# IAG HOLDINGS LIMITED
# 官酝控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8513)**

## ANNUAL RESULTS ANNOUNCEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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



*This announcement, 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 announcement 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 announcement misleading.*

*The original announcement is prepared in the English language. This announcement 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.*

## ANNUAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2021, together with the comparative figures as set out below:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2021*

| | Notes | 2021<br>S$'000 | 2020<br>S$'000<br>(Represented) |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 3 | **19,773** | 23,205 |
| Cost of sales | 6 | **(15,804)** | (18,155) |
| **Gross profit** | | **3,969** | 5,050 |
| Other income | 4 | **158** | 1,122 |
| Other gains — net | 5 | **15** | 50 |
| Impairment losses on non-financial assets | 6 | **(7,637)** | – |
| Impairment loss on trade receivables | 11 | **(11)** | – |
| Selling and distribution expenses | 6 | **(456)** | (410) |
| Administrative expenses | 6 | **(3,176)** | (3,819) |
| **Operating (loss)/profit** | | **(7,138)** | 1,993 |
| Finance costs | 7 | **(241)** | (310) |
| **(Loss)/profit before income tax** | | **(7,379)** | 1,683 |
| Income tax expense | 8 | **(161)** | (380) |
| **(Loss)/profit for the year from continuing operations** | | **(7,540)** | 1,303 |
| **Discontinued operation** | | | |
| Profit/(loss) for the year from a discontinued operation | 16 | **359** | (566) |
| **(Loss)/profit for the year** | | **(7,181)** | 737 |

| | Notes | 2021<br>*S$'000* | 2020<br>*S$'000*<br>(Represented) |
|---|---|---|---|
| Other comprehensive income: | | | |
| Items that may be reclassified to profit or loss: | | | |
| Release of exchange reserve upon disposal of a discontinued operation | | **(37)** | – |
| Exchange differences on translation of foreign operations | | **19** | 143 |
| **Other comprehensive income for the year** | | **(18)** | 143 |
| **Total comprehensive income for the year** | | **(7,199)** | 880 |
| **(Loss)/profit attributable to:** | | | |
| Equity holders of the Company | | **(7,052)** | 784 |
| Non-controlling interests | | **(129)** | (47) |
| | | **(7,181)** | 737 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Company | | **(7,073)** | 927 |
| Non-controlling interests | | **(126)** | (47) |
| | | **(7,199)** | 880 |
| | | **S cents** | S cents |
| **(Loss)/earnings per share attributable to equity holders of the Company from continuing and discontinued operations** | *9* | | |
| — Basic | | **(1.52)** | 0.17 |
| — Diluted | | **(1.52)** | 0.16 |
| **From continuing operations** | *9* | | |
| — Basic | | **(1.63)** | 0.26 |
| — Diluted | | **(1.63)** | 0.25 |
| **From discontinued operation** | *9* | | |
| — Basic | | **0.11** | (0.09) |
| — Diluted | | **0.11** | (0.09) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2021*

| | Notes | 2021<br>S$'000 | 2020<br>S$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,323** | 1,626 |
| Right-of-use assets | | **2,607** | 3,392 |
| Goodwill | *10* | **–** | 6,845 |
| Intangible assets | *10* | **33** | 796 |
| Investment in a key management insurance contract | | **996** | 953 |
| | | **4,959** | 13,612 |
| **Current assets** | | | |
| Inventories | | **3,677** | 4,064 |
| Trade and other receivables | *11* | **6,594** | 9,649 |
| Contract assets | *3* | **1,601** | 457 |
| Cash and cash equivalents | | **4,078** | 4,377 |
| | | **15,950** | 18,547 |
| **Total assets** | | **20,909** | 32,159 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserve attributable to equity holders of the Company** | | | |
| Share capital | *12* | **822** | 793 |
| Share premium | *12* | **16,830** | 15,127 |
| Capital reserve | | **3,118** | 3,118 |
| Other reserve | | **172** | 1,904 |
| Currency translation reserve | | **123** | 144 |
| Accumulated losses | | **(10,965)** | (3,913) |
| | | **10,100** | 17,173 |
| Non-controlling interests | | **649** | 507 |
| **Total equity** | | **10,749** | 17,680 |

| | Notes | **2021** | 2020 |
|---|---|---|---|
| | | ***S$'000*** | *S$'000* |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | | **25** | 879 |
| Lease liabilities | | **1,319** | 1,951 |
| Provision | | **1,427** | 1,427 |
| Deferred income tax liabilities | | **139** | 131 |
| | | **2,910** | 4,388 |
| **Current liabilities** | | | |
| Trade and other payables | *13* | **3,108** | 4,274 |
| Borrowings | | **457** | 642 |
| Lease liabilities | | **1,723** | 1,641 |
| Contract liabilities | *3* | **1,699** | 3,251 |
| Current income tax liabilities | | **263** | 283 |
| | | **7,250** | 10,091 |
| **Total liabilities** | | **10,160** | 14,479 |
| **Total equity and liabilities** | | **20,909** | 32,159 |

## NOTES

### 1. GENERAL 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 consolidated and revised, now known as the Companies Act (2021 Revision)) of the Cayman Islands. The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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; and (ii) development, manufacturing, sales and installation of amusement machines and equipment in the People's Republic of China ("**PRC**").

