IAG HOLDINGS LIMITED

迎宏控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8513)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 Sand 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 board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2017, together with the audited comparative figures for the year ended 31 December 2016 as set out below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	**2017** **S$'000**	2016 S$'000
Revenue	*3*	**20,744**	19,016
Cost of sales	*5*	**(16,318)**	(14,450)
Gross profit		**4,426**	4,566
Other income	*4*	**332**	254
Other gains/(losses) – net		**90**	(65)
Selling and distribution expenses	*5*	**(212)**	(203)
Administrative expenses	*5*	**(4,975)**	(2,329)
Operating (loss)/profit		**(339)**	2,223
Finance costs	*6*	**(199)**	(228)
Finance income	*6*	**12**	24
Finance costs – net		**(187)**	(204)
(Loss)/profit before income tax		**(526)**	2,019
Income tax expense	*7*	**(296)**	(341)
(Loss)/profit for the year		**(822)**	1,678
(Loss)/profit and total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company		**(822)**	1,680
Non-controlling interests		**—**	(2)
		(822)	1,678
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company			
– Basic and diluted *(Singapore cents)*	*8*	**(0.27)**	0.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	**2017** **S$'000**	2016 S$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,231**	1,735
Intangible assets		**81**	86
Financial asset at fair value through profit or loss		**786**	737
		3,098	2,558
Current assets			
Inventories		**1,754**	1,107
Trade and other receivables	*9*	**6,184**	3,809
Amount due from a shareholder		**—**	1,309
Cash and cash equivalents		**1,209**	1,789
		9,147	8,014
Total assets		**12,245**	10,572
EQUITY AND LIABILITIES			
Capital and reserve attributable to equity holders of the Company			
Share capital		**—**	—
Capital reserve		**3,118**	1,118
(Accumulated losses)/retained earnings		**(289)**	1,883
		2,829	3,001
Non-controlling interests		**(9)**	(9)
Total equity		**2,820**	2,992

	Note	2017 S$'000	2016 S$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**390**	468
Provision		**1,427**	1,427
Deferred income tax liabilities		**147**	147
		1,964	2,042
Current liabilities			
Trade and other payables	*10*	**3,363**	2,159
Borrowings		**3,759**	3,016
Current income tax liabilities		**339**	363
		7,461	5,538
Total liabilities		**9,425**	7,580
Total equity and liabilities		**12,245**	10,572

NOTES

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

The Company was incorporated in the Cayman Islands on 17 July 2017 as an exempted company with limited liability under Companies Law (Cap 22 Law 3 of 1961 as consolidated and revised) 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 Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of injection molded plastic parts for disposable medical devices and the provision of tooling services (the "**Listing Business**"). The immediate and ultimate holding company of the Company is Team One Global Limited ("**Team One Global**"). The controlling parties of the Group are Mr. Phua Swee Hoe and Ms. Ng Hong Kiew (the "**Controlling Shareholders**").

Prior to the completion of the reorganisation as described in Note 1.2 below (the "**Reorganisation**"), the Listing Business was principally operated through companies managed and controlled by the Controlling Shareholders.

On 29 December 2017, the Company issued a prospectus (the "**Prospectus**") and launched an initial public offering of 100,000,000 ordinary shares in the Company offered at an offer price of HK$0.65 per share (the "**Offer Price**"). The shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 January 2018.

1.2 Reorganisation

In preparation for listing of the Company's shares on the Stock Exchange, the Group underwent the Reorganisation to transfer the Listing Business to the Company principally through the following steps:

(i) On 17 July 2017, the Company was incorporated in the Cayman Islands with limited liabilities with an authorised share capital of HK$380,000 divided into 38,000,000 shares of a par value of HK$0.01 each. Upon incorporation, one share was allotted and issued to Team One Global.

(ii) Eastlyn Global Limited ("**Eastlyn Global**") is a company limited by shares incorporated in the British Virgin Islands ("**BVI**") on 10 May 2017. Eastlyn Global is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1 each. The Controlling Shareholders respectively applied for, and Eastlyn Global allotted and issued to Mr. Phua Swee Hoe and Ms. Ng Hong Kiew, 879 and 121 nil-paid shares, respectively on 1 August 2017.

(iii) On 14 December 2017, Mr. Phua Swee Hoe and Ms. Ng Hong Kiew entered into a sale and purchase agreement with Eastlyn Global, pursuant to which Mr. Phua Swee Hoe and Ms. Ng Hong Kiew agreed to transfer their respective shares of Inzign Pte Ltd ("**Inzign**"), in consideration of Eastlyn Global crediting as fully paid the 789 and 121 nil-paid shares held by Mr. Phua Swee Hoe and Ms. Ng Hong Kiew in Eastlyn Global.

