

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 2022

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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 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 2022, together with the comparative figures as set out below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations			
Revenue	3	14,656	19,773
Cost of sales	6	(13,718)	(15,804)
Gross profit		938	3,969
Other income	4	114	158
Other (losses)/gains – net	5	(63)	15
Impairment losses on non-financial assets	6	–	(7,637)
Impairment loss on trade receivables	11	(199)	(11)
Selling and distribution expenses	6	(384)	(456)
Administrative expenses	6	(3,223)	(3,176)
Operating loss		(2,817)	(7,138)
Finance costs	7	(145)	(241)
Loss before income tax		(2,962)	(7,379)
Income tax expense	8	(101)	(161)
Loss for the year from continuing operations		(3,063)	(7,540)
Discontinued operation			
Loss for the year from discontinued operation	16	–	359
Loss for the year		(3,063)	(7,181)

	<i>Notes</i>	2022 S\$'000	2021 <i>S\$'000</i>
Loss for the year		<u>(3,063)</u>	<u>(7,181)</u>
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(183)	19
Reclassification of exchange reserve upon disposal of discontinued operation		<u>—</u>	<u>(37)</u>
Other comprehensive loss for the year		<u>(183)</u>	<u>(18)</u>
Total comprehensive loss for the year		<u>(3,246)</u>	<u>(7,199)</u>
Loss for the year attributable to:			
Equity holders of the Company		(2,932)	(7,052)
Non-controlling interests		<u>(131)</u>	<u>(129)</u>
		<u>(3,063)</u>	<u>(7,181)</u>
Total comprehensive loss attributable to:			
Equity holders of the Company		(3,075)	(7,073)
Non-controlling interests		<u>(171)</u>	<u>(126)</u>
		<u>(3,246)</u>	<u>(7,199)</u>
		2022	2021
		S cents	S cents
(Loss)/earnings per share			
From continuing and discontinued operations	9		
– Basic		(0.56)	(1.52)
– Diluted		<u>N/A</u>	<u>N/A</u>
From continuing operations	9		
– Basic		(0.56)	(1.63)
– Diluted		<u>N/A</u>	<u>N/A</u>
From discontinued operation	9		
– Basic		—	0.11
– Diluted		<u>—</u>	<u>0.11</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		1,589	1,323
Right-of-use assets		2,196	2,607
Goodwill	<i>10</i>	–	–
Intangible assets	<i>10</i>	20	33
Investment in a key management insurance contract		1,055	996
		<u>4,860</u>	<u>4,959</u>
Current assets			
Inventories		3,016	3,677
Financial assets at fair value through profit or loss		1,389	–
Trade and other receivables	<i>11</i>	4,731	6,594
Contract assets	<i>3</i>	50	1,601
Cash and cash equivalents		2,271	4,078
		<u>11,457</u>	<u>15,950</u>
Total assets		<u>16,317</u>	<u>20,909</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	<i>12</i>	984	822
Share premium	<i>12</i>	18,290	16,830
Capital reserve		3,118	3,118
Other reserve		–	172
Currency translation reserve		(20)	123
Accumulated losses		(13,725)	(10,965)
Equity attributable to equity holders of the Company		8,647	10,100
Non-controlling interests		478	649
Total equity		<u>9,125</u>	<u>10,749</u>

	<i>Notes</i>	2022 S\$'000	2021 <i>S\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		2	25
Lease liabilities		923	1,319
Provision		1,180	1,427
Deferred income tax liabilities		219	139
		<u>2,324</u>	<u>2,910</u>
Current liabilities			
Trade and other payables	<i>13</i>	2,950	3,108
Borrowings		314	457
Lease liabilities		1,347	1,723
Contract liabilities	<i>3</i>	206	1,699
Current income tax liabilities		51	263
		<u>4,868</u>	<u>7,250</u>
Total liabilities		<u><u>7,192</u></u>	<u><u>10,160</u></u>
Total equity and liabilities		<u><u>16,317</u></u>	<u><u>20,909</u></u>

NOTES

1. GENERAL INFORMATION

IAG Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 17 July 2017 under 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, 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 (together with the Company, the “**Group**”) 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) the development, manufacture, sale and installation of amusement machines and equipment in the Peoples’ Republic of China (“**PRC**”).

