



IAG Holdings Limited **官酝控股有限公司**

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

2021

THIRD QUARTERLY REPORT

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.

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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\$15.1 million for the nine months ended 30 September 2021, representing a decrease of approximately S\$2.0 million or 11.7% as compared with the revenue of approximately S\$17.1 million for the nine months ended 30 September 2020.
- The unaudited profit of the Group was approximately S\$0.3 million for the nine months ended 30 September 2021 as compared to the profit of approximately S\$0.8 million for the nine months ended 30 September 2020.
- Basic and diluted earnings per share were 0.09 and 0.08 Singapore cents respectively for the nine months ended 30 September 2021 compared to basic and diluted earnings per share of 0.16 and 0.15 Singapore cents respectively for the nine months ended 30 September 2020.
- No dividend is recommended by the Board for the nine months ended 30 September 2021.

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 2021, together with the unaudited comparative figures for the corresponding period in 2020 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2021

		Nine months ended 30 September	
	Notes	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Revenue	4	15,120	17,140
Cost of sales	6	(11,754)	(13,035)
Gross profit		3,366	4,105
Other income	5	91	866
Other (losses)/gains — net		(20)	18
Selling and distribution expenses	6	(369)	(313)
Administrative expenses	6	(2,502)	(3,275)
Operating profit		566	1,401
Finance costs	7	(187)	(233)
Profit before tax		379	1,168
Income tax expense	8	(125)	(386)
Profit for the period		254	782

		Nine months ended	
		30 September	
		2021	2020
		S\$'000	S\$'000
Notes		(Unaudited)	(Unaudited)
Other comprehensive income:			
<i>Item that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		88	51
Total comprehensive income		342	833
Profit/(loss) attributable to:			
Equity holders of the Company		404	731
Non-controlling interests		(150)	51
		254	782
Total comprehensive income attributable to:			
Equity holders of the Company		482	782
Non-controlling interests		(140)	51
		342	833
Earnings per share for profit attributable to equity holders of the Company (expressed in S cents)			
— Basic	9	0.09	0.16
— Diluted	9	0.08	0.15

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Attributable to equity holders of the Company						Non-controlling		Total
	Share capital	Share premium	Capital reserve	Other reserve	Currency translation reserve	Accumulated losses	Total	interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2020 (unaudited)									
At 1 January 2020	689	8,885	3,118	—	1	(4,697)	7,996	21	8,017
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	—	—	—	—	51	—	51	—	51
	—	—	—	—	51	731	782	51	833
Balance as at 30 September 2020	<u>794</u>	<u>15,231</u>	<u>3,118</u>	<u>2,150</u>	<u>52</u>	<u>(3,966)</u>	<u>17,379</u>	<u>688</u>	<u>18,067</u>
2021 (unaudited)									
At 1 January 2021	793	15,127	3,118	1,904	144	(3,913)	17,173	507	17,680
Total comprehensive income for the period:									
Profit for the period	—	—	—	—	—	404	404	(150)	254
Other comprehensive income for the period	—	—	—	—	78	—	78	10	88
	—	—	—	—	78	404	482	(140)	342
Balance as at 30 September 2021	<u>793</u>	<u>15,129</u>	<u>3,118</u>	<u>1,904</u>	<u>222</u>	<u>(3,509)</u>	<u>17,655</u>	<u>367</u>	<u>18,022</u>



NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

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 manufacturing and sales of injection molded plastic parts for disposable medical devices and the provision of tooling services in Singapore; ii) Chinese liquor trading; and iii) development, manufacturing, sales and installation of amusement machines and equipment in the People's Republic of China ("**PRC**").

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the nine months ended 30 September 2021 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The accounting policies and methods of computation used in the interim condensed consolidated financial statements for the nine months ended 30 September 2021 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020.