During the year, the Company disposed of Honour Goal International Limited and its subsidiaries that are principally engaged in the business of trading of Chinese liquor in the PRC which constituted a discontinued operation of the Group as detailed in Note 16.

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the rules governing the listing of securities on GEM. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of 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.

##### *(a) New and amended standards adopted by the Group*

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 |
| Amendment to IFRS 16 | COVID-19-Related Rent Concessions |

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

*(b)* ***New standards and interpretations not yet adopted***

Certain new accounting standards, amendments to existing standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on 1 January 2022 and have not been early adopted by the Group:

| **Standards** | **Subject of amendment** | **Effective for accounting period beginning on or after** |
|---|---|---|
| Amendments to IFRS 3 | Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to IFRS 10 and IAS 28 (2011) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | No mandatory effective date |
| Amendment to IFRS 16 | COVID-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| IFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to IFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to IAS 8 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to IAS 16 | Property, Plant and Equipment: Proceeds before Intended Use | 1 January 2022 |
| Amendments to IAS 37 | Onerous Contracts — Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to IFRSs 2018–2020 | Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 | 1 January 2022 |

*(c)* ***Re-presentation due to discontinued operation***

The presentation of comparative information in respect of the consolidated statement of comprehensive income for the year ended 31 December 2020 has been re-presented in order to disclose the discontinued operation separately from continuing operations.

As the re-presentation does not affect the consolidated statement of financial position, it is not necessary to disclose comparative information as at 1 January 2021.

## 3. REVENUE AND SEGMENT INFORMATION

The chief operating decision maker ("**CODM**") has been identified as the executive directors of the Group. The CODM monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment results which in certain respects, set out below, are presented differently from operating profit or loss in the consolidated financial statements of the Group. The Group's reportable operating segments are as follows:

Continuing operations:

— Component parts;

— Sub-assembly parts; and

— Amusement machines and equipment;

Discontinued operation:

— Chinese liquor

During the year ended 31 December 2021, the Group has completed the disposal of the business of Chinese liquor and further disclosed in Note 16. In accordance with IFRS 5, the segment of Chinese liquor for the years ended 31 December 2021 and 2020 were presented as discontinued operation in the Group's consolidated financial statements.

### (a) Segment results

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly depreciation and amortisation, selling and distribution expenses, administrative expenses, finance costs, other income and income tax expense.

Segment breakdown for the year ended 31 December 2021:

| | Continuing operations | | | | Discontinued operation | |
|---|---|---|---|---|---|---|
| | Component parts | Sub-assembly parts | Amusement machines and equipment | Sub-total | Chinese liquor | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Revenue from external customers** | | | | | | |
| Recognised at a point in time | **10,426** | **1,650** | **1,587** | **13,663** | **–** | **13,663** |
| Recognised over time | **4,955** | **1,155** | **–** | **6,110** | **–** | **6,110** |
| **Segment revenue** | **15,381** | **2,805** | **1,587** | **19,773** | **–** | **19,773** |
| **Segment results** | **3,967** | **(433)** | **(7,213)** | **(3,679)** | **–** | **(3,679)** |
| Unallocated expenses: | | | | | | |
| Depreciation of property, plant and equipment | | | | | | **(71)** |
| Depreciation of right-of-use assets | | | | | | **(199)** |
| Amortisation of intangible assets | | | | | | **(100)** |
| Finance costs | | | | | | **(241)** |
| Others | | | | | | **(3,397)** |
| Loss before income tax | | | | **(7,379)** | **(308)** | **(7,687)** |
| Income tax expense | | | | **(161)** | **–** | **(161)** |
| Gain on disposal of a discontinued operation | | | | **–** | **667** | **667** |
| (Loss)/profit for the year | | | | **(7,540)** | **359** | **(7,181)** |
| **Other segment items:** | | | | | | |
| Depreciation of property, plant and equipment | **274** | **187** | **4** | **465** | **–** | **465** |
| Depreciation of right-of-use assets | **966** | **581** | **123** | **1,670** | **–** | **1,670** |
| Impairment losses on non-financial assets | **–** | **–** | **7,637** | **7,637** | **–** | **7,637** |
| Impairment loss on trade receivables | **–** | **–** | **11** | **11** | **–** | **11** |

Segment breakdown for the year ended 31 December 2020:

| | Continuing operations | | | | Discontinued operation | |
|---|---|---|---|---|---|---|
| | Component parts S$'000 | Sub-assembly parts S$'000 | Amusement machines and equipment S$'000 | Sub-total S$'000 | Chinese liquor S$'000 | Total S$'000 |
| **Revenue from external customers** | | | | | | |
| Recognised at a point in time | 8,389 | 1,323 | 4,118 | 13,830 | 577 | 14,407 |
| Recognised over time | 2,822 | 6,553 | – | 9,375 | – | 9,375 |
| **Segment revenue** | 11,211 | 7,876 | 4,118 | 23,205 | 577 | 23,782 |
| **Segment results** | 2,017 | 1,943 | 1,090 | 5,050 | 181 | 5,231 |
| Unallocated expenses: | | | | | | |
| Depreciation of property, plant and equipment | | | | | | (79) |
| Depreciation of right-of-use assets | | | | | | (175) |
| Amortisation of intangible assets | | | | | | (96) |
| Finance costs | | | | | | (310) |
| Others | | | | | | (3,454) |
| Profit/(loss) before income tax | | | | 1,683 | (566) | 1,117 |
| Income tax expense | | | | (380) | – | (380) |
| Profit/(loss) for the year | | | | 1,303 | (566) | 737 |
| **Other segment items:** | | | | | | |
| Depreciation of property, plant and equipment | 270 | 186 | – | 456 | – | 456 |
| Depreciation of right-of-use assets | 937 | 559 | 120 | 1,616 | – | 1,616 |