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**”) issued by the International Accounting Standards Board 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 the 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 2022:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment 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

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*

The following new accounting standards, amendments to existing standards and interpretations have been issued that are mandatory for the Group's annual accounting periods beginning after 1 January 2022 and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for accounting period beginning on
Amendments to IFRS 10 and IAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of these new and amendments to IFRSs, which are not yet effective, will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

IAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

Amendments to IAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in IAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The 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

In the previous financial year ended 31 December 2021, the Group has completed the disposal of the business of Chinese liquor and further disclosed in Note 13. In accordance with IFRS 5, the segment of Chinese liquor for the financial year ended 31 December 2021 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 2022:

	Continuing operations			Discontinued operation		Total S\$'000
	Component parts S\$'000	Sub- assembly parts S\$'000	Amusement machines and equipment S\$'000	Sub-total S\$'000	Chinese liquor S\$'000	
Revenue from external customers						
Recognised at a point in time	8,104	1,498	758	10,360	–	10,360
Recognised over time	4,275	21	–	4,296	–	4,296
Segment revenue	12,379	1,519	758	14,656	–	14,656
Segment profit/(loss)	899	(254)	293	938	–	938
Unallocated expenses:						
Depreciation of property, plant and equipment						(20)
Depreciation of right-of-use assets						(125)
Amortisation of intangible assets						(13)
Finance costs						(145)
Others						(3,597)
Loss before income tax				(2,962)	–	(2,962)
Income tax expense				(101)	–	(101)
Gain on disposal of discontinued operation				–	–	–
Loss for the year				(3,063)	–	(3,063)
Other segment items:						
Depreciation of property, plant and equipment	398	48	–	446	–	446
Depreciation of right-of-use assets	1,280	141	–	1,421	–	1,421
Impairment loss on non-financial assets	–	–	–	–	–	–
Impairment loss on trade receivables	–	–	199	199	–	199

Segment breakdown for the year ended 31 December 2021:

	Continuing operations			Discontinued operation		Total S\$'000
	Component parts S\$'000	Sub- assembly parts S\$'000	Amusement machines and equipment S\$'000	Sub-total S\$'000	Chinese liquor 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	<u>15,381</u>	<u>2,805</u>	<u>1,587</u>	<u>19,773</u>	<u>–</u>	<u>19,773</u>
Segment profit/(loss)	<u>3,967</u>	<u>(433)</u>	<u>(7,213)</u>	<u>(3,679)</u>	<u>–</u>	<u>(3,679)</u>
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 discontinued operation				–	667	667
(Loss)/profit for the year				<u>(7,540)</u>	<u>359</u>	<u>(7,181)</u>
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

(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.

(c) **Assets and liabilities related to contracts with customers**

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

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Contract assets arising from:		
— Sale of goods	50	1,601
Contract liabilities arising from:		
— Sale of goods	206	1,699

4. OTHER INCOME

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations		
Government grants	50	117
Sale of scrap materials	64	41
	114	158

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

5. OTHER (LOSSES)/GAINS — NET

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations		
Changes in carrying value of the investment in a key management insurance contract	59	43
Currency exchange losses, net	(10)	(28)
Gain on disposal of property, plant and equipment	2	—
Gain on disposal of right-of-use assets	36	—
Fair value loss on financial assets at fair value through profit or loss (“FVTPL”)	(124)	—
Loss on disposal of financial assets at FVTPL	(26)	—
	(63)	15

