240	44
	<u>866</u>	<u>188</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

6. EXPENSES BY NATURE

	Nine months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Costs of inventories sold	7,838	5,003
Employee benefit expenses	4,281	3,760
Depreciation of property, plant and equipment	398	380
Depreciation of right-of-use assets	1,208	1,020
Amortisation of intangible assets	152	2
Rental expenses	123	124
Entertainment	8	5
Repair and maintenance of property, plant and equipment	371	371
Insurance	71	71
Travelling expenses	41	72
Printing and stationery	20	16
Telephone charges	26	20
Utilities	741	715
Advertisement	37	5
Professional fees	683	363
Auditor's remuneration	196	185
Postage and courier service	4	3
Bank charges	20	38
Research and development expenses	271	113
Others	134	120
	16,623	12,386
Represented by:		
Cost of sales	13,035	9,950
Selling and distribution expenses	313	256
Administrative expenses	3,275	2,180
	16,623	12,386

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

7. FINANCE COSTS

	Nine months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Lease liabilities	170	208
— Hire purchase loan	3	8
— Bank loan	35	—
— Term loan	—	1
— Trust receipts	25	37
	<u>233</u>	<u>254</u>

8. INCOME TAX EXPENSES

	Nine months ended 30 September	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax expense	432	—
Deferred income tax credit	<u>(46)</u>	<u>—</u>
Total income tax expense	<u>386</u>	<u>—</u>

(i) Cayman Islands profits tax

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.

(ii) British Virgin Islands profits tax

The Company's subsidiary in the British Virgin Islands ("BVI") is exempted from BVI income tax, as it is incorporated under the International Business Companies Act of the BVI. The Group is subject to income tax on an entity basis on profit arising in or derived from jurisdiction in which members of the Groups are domiciled and operate.

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

8. INCOME TAX EXPENSES (CONTINUED)

(iii) Singapore corporate tax

Singapore corporate tax has been provided at the rate of 17% for the nine months ended 30 September 2020 (2019: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

(iv) Hong Kong profits tax

No Hong Kong profits tax has been provided, as the Group has no taxable profit earned or derived in Hong Kong. The applicable Hong Kong profits tax rate is 16.5% (nine months ended 30 September 2019: 16.5%) for the period.

(v) PRC corporate income tax (“CIT”)

CIT is provided on the assessable profit of entities within the Group incorporated in the PRC. The applicable CIT rate is 25% for the period.

In accordance with Notice on Implementing the Policy on Inclusive Tax Reliefs for Small and Micro Enterprises (Cai Shui [2019] No. 13) issued by the Ministry of Finance, State Administration of Taxation and Publicity Department of the Communist Party of China, small and micro enterprises meet the standards under the notice can enjoy tax deductions. The first RMB1.0 million of annual taxable income is eligible for 75% reduction and the taxable income between RMB1.0 million and RMB3.0 million is eligible for 50% reduction, and both of them are entitled for a reduced tax rate of 20%.

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2020

9. EARNINGS/(LOSS) PER SHARE

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company <i>(S\$'000)</i>	<u>731</u>	<u>(1,849)</u>
Weighted average number of ordinary shares in issue <i>(thousands)</i>	<u>446,423</u>	<u>400,000</u>
Basic and diluted earnings/(loss) per share <i>(S cents)</i>	<u>0.16</u>	<u>(0.46)</u>

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the Group had no potentially dilutive ordinary shares in issue during the nine months ended 30 September 2019 and 2020.

10. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in (i) the manufacturing and sales of injection molded plastics parts for disposable medical devices and the provision of tooling services in Singapore; (ii) trading of Chinese liquor in the PRC; and (iii) the development, manufacturing and installation of amusement machines and equipment in the PRC.

On 3 January 2020, the Group acquired 100% of the issued share capital of Savour. Savour holds 100% equity interest of Jingchen International Co., Limited, which in turn holds 80% of 中山市星藝動漫科技有限公司 (Xingyi Entertainment Equipment Co., Ltd).