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 2021

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 2021 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, 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 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2
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NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

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	
	2021	2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Sale of goods	14,870	16,652
Rendering of tooling services	250	488
	<u>15,120</u>	<u>17,140</u>
Timing of revenue recognition		
— At a point in time	9,781	9,698
— Over time	5,339	7,442
	<u>15,120</u>	<u>17,140</u>

5. OTHER INCOME

	Nine months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Government grants	43	626
Sales of scrap material	29	240
Others	19	—
	<u>91</u>	<u>866</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

6. EXPENSES BY NATURE

	Nine months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Costs of inventories sold	6,028	7,838
Employee benefit expenses	4,350	4,281
Depreciation of property, plant and equipment	413	398
Depreciation of right-of-use assets	1,374	1,208
Amortisation of intangible assets	68	152
Expense relating to short-term leases (included in cost of sales and administrative expenses)	39	123
Entertainment	4	8
Repair and maintenance of property, plant and equipment	410	371
Insurance	61	71
Travelling expenses	29	41
Printing and stationery	24	20
Telephone charges	24	26
Utilities	812	741
Advertisement	50	37
Legal and professional fees	230	683
Auditor's remuneration	204	196
Postage and courier service	6	4
Bank charges	10	20
Research and development expenses	325	271
Others	164	134
	14,625	16,623
Represented by:		
Cost of sales	11,754	13,035
Selling and distribution expenses	369	313
Administrative expenses	2,502	3,275
	14,625	16,623

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

7. FINANCE COSTS

	Nine months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Lease liabilities	132	170
— Hire purchase loan	3	3
— Bank borrowings	29	35
— Trust receipts	23	25
	<u>187</u>	<u>233</u>

8. INCOME TAX EXPENSES

	Nine months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax expense	134	432
Over provision in prior years	(9)	—
Deferred income tax credit	—	(46)
	<u>125</u>	<u>386</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

8. INCOME TAX EXPENSES (CONTINUED)

(i) Singapore corporate tax

Singapore corporate tax has been provided at the rate of 17% for the nine months ended 30 September 2021 (2020: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

(ii) Cayman Islands profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (now known as the Companies Act (2021 Revision)) of the Cayman Islands and is exempted from the Cayman Islands income tax.

(iii) British Virgin Islands profits tax

The Company's subsidiary in the British Virgin Islands ("BVI") is exempted from BVI income tax, as it was 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.

(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% for the nine months ended 30 September 2021 (2020: 16.5%).

(v) PRC corporate income tax ("CIT")

One of the Group's PRC subsidiaries was approved as high and new technology enterprises pursuant to which the PRC subsidiary can enjoy a preferential CIT rate of 15% effective from 2020 to 2022. The income tax rate of the Group's remaining entities within the Group incorporated in the PRC is 25% for the nine months ended 30 September 2021 (2020: 25%).

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

8. INCOME TAX EXPENSES (CONTINUED)

(vi) PRC withholding income tax

According to the CIT Law, a 10% withholding tax will be levied on the immediate holding companies established out of the PRC, in respect of earnings generated after 31 December 2007.

A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies. During the period, no withholding tax has been provided as the Directors have confirmed that the Group does not expect the PRC subsidiaries to distribute the retained earnings as at 30 September 2021 in the foreseeable future.

9. EARNINGS PER SHARE

	Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to equity holders of the Company (<i>S\$'000</i>)	<u>403</u>	<u>731</u>
Weighted average number of ordinary shares in issue (Basic) (<i>thousands</i>)	<u>460,000</u>	<u>446,423</u>
Weighted average number of ordinary shares in issue (Diluted) (<i>thousands</i>)	<u>480,000</u>	<u>479,416</u>
Basic earnings per share (<i>S cents</i>)	<u>0.09</u>	<u>0.16</u>
Diluted earnings per share (<i>S cents</i>)	<u>0.08</u>	<u>0.15</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2021

9. EARNINGS PER SHARE (CONTINUED)

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding, adjusted for contingently issuable shares of which all necessary conditions under the performance target (as detailed in the Group's annual financial statements for the year ended 31 December 2020) for the year ended 31 December 2020 are satisfied, during the period.

10. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2021.

11. MATERIAL ACQUISITION AND DISPOSAL

The Group has no material acquisition or disposal of subsidiaries during the nine months ended 30 September 2021.

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) development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

For the nine months ended 30 September 2021, the Group recorded a net profit of approximately S\$0.3 million as compared to net profit of approximately S\$0.8 million for the nine months ended 30 September 2020. The directors of the Company (the “**Directors**”) are of the view that the decrease in the Group’s net profit was mainly due to the decrease in revenue from the development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

During the nine months ended 30 September 2021, there was no revenue generated from the trading of Chinese liquor business.

OUTLOOK

The global economic continues to recover as international trade picks up and world economies gradually re-open. However, recovery and normalisation of the global economy are affected by the headwinds from persistent Covid-19 pandemic waves due to the new Delta variant, volatility of raw material prices, rising logistic costs and heightened financial market volatility. These challenges have resulted in our Group’s customers delaying their new products launches and reducing their inventory level. As an on-going effort, our management will continue to explore and seize new business opportunities to further build the Group’s portfolio.

The Group believes that the diversification of its business segments can promote sustainable growth of the Group. The Group will also continue to strategise, adapt and navigate through the challenging business environment. The Group will continue to take timely and appropriate actions in order to minimise operating risks and maximise its resources so as to ensure that its core businesses remain resilient.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately S\$2.0 million or 11.7% from approximately S\$17.1 million for the nine months ended 30 September 2020 to approximately S\$15.1 million for the nine months ended 30 September 2021. The decrease in revenue was mainly attributable to the decrease in revenue from the development, manufacturing, sales and installation of amusement machines and equipment in the PRC for approximately S\$1.9 million.

Cost of sales

The Group's cost of sales decreased by approximately S\$1.2 million or 9.2% from approximately S\$13.0 million for the nine months ended 30 September 2020 to approximately S\$11.8 million for the nine months ended 30 September 2021. The decrease was in line with decrease in revenue.

Gross profit and gross profit margin

The Group's overall gross profit decreased by approximately S\$0.7 million or 17.1% from approximately S\$4.1 million for the nine months ended 30 September 2020 to of approximately S\$3.4 million for the nine months ended 30 September 2021. The Group's overall gross profit margin has decreased from approximately 24.0% for the nine months ended 30 September 2020 to gross profit margin of approximately 22.5% for the nine months ended 30 September 2021. Such decrease was mainly due to the lower sales volume from the development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

Administrative expenses

The Group's administrative expenses decreased by approximately S\$0.8 million or 24.2% from approximately S\$3.3 million for the nine months ended 30 September 2020 to approximately S\$2.5 million for the nine months ended 30 September 2021.

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 decrease was primarily due to the decrease in the legal and professional fees as well as salaries and benefit paid to our staff in Chinese liquor trading business in the PRC.

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 2021, 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 2021, 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 2021, 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 2021.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 19 December 2017 (the "**Scheme**"). Under the terms of the Scheme, the Board of the Company may, at its discretion, grant options to eligible participants to subscribe for shares in the Company. The Scheme will remain in force for 10 years from its adoption date, i.e., 19 December 2017, unless otherwise cancelled or amended. The Company had 40,000,000 share options available for issue under the Scheme, which represented approximately 8.7% of the issued shares of the Company as at 30 September 2021.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at the date of listing of the shares on GEM of the Stock Exchange. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. An option may be exercised under the Scheme at any time during a period not exceeding 10 years after the date when the option is granted and will expire on the last date of such period. The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share option was granted during the nine months ended 30 September 2021 and there was no share option outstanding as at 30 September 2021.

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 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 2021.

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 2021, and no incident of non-compliance during the nine months ended 30 September 2021.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2021 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 2021, 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, 15 November 2021

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.