6. EXPENSES BY NATURE

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations		
Advertisement	7	51
Amortisation of intangible assets	13	100
Auditor's remuneration		
— Audit services	163	246
— Non-audit services	—	—
Bank charges	33	12
Costs of inventories sold	6,648	8,145
Depreciation of property, plant and equipment	466	536
Depreciation of right-of-use assets	1,546	1,869
Employee benefit expenses	5,176	5,673
Entertainment	7	4
Expense relating to short-term leases	121	2
Impairment loss on trade receivables	199	11
Impairment losses on non-financial assets		
— Property, plant and equipment	—	7
— Right-of-use assets	—	248
— Goodwill	—	6,700
— Intangible assets	—	682
Insurance	112	82
Legal and professional fees	515	405
Postage and courier service	5	7
Printing and stationery	17	27
Provision for litigation	—	90
Repair and maintenance of property, plant and equipment	475	542
Research and development expenses	392	281
Telephone charges	28	32
Travelling expenses	59	43
Utilities	1,356	1,094
Others	186	195
	<u>17,524</u>	<u>27,084</u>
Represented by:		
Cost of sales	13,718	15,804
Impairment losses on non-financial assets	—	7,637
Impairment loss on trade receivables	199	11
Selling and distribution expenses	384	456
Administrative expenses	3,223	3,176
	<u>17,524</u>	<u>27,084</u>

7. FINANCE COSTS

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations		
Interest expenses on:		
— Lease liabilities	128	173
— Borrowings:		
Hire purchase loans	4	4
Trust receipt loans	2	27
Bank borrowings	<u>11</u>	<u>37</u>
	<u>145</u>	<u>241</u>

8. INCOME TAX EXPENSE

The amount of income tax expense recognised in the consolidated statement of profit or loss and other comprehensive income represents:

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
Continuing operations		
Current income tax charge	13	162
Under/(over) provision in prior years	<u>8</u>	<u>(9)</u>
	<u>21</u>	<u>153</u>
Deferred income tax charge	<u>80</u>	<u>8</u>
Income tax expense	<u>101</u>	<u>161</u>

9. (LOSS)/EARNINGS PER SHARE

	2022 <i>S\$'000</i>	2021 <i>S\$'000</i>
(Loss)/profit attributable to equity holders of the Company for calculation of basic (loss)/earnings per share		
— from continuing operations	(2,932)	(7,539)
— from discontinued operation	<u>—</u>	<u>487</u>
— from continuing operations and discontinued operation	<u>(2,932)</u>	<u>(7,052)</u>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares in issue during the year for basic (loss)/earnings per share	<u>526,531</u>	<u>461,166</u>
	<i>S cents</i>	<i>S cents</i>
Basic (loss)/earnings per share		
— from continuing operations	(0.56)	(1.63)
— from discontinued operation	<u>—</u>	<u>0.11</u>
Basic loss per share from continuing operations and discontinued operation	<u>(0.56)</u>	<u>(1.52)</u>

Diluted loss per share for the year ended 31 December 2022 is not presented as the Company has no potential ordinary shares in issue during the year.

Diluted loss per share from continuing operations and discontinued operation and from continuing operations for the year ended 31 December 2021 is not presented as the conversion of the potential ordinary shares would have anti-dilutive effect to the loss per share for that year.

The calculation of diluted earnings per share from discontinued operations for the year ended 31 December 2021 based on the following:

	2021 <i>S\$'000</i>
Profit from discontinued operation attributable to equity holders of the Company for calculation of basic and diluted earnings per share	<u>487</u>

thousands

Weighted average number of shares for calculation of basic earnings per share	461,166
Effect of dilutive potential shares:	
Weighted average number of contingent issued shares	<u>1,929</u>

Weighted average number of shares for calculation of diluted earnings per share	<u><u>463,095</u></u>
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S cents

Diluted earnings per share from discontinued operation	<u><u>0.11</u></u>
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10. GOODWILL AND INTANGIBLE ASSETS

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

	2022 S\$'000	2021 S\$'000
Goodwill	—	—
Intangible assets	<u>20</u>	<u>33</u>
	<u><u>20</u></u>	<u><u>33</u></u>

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.