**(b) Segment assets and liabilities**

The CODM does not monitor the measure of total assets and liabilities by each reportable segments for the purpose of allocating resources to segments and assessing their performance.

***Revenue***

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Sale of goods | **19,523** | 22,542 |
| Rendering of tooling services | **250** | 663 |
| | **19,773** | 23,205 |
| **Discontinued operation** | | |
| Sale of goods | **–** | 577 |

***Assets and liabilities related to contracts with customers***

The Group has recognised the following contract assets and contract liabilities related to contracts with customers:

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Contract assets arising from: | | |
| — Sale of goods | **1,601** | 457 |
| Contract liabilities arising from: | | |
| — Sale of goods | **1,699** | 3,251 |

## 4. OTHER INCOME

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Government grants | **117** | 817 |
| Sale of scrap material | **41** | 270 |
| Repair and maintenance service | **–** | 35 |
| | **158** | 1,122 |

There are no unfulfilled conditions or other contingencies attaching to the government grants.

## 5. OTHER GAINS — NET

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Changes in carrying value of the investment in a key management insurance contract | **43** | 55 |
| Currency exchange losses, net | **(28)** | (93) |
| Gain on disposal of property, plant and equipment | **–** | 85 |
| Gain on lease modification | **–** | 3 |
| | **15** | 50 |

## 6. EXPENSES BY NATURE

| | 2021 | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Advertisement | **51** | 39 |
| Amortisation of intangible assets | **100** | 96 |
| Auditor's remuneration | | |
| — Audit services | **246** | 309 |
| — Non-audit services | **–** | 27 |
| Bank charges | **12** | 18 |
| Costs of inventories sold | **8,145** | 10,828 |
| Depreciation of property, plant and equipment | **536** | 535 |
| Depreciation of right-of-use assets | **1,869** | 1,791 |
| Employee benefit expenses | **5,673** | 5,710 |
| Entertainment | **4** | 9 |
| Expense relating to short-term leases | **2** | – |
| Impairment loss on trade receivables | **11** | – |
| Impairment losses on non-financial assets | | |
| — Property, plant and equipment | **7** | – |
| — Right-of-use assets | **248** | – |
| — Goodwill | **6,700** | – |
| — Intangible assets | **682** | – |
| Insurance | **82** | 92 |
| Legal and professional fees | **405** | 692 |
| Postage and courier service | **7** | 5 |
| Printing and stationery | **27** | 27 |
| Provision for litigation | **90** | – |
| Repair and maintenance of property, plant and equipment | **542** | 488 |
| Research and development expenses | **281** | 459 |
| Telephone charges | **32** | 34 |
| Travelling expenses | **43** | 45 |
| Utilities | **1,094** | 1,008 |
| Others | **195** | 172 |
| | **27,084** | 22,384 |
| Represented by: | | |
| Cost of sales | **15,804** | 18,155 |
| Impairment losses on non-financial assets | **7,637** | – |
| Impairment loss on trade receivables | **11** | – |
| Selling and distribution expenses | **456** | 410 |
| Administrative expenses | **3,176** | 3,819 |
| | **27,084** | 22,384 |

## 7. FINANCE COSTS

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Interest expenses on: | | |
| — Lease liabilities | **173** | 220 |
| — Borrowings: | | |
| Hire purchase loans | **4** | 4 |
| Trust receipt loans | **27** | 41 |
| Bank borrowings | **37** | 45 |
| | **241** | 310 |

## 8. INCOME TAX EXPENSE

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| **Continuing operations** | | |
| Current income tax | **162** | 273 |
| (Over)/under provision in prior years | **(9)** | 1 |
| | **153** | 274 |
| Deferred income tax | **8** | 106 |
| Income tax expense | **161** | 380 |

## 9. (LOSS)/EARNINGS PER SHARE

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| (Loss)/profit attributable to equity holders of the Company for calculation of basic (loss)/earnings per share and diluted (loss)/earnings per share | | |
| — from continuing operations | **(7,539)** | 1,182 |
| — from discontinued operation | **487** | (398) |
| | **(7,052)** | 784 |

| | **thousands** | thousands |
|---|---|---|
| Weighted average number of ordinary shares in issue during the year for basic (loss)/earnings per share | **461,166** | 459,672 |
| Effect of dilutive potential shares: | | |
| Weighted average number of contingently issuable shares | **–** | 19,891 |
| Weighted average number of shares for calculation of diluted (loss)/ earnings per share | **461,166** | 479,563 |

| | ***S cents*** | *S cents* |
|---|---|---|
| Basic (loss)/earnings per share | | |
| — from continuing operations | **(1.63)** | 0.26 |
| — from discontinued operation | **0.11** | (0.09) |
| Total basic (loss)/earnings per share attributable to the ordinary equity holders of the Company | **(1.52)** | 0.17 |

| | ***S cents*** | *S cents* |
|---|---|---|
| Dilute (loss)/earnings per share | | |
| — from continuing operations | **(1.63)** | 0.25 |
| — from discontinued operation | **0.11** | (0.09) |
| Total diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company | **(1.52)** | 0.16 |

