

IAG Holdings Limited 官酝控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8513



THIRD QUARTERLY REPORT

2022

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\$11.8 million for the nine months ended 30 September 2022, representing a decrease of approximately S\$3.3 million or 21.9% as compared with the revenue of approximately S\$15.1 million for the nine months ended 30 September 2021.
- The unaudited loss of the Group was approximately S\$1.0 million for the nine months ended 30 September 2022 as compared with the profit of approximately S\$0.3 million for the nine months ended 30 September 2021.
- Basic and diluted loss per share was 0.18 Singapore cents for the nine months ended 30 September 2022 compared to basic and diluted earnings per share of 0.09 and 0.08 Singapore cents respectively for the nine months ended 30 September 2021.
- No dividend is recommended by the board of directors (the “**Board**”) for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).



UNAUDITED THIRD QUARTERLY RESULTS

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 2022, together with the unaudited comparative figures for the corresponding period in 2021 as set out below:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

	Notes	Nine months ended 30 September	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue	4	11,825	15,120
Cost of sales	6	(10,523)	(11,754)
Gross profit		1,302	3,366
Other income	5	107	91
Other gains/(losses) — net		163	(20)
Impairment loss on trade receivables		(203)	—
Selling and distribution expenses	6	(291)	(369)
Administrative expenses	6	(1,933)	(2,502)
Operating (loss)/profit		(855)	566
Finance costs	7	(110)	(187)
(Loss)/profit before tax		(965)	379
Income tax expense	8	(21)	(125)
(Loss)/profit for the period		(986)	254

		Nine months ended 30 September	
		2022	2021
Notes		S\$'000	S\$'000
		(Unaudited)	(Unaudited)
Other comprehensive income:			
<i>Item that may be reclassified to profit or loss</i>			
	Exchange differences on translation of foreign operations	(160)	88
Total comprehensive income		(160)	342
(Loss)/profit attributable to:			
	Equity holders of the Company	(933)	404
	Non-controlling interests	(53)	(150)
		(986)	254
Total comprehensive income attributable to:			
	Equity holders of the Company	(1,059)	482
	Non-controlling interests	(87)	(140)
		(1,146)	342
(Loss)/earnings per share attributable to equity holders of the Company			
	— Basic	(0.18)	0.09
	— Diluted	(0.18)	0.08

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	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
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>
2022 (unaudited)									
At 1 January 2022	822	16,830	3,118	172	123	(10,965)	10,100	649	10,749
Total comprehensive income for the period:									
Loss for the period	—	—	—	—	—	(933)	(933)	(53)	(986)
Other comprehensive income for the period	—	—	—	—	(126)	—	(126)	(34)	(160)
Transaction with owner recognised directly in equity									
Issuance of shares by share offer	162	1,460	—	—	—	—	1,622	—	1,622
	162	1,460	—	—	(126)	(933)	563	(87)	476
Balance as at 30 September 2022	<u>984</u>	<u>18,290</u>	<u>3,118</u>	<u>172</u>	<u>(3)</u>	<u>(11,898)</u>	<u>10,663</u>	<u>562</u>	<u>11,225</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

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; and ii) the 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 2022 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 2022 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021.

The interim 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 2022

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 2022 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, 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 2022:

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

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	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Sale of goods	11,601	14,870
Rendering of tooling services	224	250
	<u>11,825</u>	<u>15,120</u>
Timing of revenue recognition		
— At a point in time	7,922	9,781
— Over time	3,903	5,339
	<u>11,825</u>	<u>15,120</u>

5. OTHER INCOME

	Nine months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Government grants	47	43
Sales of scrap material	55	29
Others	5	19
	<u>107</u>	<u>91</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

6. EXPENSES BY NATURE

	Nine months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Costs of inventories sold	5,266	6,028
Employee benefit expenses	3,655	4,350
Depreciation of property, plant and equipment	336	413
Depreciation of right-of-use assets	1,152	1,374
Amortisation of intangible assets	4	68
Expense relating to short-term leases (included in cost of sales and administrative expenses)	107	39
Impairment loss on trade receivables	203	—
Entertainment	4	4
Repair and maintenance of property, plant and equipment	330	410
Insurance	84	61
Travelling expenses	43	29
Printing and stationery	17	24
Telephone charges	22	24
Utilities	885	812
Advertisement	6	50
Legal and professional fees	261	230
Auditor's remuneration	206	204
Postage and courier service	4	6
Bank charges	6	10
Research and development expenses	209	325
Others	150	164
	12,950	14,625
Represented by:		
Cost of sales	10,523	11,754
Impairment loss on trade receivables	203	—
Selling and distribution expenses	291	369
Administrative expenses	1,933	2,502
	12,950	14,625

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

7. FINANCE COSTS

	Nine months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Lease liabilities	98	132
— Borrowings:		
Hire purchase loans	3	3
Bank borrowings	7	29
Trust receipt loans	2	23
	<u>110</u>	<u>187</u>

8. INCOME TAX EXPENSES

	Nine months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax expense	—	134
Under/(over) provision in prior years	<u>21</u>	<u>(9)</u>
Total income tax expense	<u>21</u>	<u>125</u>

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

8. INCOME TAX EXPENSES (CONTINUED)

(i) Singapore corporate tax

Singapore corporate tax has been provided at the rate of 17% (2021: 17%) for the nine months ended 30 September 2022 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% (2021: 16.5%) for the nine months ended 30 September 2022.

(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% (2021: 25%) for the nine months ended 30 September 2022.

NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

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 2022 in the foreseeable future (2021: Nil).