(iv) On 19 December 2017, Mr. Phua Swee Hoe and Ms. Ng Hong Kiew and the Company entered into a sale and purchase agreement, pursuant to which Mr. Phua Swee Hoe and Ms. Ng Hong Kiew agreed to transfer their respective shares of Eastlyn Global to the Company, in consideration of the Company (i) allotting and issuing 99 shares, credit as fully paid, to Team One Global; and (ii) credit as fully paid the share held by Team One Global which was issued to Team One Global upon the incorporation of the Company.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business is mainly conducted through Inzign and its subsidiaries (the "**Operating Companies**"). Pursuant to the Reorganisation, the operating companies and the Listing Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the consolidated financial statements is prepared using the carrying values of the Listing Business under the Controlling Shareholders for all the years presented, or since the respective dates of incorporation/establishment of the subsidiaries within the Group, or since the date when the subsidiaries within the Group first came under the control of the Controlling Shareholders, whichever is later.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board (the "**IASB**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial asset at fair value through profit or loss which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS 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 applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to IAS 12, and
- Disclosure initiative — amendments to IAS 7.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. Most of the amendments will also not affect the current or future periods. The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities.

The following new standards and amendments to standards have been published but are not yet effective for the period which the Group has not early adopted:

		Effective for annual periods beginning on or after	*Note*
IFRS 10 and IAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture (amendments)[3]	A date to be determined by the IASB	
IAS 28 (Amendment)	Investment in associates and joint ventures	1 January 2018	
IAS 40 (Amendment)	Transfers of Investment Properties	1 January 2018	
IFRS 1 (Amendment)	First time adoption of IFRS	1 January 2018	
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018	
IFRS 4 (Amendment)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	
IFRS 9	Financial instruments	1 January 2018	*i*
IFRS 15	Revenue from contracts with customers	1 January 2018	*ii*
IFRS 15 (Amendment)	Clarification to IFRS 15	1 January 2018	
IFRIC 22	Foreign Currency Transactions and advance consideration	1 January 2018	
IFRS 9 (Amendment)	Prepayment Features with Negative compensation	1 January 2019	
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019	
IFRS 16	Leases	1 January 2019	*iii*
IFRS 17	Insurance Contracts	1 January 2021	

The Group will apply the above new standards, interpretations and amendments to standards when they become effective. The Group has commenced an assessment of the expected impact of the IFRS 9, IFRS 15 and IFRS 16 as set out below. The rest of the new standards, interpretations and amendments to standards are not expected to have a significant effect on the consolidated financial statements of the Group.

Note i:

IFRS 9 "Financial instruments" replaces the whole of IAS 39. IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income ("**OCI**") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

IFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL.

Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

During the year ended 31 December 2017, all of the Group's financial assets and financial liabilities were carried at amortised costs without significant impairment on the former. The implementation of IFRS 9 is not expected to result in any significant impact on the Group's financial position and results of operations.

Note ii:

IFRS 15 "Revenue from Contracts with Customers"—This new standard replaces the previous revenue standards: IAS 18 "Revenue" and IAS 11 "Construction Contracts", and the related Interpretations on revenue recognition. IFRS 15 establishes a comprehensive framework for approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset liability" approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group major revenue stream is namely manufacturing and sales of injection molded plastic parts for disposable medical devices and the provision of tooling services. Management has performed a preliminary assessment and expects that the implementation of the IFRS 15 would not result in any significant impacts on the Group's financial position and result of operations. Meanwhile, there will be additional disclosure requirement under IFRS 15 upon its adoption.

Note iii:

IFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group's future operating lease commitments which are not reflected in the consolidated statement of financial position, falling due as follows:

	2017	2016
	S$	*S$*
Not later than 1 year	**856,773**	1,308,775
Later than 1 year and not later than 5 years	**741,346**	1,622,368
Total	**1,598,119**	2,931,143

IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated statement of financial position. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus, each lease will be mapped in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statement of financial position. As for the financial performance impact in the consolidated statement of comprehensive income, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability.

The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to be applied until the financial year ending 31 December 2019, and management expects the impacts on the Group's financial results and position upon the adoption of IFRS 16 are not material.

3. 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:

	2017	2016
	S$'000	*S$'000*
Sales of goods	**19,903**	18,535
Rendering of tooling services	**841**	481
	20,744	19,016

4. OTHER INCOME

	2017	2016
	S$'000	*S$'000*
Government grants	**240**	162
Sale of scrap material	**92**	92
	332	254

5. EXPENSES BY NATURE

	2017	2016
	S$'000	*S$'000*
Costs of inventories sold	**9,759**	8,347
Employee benefit expenses	**4,886**	4,637
Depreciation of property, plant and equipment	**813**	632
Amortisation of intangible assets	**13**	21
Rental expenses	**1,463**	1,278
Entertainment	**8**	10
Repair and maintenance of property, plant and equipment	**474**	506
Insurance	**123**	112
Travelling expenses	**102**	141
Printing and stationery	**32**	18
Telephone charges	**25**	25
Utilities	**805**	856
Advertisement	**63**	57
Legal and professional fees	**264**	135
Auditor's remuneration	**202**	16
Postage and courier service	**3**	5
Bank charges	**32**	27
Listing expenses	**2,221**	—
Others	**217**	159
	21,505	16,982
Represented by:		
Cost of sales	**16,318**	14,450
Selling and distribution expenses	**212**	203
Administrative expenses	**4,975**	2,329
	21,505	16,982