## 10. GOODWILL AND INTANGIBLE ASSETS

The net carrying amounts of goodwill and intangible assets were analysed as follows:

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Goodwill | **–** | 6,845 |
| Intangible assets | **33** | 796 |
| | **33** | 7,641 |

Goodwill relates to the acquisition of Savour Talent Global Limited and its subsidiaries (together "**Savour Group**") during the year ended 31 December 2020.

Intangible assets represent trademark, patents and license rights for technical know-how relating to the manufacturing processes for microfluidic chips and systems and the customer relationships in relation to the development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

Goodwill is monitored by management at the level of operating segment. The carrying amount of goodwill had been allocated to the cash-generating unit ("**CGU**") relating to the operations of Savour Group within the segment of amusement machines and equipment. The recoverable amount of the CGU is determined based on value in use calculations or fair value less costs of disposal with reference to market price, whichever is higher.

During the year, the ongoing global health emergency resulting from the COVID-19 pandemic has led to a significant disruption in Chinese exports, large scale manufacturing interruption and closure of assembly plants. This places intense pressure on the amusement machines and equipment industry and causes a significant adverse impact on the sales performance and the estimated value in use of the CGU relating to the operations of Savour Group.

The recoverable amount of the CGU has been determined from value in use calculations, based on the valuation carried out by an independent professional valuer and the cash flow projections. The Group prepares cash flow projections derived from a five-year financial budget plan approved by the management. The discount rate of 22% used for value in use calculations is pre-tax and reflect specific risks relating to the CGU. Growth rate used to extrapolate the cash flows beyond the five-year budget plan is 2% which does not exceed the long-term growth rate of the industry as forecasted by the management. Other key assumptions for the value in use calculations relate to the estimation of cash inflows or outflows which include budgeted sales and gross margin. Such estimation is based on the CGU's past performance and management's expectations for the market developments.

As a result, the recoverable amount of the CGU is lower than the carrying amounts of the non-financial assets arising from the CGU, impairment losses on property, plant and equipment, right-of-use assets, goodwill and customer relationships of approximately S$7,000, S$248,000, S$6,700,000 and S$682,000 were recognised in the consolidated statement of comprehensive income for the year ended 31 December 2021, respectively.

## 11. TRADE AND OTHER RECEIVABLES

| | **2021** | 2020 |
|---|---|---|
| | **S$'000** | S$'000 |
| **Current** | | |
| Trade receivables | **3,987** | 6,609 |
| Less: provision for impairment of trade receivables | **(11)** | – |
| | **3,976** | 6,609 |
| Prepayments | **180** | 232 |
| Deposits | **1,916** | 2,589 |
| Others | **522** | 219 |
| | **6,594** | 9,649 |

The carrying amounts of trade and other receivables approximate their fair values.

The Group normally grants 30 to 90 days (2020: 30 to 90 days) credit terms to its customers. As at 31 December 2020 and 2021, the ageing analysis of gross trade receivables based on invoice date is as follows:

| | **2021** | 2020 |
|---|---|---|
| | **S$'000** | S$'000 |
| 1 to 30 days | **1,371** | 3,641 |
| 31 to 60 days | **1,027** | 1,730 |
| 61 to 90 days | **814** | 913 |
| Over 90 days | **775** | 325 |
| | **3,987** | 6,609 |

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of the previous 24 months from each report date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance of the Group's trade receivables and contract assets as at 31 December 2020 and 2021 was determined as follows:

| **31 December 2021** | **Current (not past due)** | **1-30 days past due** | **31-60 days past due** | **61-90 days past due** | **Over 90 days past due** | **Total** |
|---|---|---|---|---|---|---|
| Expected loss rate | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **2.2%** | |
| | ***S$'000*** | ***S$'000*** | ***S$'000*** | ***S$'000*** | ***S$'000*** | ***S$'000*** |
| Gross carrying value of trade receivables | **2,147** | **905** | **194** | **241** | **500** | **3,987** |
| Gross carrying value of contract assets | **1,601** | **–** | **–** | **–** | **–** | **1,601** |
| Loss allowance | **–** | **–** | **–** | **–** | **11** | **11** |

| 31 December 2020 | Current (not past due) | 1-30 days past due | 31-60 days past due | 61-90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|---|---|
| Expected loss rate | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Gross carrying value of trade receivables | 4,821 | 1,600 | 110 | 60 | 18 | 6,609 |
| Gross carrying value of contract assets | 457 | – | – | – | – | 457 |
| Loss allowance | – | – | – | – | – | – |

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item in the consolidated statement of comprehensive income.