Impairment assessment for the prior year ended 31 December 2021

Goodwill is monitored by management at the level of operating segment. The carrying amount of goodwill had been allocated to the 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.

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 prepared 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 was pre-tax and reflect specific risks relating to the CGU. Growth rate used to extrapolate the cash flows beyond the five-year budget plan was 2% which did not exceed the long-term growth rate of the industry as forecasted by the management. Other key assumptions for the value in use calculations related to the estimation of cash inflows or outflows which included budgeted sales and gross margin. Such estimation was based on the CGU’s past performance and management’s expectations for the market developments.

In the prior financial year ended 31 December 2021, 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.

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 profit or loss and other comprehensive income for the year ended 31 December 2021, respectively.

11. TRADE AND OTHER RECEIVABLES

	2022 S\$'000	2021 S\$'000
Current		
Trade receivables	3,423	3,987
Less: provision for impairment of trade receivables	(199)	(11)
	<u>3,224</u>	<u>3,976</u>
Prepayments	45	180
Deposits	831	1,916
Amount due from non-controlling interest	–	49
Others	631	473
	<u>4,731</u>	<u>6,594</u>

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

Trade receivables

The Group normally grants 30 to 90 days (2021: 30 to 90 days) credit terms to its customers. As at 31 December 2022 and 2021, the ageing analysis of gross trade receivables based on invoice date is as follows:

	2022 S\$'000	2021 S\$'000
1 to 30 days	939	1,371
31 to 60 days	959	1,027
61 to 90 days	786	814
Over 90 days	739	775
	<u>3,423</u>	<u>3,987</u>

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.

On that basis, the loss allowance of the Group's trade receivables and contract assets as at 31 December 2022 and 2021 was determined as follows:

	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
31 December 2022						
Expected loss rate	0.0%	0.0%	0.0%	0.0%	26.4%*	
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Gross carrying value of trade receivables	1,769	881	34	4	735	3,423
Gross carrying value of contract assets	50	–	–	–	–	50
Loss allowance	–	–	–	–	199	199
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	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
31 December 2021						
Expected loss rate	0.0%	0.0%	0.0%	0.0%	2.2%*	
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* The increase in expected loss rate of the receivables with over 90 days past due from 2.2% to 26.4% is mainly attributable to certain receivables that has been overdue for more than one year during the year.

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 profit or loss and other comprehensive income.

12. SHARE CAPITAL AND SHARE PREMIUM

	2022 S\$'000	2021 S\$'000
Share capital	984	822
Share premium	<u>18,290</u>	<u>16,830</u>
	<u><u>19,274</u></u>	<u><u>17,652</u></u>

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

	No. of ordinary shares of HK\$0.01 each	Share capital S\$'000	Share premium S\$'000
Authorised:			
At 1 January 2021/2022 and 31 December 2021/2022	<u>10,000,000,000</u>	<u>17,296</u>	<u>–</u>
Issued and fully paid:			
At 1 January 2021	460,000,000	793	15,127
Arising from a business combination (<i>Note (a)</i>)	<u>16,371,790</u>	<u>29</u>	<u>1,703</u>
At 31 December 2021	<u>476,371,790</u>	<u>822</u>	<u>16,830</u>
At 1 January 2022	476,371,790	822	16,830
Issue of ordinary shares for cash (<i>Note (b)</i>)	<u>92,000,000</u>	<u>162</u>	<u>1,460</u>
At 31 December 2022	<u><u>568,371,790</u></u>	<u><u>984</u></u>	<u><u>18,290</u></u>

- (a) In connection with the acquisition of Savour Talent Global Limited (“Savour Group”) in prior years, the Company issued 16,371,790 new shares in November 2021 to the vendor to satisfy the 2020 Performance Bonus in accordance with the relevant acquisition agreement. The contingent consideration included in other reserve which represent the estimated fair value of the 2020 Performance Bonus at the date of acquisition amounted to approximately S\$1,732,000 was transferred to share capital and share premium.
- (b) On 16 June 2022, the Company issued 92,000,000 new shares at a price of HK\$0.10 per share which gave rise to proceeds of S\$1,622,000 (after deducting related expenses) received by the Group.

