

IAG Holdings Limited

官酝控股有限公司

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

2022

FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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

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

SUMMARY

- The unaudited revenue of the Group amounted to approximately S\$3.9 million for the three months ended 31 March 2022, representing a decrease of approximately S\$1.2 million or 23.5% as compared with the revenue of approximately S\$5.1 million for the three months ended 31 March 2021.
- The unaudited loss of the Group was approximately S\$205,000 for the three months ended 31 March 2022 as compared with the loss of approximately S\$62,000 for the three months ended 31 March 2021.
- No dividend is recommended by the board of directors (the “**Board**”) for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

UNAUDITED FIRST QUARTERLY RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 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 three months ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue	4	3,934	5,084
Cost of sales	6	(3,220)	(3,939)
Gross profit		714	1,145
Other Income	5	45	43
Other (losses)/gains — net		(5)	6
Impairment loss on trade receivables		(51)	—
Selling and distribution expenses	6	(107)	(150)
Administrative expenses	6	(648)	(994)
Operating (loss)/profit		(52)	50
Finance costs	7	(42)	(61)
Loss before tax		(94)	(11)
Income tax expenses	8	(111)	(51)
Loss for the period		(205)	(62)

		Three months ended 31 March	
		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	16	24
Total comprehensive income		(189)	(38)
Loss attributable to:			
	Equity holders of the Company	(185)	(3)
	Non-controlling interests	(20)	(59)
		(205)	(62)
Total comprehensive income attributable to:			
	Equity holders of the Company	(173)	20
	Non-controlling interests	(16)	(58)
		(189)	(38)
		S cents	S cents
Loss per share for loss attributable to equity holders of the Company			
	— Basic	9 (0.04)	N.M.
	— Diluted	9 (0.04)	N.M.

N.M. – Not material

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Attributable to equity holders of the Company								Total equity S\$'000
	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Other reserve S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
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									
Loss for the period	—	—	—	—	—	(3)	(3)	(59)	(62)
Other comprehensive income for the period	—	—	—	—	23	—	23	1	24
Balance as at 31 March 2021	793	15,127	3,118	1,904	167	(3,916)	17,193	449	17,642
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	—	—	—	—	—	(185)	(185)	(20)	(205)
Other comprehensive income for the period	—	—	—	—	12	—	12	4	16
Balance as at 31 March 2022	822	16,830	3,118	172	135	(11,150)	9,927	633	10,560

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 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 consolidated and revised) (now known as the Companies Act (2021 Revision)) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. 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 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 quarterly period ending 31 March 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 three months ended 31 March 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 condensed consolidated financial information is presented in thousands of Singapore dollars ("**S\$'000**"), unless otherwise stated.

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 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 information for the three months ended 31 March 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:

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 FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 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:

	Three months ended	
	31 March	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Sales of goods	3,832	5,056
Rendering of tooling services	102	28
	3,934	5,084
Timing of revenue recognition		
– At a point in time	3,004	2,860
– Over time	930	2,224
	3,934	5,084

5. OTHER INCOME

	Three months ended	
	31 March	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Government grants	34	30
Sale of scrap material	11	7
Others	—	6
	45	43

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 2022

6. EXPENSES BY NATURE

	Three months ended 31 March	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Costs of inventories sold	1,550	2,077
Employee benefit expenses	1,222	1,557
Depreciation of property, plant and equipment	112	139
Depreciation of right-of-use assets	417	458
Amortisation of intangible assets	1	22
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	1	13
Impairment loss on trade receivables	51	—
Entertainment	—	2
Repair and maintenance of property, plant and equipment	82	105
Insurance	26	22
Travelling expenses	18	10
Printing and stationery	6	12
Telephone charges	8	8
Utilities	242	249
Advertisement	2	17
Legal and professional fees	67	64
Auditor's remuneration	66	67
Postage and courier service	1	1
Research and development expenses	112	197
Bank charges	2	4
Others	40	59
	4,026	5,083
Represented by:		
Cost of sales	3,220	3,939
Impairment loss on trade receivables	51	—
Selling and distribution expenses	107	150
Administrative expenses	648	994
	4,026	5,083

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 2022

7. FINANCE COSTS

	Three months ended 31 March	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Lease liabilities	37	45
— Borrowings:		
Hire purchase loans	1	1
Trust receipt loans	2	6
Bank and other borrowings	2	9
	<u>42</u>	<u>61</u>

8. INCOME TAX EXPENSES

	Three months ended 31 March	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax expense	112	51
Deferred income tax credit	<u>(1)</u>	<u>—</u>
Total income tax expenses	<u>111</u>	<u>51</u>

(i) Singapore corporate income tax

Singapore corporate income tax has been provided at the rate of 17% (2021: 17%) for the three months ended 31 March 2022 on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 2022

8. INCOME TAX EXPENSES (CONTINUED)

(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 three months ended 31 March 2022.