## 12. SHARE CAPITAL AND SHARE PREMIUM

| | 2021<br>*S$'000* | 2020<br>*S$'000* |
|---|---|---|
| Share capital | **822** | 793 |
| Share premium | **16,830** | 15,127 |
| | **17,652** | 15,920 |

The movements of share capital and share premium of the Company are as follows:

| | No. of ordinary shares | Share capital<br>*S$'000* | Share premium<br>*S$'000* |
|---|---|---|---|
| **Authorised:** | | | |
| At 1 January 2020/2021 and 31 December 2020/2021 | 10,000,000,000 | 17,296 | – |
| **Issued and fully paid:** | | | |
| At 1 January 2020 | 400,000,000 | 689 | 8,885 |
| Arising from a business combination *(Note (a))* | 60,000,000 | 104 | 6,242 |
| At 31 December 2020 | 460,000,000 | 793 | 15,127 |
| At 1 January 2021 | 460,000,000 | 793 | 15,127 |
| Arising from a business combination *(Note (a))* | 16,371,790 | 29 | 1,703 |
| At 31 December 2021 | 476,371,790 | 822 | 16,830 |

(a) The consideration for the acquisition of Savour Group was HK$16.0 million, which was satisfied by the allotment and issuance of 26,666,667 consideration shares at the issue price of HK$0.60 per share ("**Consideration**") by the Company to the vendors. The Company also agrees to pay the vendors performance bonuses if the net profit after tax of 中山市星藝動漫科技有限公司 ("**Xingyi**") for the years ended 31 December 2019 and 2020 exceeded HK$3.0 million and HK$4.0 million respectively. Any payment of performance bonuses shall be satisfied by the Company by way of the allotment and issuance of such number of new shares at the issue price of HK$0.60 per share if the relevant performance targets are met. The aggregate sum of the Consideration and performance bonuses shall not be more than HK$48.0 million (i.e. allotment and issuance of maximum 80,000,000 shares in total).

On 20 April 2020, the Company has issued additional 33,333,333 new shares for 2019 Performance Bonus.

In November 2021, the Company agreed with the vendors that the Company would allot and issue 16,371,790 new shares to the vendors in relation to 2020 Performance Bonus. Accordingly, in December 2021, the Company issued 16,371,790 new shares at the issue price of HK$0.60 per share to the vendors.

**(b) Share capital**

All issued ordinary shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

## 13. TRADE AND OTHER PAYABLES

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Trade payables *(Note a)* | | |
| — Third parties | **1,115** | 2,045 |
| Other payables and accruals | | |
| — Accrued expenses | **716** | 1,061 |
| — Provision for litigation *(Note b)* | **90** | – |
| — Others | **1,187** | 1,168 |
| | **3,108** | 4,274 |

**(a) Trade payables**

As at 31 December 2020 and 2021, the ageing analysis of the trade payables by invoice date is as follows:

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| 1 to 30 days | **458** | 891 |
| 31 to 60 days | **372** | 718 |
| 61 to 90 days | **21** | 250 |
| More than 90 days | **264** | 186 |
| | **1,115** | 2,045 |

The Group's trade payables are denominated in the following currencies:

| | 2021 | 2020 |
|---|---|---|
| | *S$'000* | *S$'000* |
| S$ | **385** | 997 |
| USD | **356** | 588 |
| RMB | **181** | 306 |
| Euro | **106** | 107 |
| IDR | **29** | 26 |
| HK$ | **–** | 11 |
| GBP | **58** | 10 |
| | **1,115** | 2,045 |

The carrying amounts of trade payables approximate their fair values, due to their short-term nature.

(b) On 9 September 2021, the plaintiff, a company engaged in the business of developing and distributing software, issued and filed a statement of claim, of which against Inzign Pte Ltd, under the High Court of the Republic of Singapore (the "**High Court**") for the infringement of the plaintiff's software copyright. As at the date of this report, Inzign Pte Ltd had not received any judgment in relation to the legal proceeding. The directors expected that it was highly probable that Inzign Pte Ltd was needed to pay the fine. As at 31 December 2021, a provision of S$90,000 was accrued.

## 14. DIVIDEND

The Board of Directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil). No dividend has been paid or declared by the Company since its incorporation.

## 15. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2021.

## 16. MATERIAL ACQUISITIONS AND DISPOSAL

On 13 December 2021, the Group disposed 100% of the issued share capital of Honour Goal International Limited together with its subsidiaries for a consideration of approximately HK$2.3 million (equivalent to approximately S$407,000).

The principal activity of the subsidiaries is the trading of Chinese liquor and the segment of Chinese liquor is presented as discontinued operation for the year ended 31 December 2021. For the purpose of presenting discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

The results and cash flows of the discontinued operation of Chinese liquor segment for the period from 1 January 2021 to 13 December 2021 and the year ended 31 December 2020, were as follows:

| | **1 January 2021 to 13 December 2021** | Year ended 31 December 2020 |
|---|---|---|
| | ***$'000*** | *$'000* |
| Revenue | **–** | 577 |
| Cost of sales | **–** | (396) |
| Selling and distribution expenses | **–** | (3) |
| Administrative expenses | **(308)** | (744) |
| **Loss before income tax from a discontinued operation** | **(308)** | (566) |
| Income tax expense | **–** | – |
| **Loss after income tax from a discontinued operation** | **(308)** | (566) |
| Gain on disposal of a discontinued operation | **667** | – |
| **Profit/(loss) for the period/year from a discontinued operation** | **359** | (566) |
| Profit/(loss) attributable to equity holders of the Company from a discontinued operation | **487** | (398) |
| Loss attributable to non-controlling interests of the Company from a discontinued operation | **(128)** | (168) |
| | **359** | (566) |
| **Cash flows from a discontinued operation:** | | |
| Net cash from operating activities | **1** | 108 |
| Net cash from investing activities | **–** | – |
| Net cash from financing activities | **–** | – |
| Net cash flows for the period/year | **1** | 108 |