13. TRADE AND OTHER PAYABLES

	2022 S\$'000	2021 S\$'000
Trade payables (<i>Note a</i>)		
— Third parties	1,148	1,115
Other payables and accruals		
— Accrued expenses	570	716
— Provision for litigation (<i>Note b</i>)	90	90
— Others	1,142	1,187
	<u>2,950</u>	<u>3,108</u>

(a) Trade payables

As at 31 December 2022 and 2021, the ageing analysis of the trade payables by invoice date is as follows:

	2022 S\$'000	2021 S\$'000
1 to 30 days	620	458
31 to 60 days	235	372
61 to 90 days	142	21
More than 90 days	151	264
	<u>1,148</u>	<u>1,115</u>

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

	2022 S\$'000	2021 S\$'000
S\$	752	385
USD	221	356
RMB	158	181
Euro	—	106
IDR	17	29
GBP	—	58
	<u>1,148</u>	<u>1,115</u>

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 against a subsidiary of the Company, Inzign Pte Ltd, under the High Court of the Republic of Singapore (the “**High Court**”) for the infringement of the plaintiff’s software copyright. On 1 March 2023, Inzign Pte Ltd received the final judgment in relation to the legal action under which the amount of compensations for the claim, together with the legal costs incurred, approximate the provision of S\$90,000 recognised in the consolidated financial statements.

14. DIVIDEND

The Board of Directors of the Company did not recommend the payment of a dividend for the year ended 31 December 2022 (2021: Nil).

15. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2022.

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 Group did not have any material acquisition or disposal of subsidiaries in FY2022.

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

For FY2022, the Group recorded a net loss of approximately S\$3.1 million as compared to the net loss of approximately S\$7.2 million for FY2021. The net loss was mainly attributable to a) decrease in revenue of approximately S\$5.1 million; and b) decrease in gross profit of approximately S\$3.1 million. This is partially off-set by the impairment losses on non-financial assets of approximately S\$7.6 million incurred in FY2021. The global economic uncertainties and prolonged COVID-19 pandemic have resulted in our customers holding back new products launches and products transitions, thus leading to a lack of orders from customers for FY2022. However, the Group continues to explore new revenue streams and business opportunities where possible.

OUTLOOK

Global markets gear up to face the impact of an economic downturn, the outlook remains uncertain on the back of weaker-than-expected global economic recovery and higher risk aversion in financial markets. The Group will remain vigilant and prudent in managing operating costs, business growth and the risk profile of our business portfolio. 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

Revenue

The Group's revenue decreased by approximately S\$5.1 million or 25.8% from approximately S\$19.8 million for FY2021 to approximately S\$14.7 million for FY2022. The decrease in revenue was mainly attributable to the manufacturing and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services in Singapore and the decrease in revenue from the development, manufacturing, sales and installation of amusement machines and equipment in the PRC by approximately S\$4.3 million and S\$0.8 million respectively.

Cost of sales

The Group's cost of sales decreased by approximately S\$2.1 million or 13.3% from approximately S\$15.8 million for FY2021 to approximately S\$13.7 million for FY2022. 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\$3.1 million or 77.5% from approximately S\$4.0 million for FY2021 to approximately S\$0.9 million for FY2022. The Group's overall gross profit margin has decreased from approximately 20.2% for FY2021 to gross profit margin of approximately 6.1% for FY2022. The decrease in gross profit was mainly due to the lower contribution from the manufacturing and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services in Singapore and 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 of S\$0.2 million for FY2022 while impairment losses on trade receivables and non-financial assets of S\$7.6 million was recorded in FY2021 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 cash-generating unit ("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\$0.5 million and S\$0.6 million for FY2021 and FY2022 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 remained relatively stable at approximately S\$3.2 million for FY2021 and FY2022.