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

One of the Group's PRC subsidiaries was approved as new and high 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 three months ended 31 March 2022.

(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.

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 2022

8. INCOME TAX EXPENSES (CONTINUED)

(vi) PRC withholding income tax (Continued)

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 31 March 2022 in the foreseeable future.

9. LOSS PER SHARE

	Three months ended	
	31 March	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the Company (S\$'000)	<u>(185)</u>	<u>(3)</u>
Weighted average number of ordinary shares in issue (Basic) (thousands)	<u>476,372</u>	<u>460,000</u>
Weighted average number of ordinary shares in issue (Diluted) (thousands)	<u>476,372</u>	<u>480,000</u>
Basic loss per share (S cents)	<u>(0.04)</u>	<u>N.M.</u>
Diluted loss per share (S cents)	<u>(0.04)</u>	<u>N.M.</u>

N.M. – Not material

NOTES TO FIRST QUARTERLY FINANCIAL INFORMATION

For the three months ended 31 March 2022

9. LOSS PER SHARE (CONTINUED)

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

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

10. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

11. MATERIAL ACQUISITION AND DISPOSAL

The Group has no material acquisition or disposal of subsidiaries during the three months ended 31 March 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; and (ii) the development, manufacturing, sales and installation of amusement machines and equipment in the PRC.

For the three months ended 31 March 2022, the Group recorded revenue of approximately S\$3.9 million, or a decrease of 23.5% as compared with approximately S\$5.1 million for the same period last year. The Group recorded a net loss of approximately S\$205,000 as compared to a net loss of approximately S\$62,000 for the three months ended 31 March 2021. The increase in loss for the period was mainly attributable to the decrease in sales order for injection molded plastic parts for disposable medical devices.

OUTLOOK

The global economic continues to recover as international trade picks up and world economies gradually re-open. However, recovery and normalisation of the global economy are now tempered by the war between Ukraine and Russia. Compounded by uncertainties over the course of the COVID-19 pandemic, supply chain bottlenecks as well as persistently elevated energy, raw materials and freight costs. 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\$1.2 million or 23.5% from approximately S\$5.1 million for the three months ended 31 March 2021 to approximately S\$3.9 million for the three months ended 31 March 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\$0.7 million or 17.9% from approximately S\$3.9 million for the three months ended 31 March 2021 to approximately S\$3.2 million for the three months ended 31 March 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\$0.4 million or 36.4% from approximately S\$1.1 million for the three months ended 31 March 2021 to approximately S\$0.7 million for the three months ended 31 March 2022. The Group's overall gross profit margin has decreased from approximately 22.5% for the three months ended 31 March 2021 to approximately 18.1% for the three months ended 31 March 2022. Such decrease was mainly due to a change in sales mix.

Administrative expenses

The Group's administrative expenses decreased by approximately S\$0.4 million or 40.0% from approximately S\$1.0 million for the three months ended 31 March 2021 to approximately S\$0.6 million for the three months ended 31 March 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 mainly due to decrease in the research and development expenses, salaries and benefit paid for office staffs and absence of administrative expenses incurred 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 31 March 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 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⁾	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	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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 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.
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.

As at 31 March 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 31 March 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
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 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 31 March 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 three months ended 31 March 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 8.4% of the issued shares of the Company as at 31 March 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.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

No share option was granted during the three months ended 31 March 2022 and there was no share option outstanding as at 31 March 2022.

COMPETING BUSINESS AND CONFLICT OF INTERESTS

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

COMPLIANCE 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 three months ended 31 March 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 three months ended 31 March 2022, and no incident of non-compliance during the three months ended 31 March 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 unaudited condensed consolidated financial information of the Group for the three months ended 31 March 2022 have not been reviewed or audited by the Company’s independent auditor. However, the Audit Committee has discussed and reviewed the unaudited condensed consolidated financial information of the Group for the three months ended 31 March 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, 13 May 2022

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

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