A gain of approximately S$667,000 arose on the disposal of discontinued operation. No tax charge or credit arose from the disposal. Net liabilities and the gain on disposal at the date of disposal were as follow:

| | **13 December 2021** |
|---|---|
| | ***$'000*** |
| **Analysis of assets and liabilities over which control was lost:** | |
| Trade and other receivables | **16** |
| Cash and cash equivalents | **125** |
| Trade and other payables | **(651)** |
| Contract liabilities | **(462)** |
| Net liabilities disposed of | **(972)** |
| **Gain on disposal of discontinued operation:** | |
| Consideration receivable* | **407** |
| Net liabilities disposed of | **972** |
| Release of exchange reserve | **(37)** |
| Non-controlling interests | **(268)** |
| Assignment of amount due to the Group | **(407)** |
| | **667** |
| **Net cash outflow arising from disposal:** | |
| Consideration received | **–** |
| Cash and cash equivalents disposed of | **(125)** |
| | **(125)** |

* *The consideration receivable of approximately S$407,000 in relation to the disposal of Honour Goal International Limited and its subsidiaries was not yet received as at 31 December 2021 and was included in other receivables.*

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in (i) the manufacturing and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services in Singapore; and (ii) development, manufacturing, sales and installation of amusement machines and equipment in the People's Republic of China ("**PRC**").

On 13 December 2021, the Group disposed 100% of the issued share capital of its wholly-owned subsidiary, Honour Goal International Limited, together with its subsidiaries, to an independent third party.

The COVID-19 pandemic hardly waned in the year under review and in fact, caused the 2nd, 3rd, and 4th waves the world over. Even as more of the world's population was vaccinated, the emergence of new variants of the virus meant continued lockdowns and re-imposition of travel restrictions throughout the world.

For the financial year ended 31 December 2021 ("**FY2021**"), our Singapore operations were not greatly affected by COVID-19 as compared to our business operations in the PRC. PRC has imposed bans and restrictions on the movement of people which has resulted in a decrease in demand locally. Moreover, the export clients of our PRC business were also affected by the pandemic as their entertainment centres were forced to temporarily close during this COVID-19 outbreak. Our PRC business is very much dependent on the ability and freedom of people to travel locally and internationally, meant we continued to face steep challenges as travel restrictions remained in place.

Despite the increasing number of cases, the fast rate of vaccination throughout the world offers us a hope that a recovery could happen in year 2022. The Group continues to explore new revenue streams and business opportunities where possible.

## OUTLOOK

We believe that there is light at the end of the tunnel. The announcements of easing of restrictions for fully vaccinated individuals as well as the gradual reopening of economy globally, provide some hope to deliver better Group financial performance.

The Group will focus on internal rationalisation, optimisation of resources in preparation to ride on any such recovery in the coming quarters. The Group believes that with its experience and production know-how, it is strategically well-positioned to manage its business and capitalise on opportunities which may arise in future.

## FINANCIAL REVIEW

### Continuing operations

*Revenue*

The Group's revenue decreased by approximately S$3.4 million or 14.7% from approximately S$23.2 million for the year ended 31 December 2020 ("**FY2020**") to approximately S$19.8 million for FY2021. 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 by approximately S$2.5 million.

### Cost of sales

The Group's cost of sales decreased by approximately S$2.4 million or 13.2% from approximately S$18.2 million for FY2020 to approximately S$15.8 million for FY2021. 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$1.0 million or 20.0% from approximately S$5.0 million for FY2020 to approximately S$4.0 million for FY2021. The Group's overall gross profit margin has decreased slightly from approximately 21.6% for FY2020 to gross profit margin of approximately 20.2% for FY2021. The decrease in gross profit was mainly due to the lower contribution from the development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

### Impairment losses on trade receivables and non-financial assets

The Group recorded impairment losses on trade receivables and non-financial assets of S$7.6 million which was mainly arising from the development, manufacturing, sales and installation of amusement machines and equipment of our subsidiary in the PRC due to the expected credit loss on trade receivables and that the recoverable amount of the CGU is lower than the carrying amount of the non-financial assets arising from the CGU.

### Selling and distribution expenses

The Group's selling and distribution expenses remained relatively stable at approximately S$0.4 million and S$0.5 million for FY2020 and FY2021 respectively.

Our selling and distribution expenses mainly comprise expenses for salaries and benefits paid to our sales and marketing staffs, marketing and exhibition expenses, distribution expense, advertisement and recruitment expenses.

**Administrative expenses**

The Group's administrative expenses decreased by approximately S$0.6 million or 15.8% from approximately S$3.8 million for FY2020 to approximately S$3.2 million for FY2021.

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 for office staffs.