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 salaries and benefit paid for office staffs.

Finance costs

The Group's finance costs decreased by approximately S\$96,000 or 39.8% from approximately S\$241,000 for FY2021 to approximately S\$145,000 for FY2022. The decrease was due mainly to the decrease in interest on lease and borrowings.

LIQUIDITY AND FINANCIAL RESOURCES

In FY2022, the Group financed its operations by cash flow from internally generated funds, bank borrowings and equity financing.

The current ratio, being the ratio of current assets to current liabilities, was approximately 2.4 times as at 31 December 2022 (2021: 2.2 times). The increase was mainly due to lower balances of lease liabilities and contract liabilities as at 31 December 2022. 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 2022 (2021: 0.3 times).

As at 31 December 2022 and 2021, the Group has cash and cash equivalents of approximately S\$2.3 million and S\$4.1 million, respectively, which were denominated mainly in Singapore dollars, United States dollars, Renminbi and Hong Kong dollars.

As at 31 December 2022, the Group had credit facilities from general working capital of approximately S\$2.8 million (2021: S\$2.7 million), approximately S\$2.5 million (2021: S\$2.3 million) was unutilised, and approximately S\$0.3 million (2021: S\$0.4 million) was utilised.

The Group also had lease liabilities of approximately S\$2.3 million (2021: S\$3.0 million) and borrowings of approximately S\$0.5 million (2021: S\$0.5 million) as at 31 December 2022. The Group's total borrowings amounted to approximately S\$2.8 million (2021: S\$3.5 million) as at 31 December 2022.

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 2022.

	2022	2021
	S\$'000	S\$'000
Not later than 1 year	1,347	1,723
Later than 1 year but not more than 5 years	923	1,319
	2,270	3,042

Pledge of Assets

The Group did not pledge any assets as at 31 December 2022 (2021: Nil).

Commitments

The Group has no material commitments as at 31 December 2022 and 2021.

Employee Information

As at 31 December 2022, the Group had a total of 126 employees (2021: 138). Below is a breakdown of the number of our employees by functions:

	2022	2021
Management	15	15
Finance	5	5
Sales and marketing	2	2
Operation	48	57
Quality assurance	17	19
Product development/Engineering	37	37
Human resources and administrative	2	3
	<u>126</u>	<u>138</u>

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\$5.2 million in FY2022 (FY2021: S\$5.7 million).

Significant Investment Held

Except for the investment in its subsidiaries as at 31 December 2022 and 2021 and the investment in financial assets at fair value through profit or loss as at 31 December 2022, 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 2022 is set out as follows:

	Planned Use of Net Proceeds S\$'000	Net Proceeds utilised as at 31 December 2021 S\$'000	Net Proceeds utilised during FY2022 S\$'000	Net Proceeds utilised as at 31 December 2022 S\$'000	Total Unused Proceeds as at 31 December 2022 S\$'000
Develop and strengthen injection moulding for microfluidics, liquid silicon rubber and sterile packaging	2,202	2,202	–	2,202	–
Improve and expand tooling capacities	650	650	–	650	–
Hire sales and marketing staff	410	410	–	410	–
Establish the new technical department	300	300	–	300	–
Upgrade information technology system	90	90	–	90	–
Increase sales and marketing services	60	60	–	60	–
General working capital	1,530	330	1,200	1,530	–
Upgrade existing manufacturing facilities	708	–	708	708	–
	<u>5,950</u>	<u>4,042</u>	<u>1,908</u>	<u>5,950</u>	<u>–</u>