For the nine months ended 30 September 2020, the Group recorded a net profit of approximately S\$0.8 million as compared to net loss of approximately S\$1.8 million for the nine months ended 30 September 2019. The directors of the Company (the “**Directors**”) are of the view that the increase in the Group’s net profit was mainly contributed by the Group’s increase in revenue from manufacture and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services, and also the development, manufacturing and installation of amusement machines and equipment in the PRC.

The Group started generating revenue from its Chinese liquor trading business since the third quarter of 2020.

OUTLOOK

Despite the impact of COVID-19, the Group has seen an increase in the customer orders for our injection molded plastics parts for disposable medical devices. Our Singapore subsidiary remains its operations during the circuit breaker period as its manufacturing services are part of the essential supply chain. The Group will continue to strengthen its product development capabilities and strive to achieve its business strategies.

The Chinese liquor markets have been impacted by the COVID-19 pandemic in the first half year of 2020. The market demand on Chinese liquor was greatly affected by the lockdown in the PRC due to the COVID-19 pandemic with measures including the temporary closure of restaurants and movement restriction of the people. However, as the situation of the COVID-19 pandemic has become more stable and under control in the PRC, the management is of the view that the Chinese liquor demand will gradually pick up. The management will be vigilant and continue to closely monitor the development of COVID-19.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S\$6.5 million or 61.3% from approximately S\$10.6 million for the nine months ended 30 September 2019 to approximately S\$17.1 million for the nine months ended 30 September 2020. The Group's certain customers have held back their sales orders in the prior period due to the geopolitical trade tension, resulting in a drop in the purchase orders for the injection molded plastic parts placed to the Group in the prior period. Those customers started to build their inventory as a contingency against supply chain disruption in the current period and therefore the Group's revenue from the sales of the injection molded plastic parts rose back to a normal level in the current period. In addition, there was revenue from the new business activity of the development, manufacturing and installation of amusement machines and equipment in the PRC of approximately S\$2.3 million and revenue from the new China liquor business of approximately S\$0.4 million contributing to the increase in the Group's revenue for the nine months ended 30 September 2020.

Cost of sales

The Group's cost of sales increased by approximately S\$3.0 million or 30.0% from approximately S\$10.0 million for the nine months ended 30 September 2019 to approximately S\$13.0 million for the nine months ended 30 September 2020. The increase was in line with increase in revenue.

Gross profit and gross profit margin

The Group's overall gross profit increased by approximately S\$3.4 million or 485.7% from approximately S\$0.7 million for the nine months ended 30 September 2019 to of approximately S\$4.1 million for the nine months ended 30 September 2020. The Group's overall gross profit margin has increased from approximately 6.5% for the nine months ended 30 September 2019 to gross profit margin of approximately 24.0% for the nine months ended 30 September 2020. Such increase was mainly due to the higher sales volume of products and change in product mix.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

The Group's administrative expenses increased by approximately S\$1.1 million or 50.0% from approximately S\$2.2 million for the nine months ended 30 September 2019 to approximately S\$3.3 million for the nine months ended 30 September 2020.

Our administrative expenses mainly comprise salaries and benefits paid to our staff in the administrative function, directors' remuneration, rental and utilities expenses, legal and professional fees, travelling and transportation expenses, depreciation expenses, amortisation expenses, insurance expenses, research and development expenses and other expense items such as repair and maintenance fees, entertainment fees, telephone and bank charges.

Such increase was primarily due to the salaries and benefit paid to our staff for the new business activities in Chinese liquor trading business and the development, manufacturing and installation of amusement machines and equipment in the PRC.

Finance costs

The Group's finance costs remained relatively stable at approximately S\$0.2 million for both the nine month ended 30 September 2019 and 2020.