**Finance costs**

The Group's finance costs decreased by approximately S$69,000 or 22.3% from approximately S$310,000 for FY2020 to approximately S$241,000 for FY2021. The decrease was due mainly to the decrease in interest on lease.

**Discontinued operation**

In December 2021 the Group completed the disposal of its entire equity interest in the Chinese liquor business and recorded profit from discontinued operation of approximately S$0.4 million for FY2021.

## LIQUIDITY AND FINANCIAL RESOURCES

In FY2021, the Group financed its operations by cash flow from internally generated funds and bank borrowings.

The current ratio, being the ratio of current assets to current liabilities, was approximately 2.2 times as at 31 December 2021 (2020: 1.8 times). The increase was mainly due to lower balances of trade and other payable and contract liabilities as at 31 December 2021. The gearing ratio, being the ratio of interest-bearing liabilities and borrowings to total equity, remained stable at approximately 0.3 times as at 31 December 2021 (2020: 0.3 times).

As at 31 December 2021 and 2020, the Group has cash and cash equivalents of approximately S$4.1 million and S$4.4 million, respectively, which were denominated mainly in Singapore dollars, United States dollars, Renminbi and Hong Kong dollars.

As at 31 December 2021, the Group had credit facilities from general working capital of approximately S$2.7 million (2020: S$3.3 million), approximately S$2.3 million (2020: S$1.9 million) was unutilised, and approximately S$0.4 million (2020: S$1.4 million) was utilised.

The Group also had lease liabilities of approximately S$3.0 million (2020: S$3.6 million) and borrowings of approximately S$0.5 million (2020: S$1.5 million) as at 31 December 2021. The Group's total borrowings amounted to approximately S$3.5 million (2020: S$5.1 million) as at 31 December 2020.

**Lease Liabilities**

The Group leases certain property, office equipment and motor vehicles from third parties. The table below sets forth the maturity profile of our lease liabilities as at 31 December 2021.

| | **2021** | 2020 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Not later than 1 year | **1,723** | 1,641 |
| Later than 1 year but not more than 5 years | **1,319** | 1,951 |
| | **3,042** | 3,592 |

**Pledge of Assets**

The Group did not pledge any assets as at 31 December 2021 (2020: Nil).

**Commitments**

The Group has no material commitments as at 31 December 2020 and 2021.

**Contingent Liabilities**

The Group had no material contingent liabilities as at 31 December 2021.

**Employee Information**

As at 31 December 2021, the Group had a total of 138 employees (2020: 164), of whom 19 (2020: 15), 100 (2020: 112), and 19 (2020: 37) were based in Indonesia, Singapore, and the PRC, respectively. Below is a breakdown of the number of our employees by functions:

| | **2021** | 2020 |
|---|---|---|
| Management | **15** | 18 |
| Finance | **5** | 8 |
| Sales and marketing | **2** | 6 |
| Operation | **57** | 70 |
| Quality assurance | **19** | 21 |
| Product development/Engineering | **37** | 37 |
| Human resources | **3** | 4 |
| | **138** | 164 |

Our employees are remunerated according to their job scope and responsibilities. We have adopted a policy on affirmative actions which directs all employees of the Group to make special efforts in all areas of life and work at the Group with the intent to create a harmonious working environment for our staff. We also provide on-the-job training whilst staff are employed by the Group and offer financial support to our full-time staff who have been employed by the Group for over one year to attend courses for career development. We offer our staff remuneration that includes salary and other benefits.

Total staff costs amounted to approximately S$5.7 million in FY2021 (FY2020: S$5.7 million).

**Significant Investment Held**

Except for the investment in its subsidiaries as at 31 December 2020 and 2021, the Group did not hold any significant investment in equity interest in any other company.

**Use of Proceeds**

The net proceeds from the share offer were approximately S$6.0 million after deducting the listing related expenses. These proceeds are intended to be applied in the manner as described in the section headed “Future Plans and Use of Proceeds” in the prospectus dated 29 December 2017.

An analysis of the net proceeds utilised up to 31 December 2021 is set out as follows:

| | Planned Use of Net Proceeds<br>*S$'000* | Net Proceeds utilised as at 31 December 2020<br>*S$'000* | Net Proceeds utilised during FY2021<br>*S$'000* | Net Proceeds utilised as at 31 December 2021<br>*S$'000* | Total Unused Proceeds as at 31 December 2021<br>*S$'000* | Proposed application of the unutilised Net Proceeds<br>*S$'000* | Expected timeline for utilising the unutilised IPO Proceeds *(Note)* |
|---|---|---|---|---|---|---|---|
| Develop and strengthen injection moulding for microfluidics, liquid silicon rubber and sterile packaging | 4,110 | 1,506 | 696 | 2,202 | 1,908 | (1,908) | N/A |
| Improve and expand tooling capacities | 650 | 650 | – | 650 | – | – | N/A |
| Hire sales and marketing staff | 410 | 410 | – | 410 | – | – | N/A |
| Establish the new technical department | 300 | 300 | – | 300 | – | – | N/A |
| Upgrade information technology system | 90 | 56 | 34 | 90 | – | – | N/A |
| Increase sales and marketing services | 60 | 60 | – | 60 | – | – | N/A |
| General working capital | 330 | 330 | – | 330 | – | 1,200 | Expected to be fully utilised on or before 31 December 2022 |
| Upgrade existing manufacturing facilities | – | – | – | – | – | 708 | Expected to be fully utilised on or before 30 June 2023 |
| | 5,950 | 3,312 | 730 | 4,042 | 1,908 | – | |

*Note:* The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of the market conditions.