On 16 June 2022, the Company completed allotting and issuing 92,000,000 new ordinary shares of par value of HK\$0.01 each in the share capital of the Company to two subscribers, namely Ms. WENG Yulin and Mr. XIE Jianlong, both of which being independent third parties of the Company, at the subscription price of HK\$0.10 per share. The market price of the ordinary shares of the Company on 27 May 2022, the date that the Company entered into the supplemental subscription agreement with Ms. WENG Yulin and Mr. XIE Jianlong, was HK\$0.102. Mr. XIE Jianlong was allotted 61,500,000 new ordinary shares of the Company and Ms. WENG Yulin was allotted 30,500,000 new ordinary shares of the Company. The net price is approximately HK\$0.099 per each new share and the total net proceeds raised was approximately HK\$9.1 million.

A number of countries worldwide have imposed lockdown measures in response to the COVID-19 pandemic, which has resulted in disruption to the global supply chain. The Group has experienced an increase in the price of raw materials. Also, the war between Ukraine and Russia has led to higher energy and freight costs. In light of complexities in the global economic environment, it remains uncertain whether these inflationary pressures would sustain for a long period of time. In these circumstances, while the financial position of the Group remains on a solid standing, the Directors consider that it is financially prudent for the Group to strengthen its general working capital reserve through equity financing, given the uncertainty over the impact of the COVID-19 pandemic on the global economy and in light of the Group's available financial resources and liquidity needs.

The Company has applied all net proceeds from the share subscription as general working capital of the Group to support its daily operating needs and meet any future development opportunities.

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

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that had come into the attention of the Directors since the end of FY2022.

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 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/ Interested ⁽¹⁾	Percentage of shareholding
Mr. Phua Swee Hoe ("Mr. Phua")	Beneficial owner/Interest in controlled corporation ⁽²⁾	33,832,000	5.95%
Ms. Wu Haiyan ("Ms. Wu")	Beneficial owner	52,694,000	9.27%

Notes:

1. The letter "L" denotes the person's long position in the relevant shares of the Company.
2. Mr. Phua directly beneficially owned 33,832,000 shares of the Company.

Save as disclosed above, as at 31 December 2022, 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 2022, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long positions in shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ Interested⁽¹⁾	Percentage of shareholding
Ms. Ng Hong Kiew (“Ms. Ng”)	Interest of spouse ⁽²⁾	33,832,000 (L)	5.95%
Team One Global Limited	Beneficial owner	133,400,000 (L)	23.47%
Mr. XIE Jianlong	Beneficial owner	61,612,000 (L)	10.84%
Ms. WENG Yulin	Beneficial owner	30,500,000 (L)	5.37%
Ms. Shi Hui Ling	Beneficial owner	30,000,000 (L)	5.28%

Notes:

1. The letter “L” denotes the person’s long position in the relevant shares of the Company.
2. 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 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 FY2022.

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 2022.

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 FY2022.

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 FY2022, 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 25 May 2023 (Thursday), the register of members of the Company will be closed from 22 May 2023 to 25 May 2023 (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 19 May 2023 in order to qualify for the right to attend and vote at the meeting (or any adjournment thereof).

CHANGE OF AUDITORS

PricewaterhouseCoopers LLP of Singapore retired as auditors of the Company on 29 May 2020 and BDO Limited was appointed as auditors of the Company by shareholders of the Company. On 18 January 2023, BDO Limited resigned as auditors of the Company and CCTH CPA Limited was appointed by directors of the Company to fill in the casual vacancy so arising. Save as disclosed above, there have been no other changes of auditors in the past three years.

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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA 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 Dr. Cheung Ka Yue, Mr. Tan Yew Bock and Mr. Liang Qianyuan. Dr. Cheung Ka Yue was appointed to serve as the chairman of the Audit Committee. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The Audit Committee has discussed and reviewed the audited consolidated financial information of the Group for the annual report for FY2022, 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, 29 March 2023

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

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk and on the "Latest Listed Company Information" 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.