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 2020, 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:

(i) Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/Interested ⁽¹⁾	Percentage of shareholding
Mr. Phua Swee Hoe ("Mr. Phua")	Interest in controlled corporation ⁽²⁾ / Interest of spouse ⁽³⁾	204,000,000 (L)	44.35%
Ms. Ng Hong Kiew ("Ms. Ng")	Interest of spouse ⁽³⁾	204,000,000 (L)	44.35%
Ms. Wu Haiyan ("Ms. Wu")	Beneficial owner	52,694,000 (L)	11.46%

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 204,000,000 shares of the Company held by Team One Global Limited by virtue of the SFO.
3. Mr. Phua and Ms. Ng are spouses. Therefore, Ms. Ng is deemed to be interested in shares of the Company held by Mr. Phua, pursuant to the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Interest in Associated Corporation

Name of director	Name of associated corporation	Directly beneficially owned	No. of shares held	% of the issued voting shares of associated corporation
Ms. Wu ⁽¹⁾	深圳御鑒酒業有限公司(“御鑒酒業”)	49% of the issued share capital of 御鑒酒業	—	49

Note:

1. 御鑒酒業, a company established in the PRC, is 51% owned by 深圳酷貴酒業有限公司, an indirect wholly owned subsidiary of the Company.

As at 30 September 2020, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of 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 2020, 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:

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⁾	204,000,000 (L)	44.35%
Ms. Shi Hui Ling	Beneficial owner	30,000,000 (L)	6.52%

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 204,000,000 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 2020.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 19 December 2017 (the "**Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The principal terms of the Share Option Scheme are summarised as follows:

1. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.
2. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, including, where required under the GEM Listing Rules, the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of the Group.
3. The limit on the total number of Shares which may be issued upon exercise of all options under the Share Option Scheme and any other share option schemes which may be adopted by the Group from time to time pursuant to which options to subscribe for Shares may be granted must not, in aggregate, exceed 10% of the Shares in issue as at the date of the listing of the Shares of the Stock Exchange, i.e. 19 January 2018 (which shall be 40,000,000 Shares) unless Shareholders' approval has been obtained, and which must not exceed 10% of the Shares in issue from time to time.

CORPORATE GOVERNANCE AND OTHER INFORMATION

4. The total number of Shares issued and to be issued upon the exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of our Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his/her close associates abstaining from voting.
5. The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to each participant and shall be at least the higher of: (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; or (iii) the nominal value of the Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent; and for the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before Listing.
6. (i) No offer for the grant of options may be made after any inside information has come to the knowledge of the Group until such inside information has been announced pursuant to the requirements of the GEM Listing Rules and the SFO. No option may be granted during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (such date to first be notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for our Company to publish an announcement of the results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules).

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published and:
 - (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
- 7. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.
- 8. The Share Option Scheme will remain in force for a period of ten years commencing on its adoption date, i.e. 19 December 2017 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

No share option was granted during the nine months ended 30 September 2020 and there was no share option outstanding as at 30 September 2020.

COMPETING BUSINESS AND CONFLICT OF INTERESTS

As at the date of this report, none of the Directors and controlling shareholders of the Company 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 THE 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 practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**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 Code for the nine months ended 30 September 2020.

Paragraph A.2.1 of the 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 the Company and its 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 nine months ended 30 September 2020, and no incident of non-compliance during the nine months ended 30 September 2020.

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 three independent non-executive Directors being Mr. Kwa Teow Huat, Mr. Tan Yew Bock and Mr. Au Chi Fung. Mr. Kwa Teow Huat 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 unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2020 have not been reviewed or audited by the Company’s independent auditors. However, the Audit Committee has discussed and reviewed the unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2020, 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 have been made.

On behalf of the Board
IAG Holdings Limited
Phua Swee Hoe

Chairman and Executive Director

Singapore, 12 November 2020

As at the date of this report, the executive Directors are Mr. Phua Swee Hoe, Ms. Ng Hong Kiew and Ms. Wu Haiyan; the non-executive Director is Mr. Tay Koon Chuan; and the independent non-executive Directors are Mr. Tan Yew Bock, Mr. Kwa Teow Huat, Mr. Au Chi Fung and Ms. Huang Jiawen.

This report will remain on the Stock Exchange’s website at 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.