9. (LOSS)/EARNINGS PER SHARE

	Nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (<i>S\$'000</i>)	<u><u>(933)</u></u>	<u><u>403</u></u>
Weighted average number of ordinary shares in issue (Basic) (<i>thousands</i>)	<u><u>512,430</u></u>	<u><u>460,000</u></u>
Weighted average number of ordinary shares in issue (Diluted) (<i>thousands</i>)	<u><u>512,430</u></u>	<u><u>480,000</u></u>
Basic (loss)/earnings per share (<i>S cents</i>)	<u><u>(0.18)</u></u>	<u><u>0.09</u></u>
Diluted (loss)/earnings per share (<i>S cents</i>)	<u><u>(0.18)</u></u>	<u><u>0.08</u></u>



NOTES TO THIRD QUARTERLY FINANCIAL INFORMATION

For the nine months ended 30 September 2022

9. (LOSS)/EARNINGS PER SHARE (CONTINUED)

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

Diluted (loss)/earnings per share is calculated by dividing the (loss)/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) 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 2022 (nine months ended 30 September 2021: Nil).

11. MATERIAL ACQUISITION AND DISPOSAL

The Group has no material acquisition or disposal of subsidiaries during the nine months ended 30 September 2022.

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

For the nine months ended 30 September 2022, the Group recorded revenue of approximately S\$11.8 million, a decrease of S\$3.3 million or 21.9% as compared with approximately S\$15.1 million for the same period last year. The Group recorded a net loss of approximately S\$1.0 million for the nine months ended 30 September 2022 as compared to net profit of approximately S\$0.3 million for the nine months ended 30 September 2021. The decrease in profit was mainly due to the decrease in sales order for injection molded plastic parts for disposable medical devices.

OUTLOOK

The Group continues to see economic headwinds with the threat of global recession fanned by inflationary pressures. The on-going geo-political tensions has further created market instability and exacerbated the supply demand imbalances with the resultant dampened global economic outlook for the near term. 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\$3.3 million or 21.9% from approximately S\$15.1 million for the nine months ended 30 September 2021 to approximately S\$11.8 million for the nine months ended 30 September 2022. The decrease in revenue was mainly attributable to the decrease in sales order for injection molded plastic parts for disposable medical devices.

Cost of sales

The Group's cost of sales decreased by approximately S\$1.3 million or 11.0% from approximately S\$11.8 million for the nine months ended 30 September 2021 to approximately S\$10.5 million for the nine months ended 30 September 2022. 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\$2.1 million or 61.8% from approximately S\$3.4 million for the nine months ended 30 September 2021 to of approximately S\$1.3 million for the nine months ended 30 September 2022. The Group's overall gross profit margin decreased from approximately 22.5% for the nine months ended 30 September 2021 to gross profit margin of approximately 11.0% for the nine months ended 30 September 2022. Such decrease was mainly due to the change in sales mix.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

The Group's administrative expenses decreased by approximately S\$0.6 million or 24.0% from approximately S\$2.5 million for the nine months ended 30 September 2021 to approximately S\$1.9 million for the nine months ended 30 September 2022.

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 research and development expenses, salaries and benefit paid for office staffs and absence of administrative expenses by our Chinese liquor trading business which was disposed in December 2021.

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 2022, 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 ⁽¹⁾	Percentage of shareholding
Mr. Phua Swee Hoe ("Mr. Phua")	Beneficial owner/ Interest in controlled corporation ⁽²⁾	167,232,000 (L)	29.42%
Ms. Wu Haiyan ("Ms. Wu")	Beneficial owner	52,694,000 (L)	9.27%

Notes:

1. The letter "L" denotes the person's long position in the relevant shares of the Company.
2. Mr. Phua directly beneficially owned 33,832,000 shares of the Company. In addition, 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 Hong Kiew, respectively. Accordingly, Mr. Phua is deemed to be collectively interested in 133,400,000 shares of the Company held by Team One Global Limited by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

As at 30 September 2022, 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 as is known to the Directors, as at 30 September 2022, 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 shareholding
Ms. Ng Hong Kiew ("Ms. Ng")	Interest of spouse ⁽²⁾	167,232,000 (L)	29.42%
Team One Global Limited	Beneficial owner ⁽²⁾	133,400,000 (L)	23.47%
Mr. XIE Jianlong	Beneficial owner	61,612,000 (L)	10.84%
Ms. WENG Yulin	Beneficial owner	30,500,000 (L)	5.37%
Ms. Shi Hui Ling	Beneficial owner	30,000,000 (L)	5.28%

Notes:

- The letter "L" denotes the person's long position in the relevant shares of the Company.
- 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.
- All the issued shares of Team One Global Limited are legally and beneficially owned as to 87.9% and 12.1% by Mr. Phua and Ms. Ng, respectively. Accordingly, Mr. Phua is deemed to be interested in 133,400,000 shares of the Company held by Team One Global Limited by virtue of the SFO.

Save as disclosed above, as at 30 September 2022, 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 2022.

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 7.0% of the issued shares of the Company as at 30 September 2022.

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 2022 and there was no share option outstanding as at 30 September 2022.

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 C.2.1, the Company had complied with the code provisions in the Code for the nine months ended 30 September 2022.

Paragraph C.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 2022, and no incident of non-compliance during the nine months ended 30 September 2022.

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 Dr. Cheung Ka Yue, Mr. Tan Yew Bock and Mr. Liang Qianyan. Dr. Cheung Ka Yue 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 2022 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 2022, 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, 14 November 2022

As at the date of this report, the executive Directors are Mr. Phua Swee Hoe, Mr. Li Chun Fung and Ms. Wu Haiyan; the non-executive Director is Mr. Tay Koon Chuan; and the independent non-executive Directors are Mr. Tan Yew Bock, Dr. Cheung Ka Yue and Mr. Liang Qianyuan.

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