As at 31 December 2021, the Group has not fully utilised the planned net proceeds to develop and strengthen the injection moulding business as the plan to build a cleanroom and purchase of relevant machinery were held back due to customer's delay in their transition to new products as a result of the continued trade tensions and global economy uncertainties. The Board resolved to change the use of the unutilised Net Proceeds and the analysis of the proposed change in the use of the unutilised Net Proceeds is set out below.

The outbreak of the COVID-19 pandemic has caused economy uncertainties globally, disrupting the market, production and supply chains. Uneven vaccination rates across countries, rising cost pressures and the escalation of tensions between the United States and China, which have resulted in the Group's customers delaying their products launches and reducing their inventory level. Further, disruptions in the supply chain have caused major cashflow issues among market players. The Group is experiencing a shortage of materials in the market. In order to secure the limited supply of materials to fulfil existing orders, the Group has been requested by its suppliers for advance payments prior to delivery, while at the same time, the Group is experiencing a slowdown in the payment cycle of its customers.

Facing uneven vaccination rates, governments worldwide have implemented various lockdown measures and travelling restrictions on their nationals in order to contain and control the spread of the COVID-19 pandemic. The Group is facing higher competition for hiring and/or retaining skilled foreign workers for its operations as the foreign labour supply is shrinking until the COVID-19 pandemic fully subsides. The Board considers that it is more prudent to reserve a high level of working capital for the potential upsurge of the wages of foreign workers going forward, even though the Group had approximately S$4.1 million of cash and cash equivalents as at 31 December 2021.

In light of the above, instead of having the unutilised Net Proceeds allocated for the injection moulding business idling while there is no certain timetable for the Group's customers to resume their product launched and maintain inventories at pre-COVID-19 levels, the Group plans to re-allocate (i) approximately S$1.2 million of the unutilised Net Proceeds originally allocated for the injection moulding business for the Group's general working capital; and approximately S$0.7 million of the unutilised Net Proceeds originally allocated for the injection moulding business for upgrading its existing manufacturing facilities, which the Board believes such upgrade would maximise short term profitability by effectively extending the useful life of existing equipment and reducing the related costs for the maintenance of aging equipment, and prepare the Group for future orders from customers.

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board considers the above change in the use of the Net Proceeds is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance the profitability of the Group and is therefore in the interests of the Group and the Shareholders as a whole.

The Board will continuously assess the plan for the use of the unutilised Net Proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group.

**Foreign Exchange Exposure**

The turnover and business costs of the Group were principally denominated in Singapore Dollars and Renminbi. The Group has exposures to foreign exchange risks as a result of purchases that are denominated in currencies other than Singapore Dollars. The exposures to foreign currency risks are not significant for both financial reporting periods and no financial instrument for hedging was employed.

**Subsequent Events**

The outbreak of the COVID-19 pandemic and the recent global anti-pandemic measures have brought about additional uncertainties in the Group's operating environment and have impacted the Group's operations and financial position. Since the development of the COVID-19 remains uncertain, it is not practicable to estimate the full financial effect that the pandemic may have had on the Group's operations.

## 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 31 December 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 Laws 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)/Interest of spouse(3) | 167,232,000 (L) | 35.10% |
| Ms. Ng Hong Kiew ("**Ms. Ng**") | Interest of spouse(3) | 167,232,000 (L) | 35.10% |
| Ms. Wu Haiyan ("**Ms. Wu**") | Beneficial owner | 52,694,000 (L) | 11.06% |

*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, 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.

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.

Save as disclosed above, as at 31 December 2021, 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 31 December 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 shareholding** |
|---|---|---|---|
| Team One Global Limited | Beneficial owner[2] | 133,400,000 (L) | 28.00% |
| 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 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 31 December 2021, 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 FY2021.

## 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. No share options has been granted since the adoption of the Scheme and there were no share option outstanding as at 31 December 2021.

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.

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).

   (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.

## COMPETING BUSINESS AND CONFLICT OF INTERESTS

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

## COMPLIANCE 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 FY2021.

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 during FY2021, and no incident of non-compliance was noted by the Company during such period.

## CLOSURE OF REGISTER OF MEMBERS

As the forthcoming AGM of the Company will be held on 27 May 2022 (Friday), the register of members of the Company will be closed from 24 May 2022 to 27 May 2022 (both days inclusive) for the said AGM or any adjournment thereof. All transfer of the Company's shares together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office no later than 4:30 p.m. on 23 May 2022 in order to qualify for the right to attend and vote at the meeting (or any adjournment thereof).

## SCOPE OF WORK OF THE GROUP'S AUDITOR'S IN RESPECT OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Group's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Group's auditor on the preliminary announcement.

## 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 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 Audit Committee has discussed and reviewed the audited consolidated financial information of the Group for the annual report for FY2021, 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, 30 March 2022

*As at the date of this announcement, 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 announcement 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 announcement will also be published on the Company's website at www.inzign.com.*