6. FINANCE COSTS — NET

	2017	2016
	S$'000	*S$'000*
Interest expenses on:		
— Finance lease	**31**	12
— Bank overdraft	**35**	36
— Term loan	**57**	28
— Convertible bond	**—**	84
— Trust receipts	**76**	68
	199	228
Interest income from:		
— Fixed deposit interest income	**—**	—*
— Amount due from a shareholder	**(12)**	(24)
	(12)	(24)
Finance costs — net	**187**	204

7. INCOME TAX EXPENSE

	2017	2016
	S$'000	*S$'000*
Current income tax	**283**	350
Deferred income tax	**—**	(9)
Under-provision in prior years	**13**	—
	296	341

8. (LOSS)/EARNINGS PER SHARE

	2017	2016
(Loss)/profit attributable to equity holders of Company *(S$'000)*	**(822)**	1,680
Weighted average number of ordinary shares in issue *(thousands)*	**300,000**	300,000
Basic and diluted (loss)/earnings per share *(S cents)*	**(0.27)**	0.56

* *Less than S$1,000*

9. TRADE AND OTHER RECEIVABLES

	2017	2016
	S$'000	*S$'000*
Trade receivables – Third parties	**4,825**	2,828
Goods and services tax receivables	**55**	22
Prepayments	**729**	73
Deposits	**563**	577
Others	**12**	309
	6,184	3,809

The Group normally grants credit terms to its customers ranging from 30 to 60 days. The ageing analysis of these trade receivables based on invoice date is as follows:

	2017	2016
	S$'000	*S$'000*
1 to 30 days	**1,838**	1,544
31 to 60 days	**1,802**	590
61 to 90 days	**1,112**	694
Over 90 days	**73**	—
	4,825	2,828

As at 31 December 2017, trade receivables of S$1,187 (2016: S$940) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables based on due date is as follows:

	2017	2016
	S$'000	*S$'000*
Past due but not impaired:		
1 to 30 days	**1,114**	940
31 to 60 days	**—**	—
61 to 90 days	**—**	—
Over 90 days	**73**	—
	1,187	940

10. TRADE AND OTHER PAYABLES

	2017	2016
	S$'000	*S$'000*
Trade payables – Third parties	**2,092**	1,564
Other payables and accruals		
– Accrued expenses	**1,082**	372
– Others	**189**	223
	3,363	2,159

As at 31 December 2016 and 2017, the ageing analysis of the trade payables by invoice date is as follows:

	2017	2016
	S$'000	*S$'000*
1 to 30 days	**904**	892
31 to 60 days	**696**	601
61 to 90 days	**451**	60
More than 90 days	**41**	11
	2,092	1,564

11. DIVIDENDS

No dividends has been paid or declared by the Company since its incorporation.

12. CONTINGENT LIABILITIES

In November 2014, the Group commenced legal proceedings against one of its suppliers ("**Defendant**"). In January 2015, the Defendant filed a defence and counterclaim against the Group. In March 2018, the trial of the above legal proceedings were heard before the Singapore Courts and the trial judge granted judgement including expenses in favour of the Defendant of approximately S$127,000. As at the date of this announcement, both the Group and the Defendant have filed their Notices of Appeal and the date of hearing before the Court of Appeal has not been fixed. The Board of Directors, pursuant to the advice from the Company's legal advisor, is of opinion that the Group has valid grounds to appeal and as such, it is likely that the Defendant's counterclaim against the Group will not succeed.

13. MATERIAL ACQUISITION AND DISPOSAL

Pursuant to a group reorganisation completed on 19 December 2017 (the "**Reorganisation**") to rationalise the Group Structure for the listing of the Company's share on the GEM of the Stock Exchange, the Company became the holding Company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 29 December 2017 (the "**Prospectus**").

Save for Reorganisation, the Group did not have any material acquisition or disposal of subsidiaries and affiliated companies in FY2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a contract manufacturer based in Singapore that is principally engaged in the manufacture and sale of injection molded plastic parts for disposable medical devices and the provision of tooling services.

For the financial year ended 31 December 2017 ("**FY2017**"), the Group recorded a net loss of approximately S$0.8 million as compared to net profit of approximately S$1.7 million for the year ended 31 December 2016 ("**FY2016**"). The Directors are of view that the net loss was mainly attributable to the non-recurring listing expenses. Setting aside the listing expenses of approximately S$2.2 million, the Group's net profit for FY2017 would be approximately S$1.4 million, compared to S$1.7 million for FY2016. In view of the steady revenue growth for FY2017 as compared to FY2016, and the latest negotiations with existing and potential new customers, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

OUTLOOK

The shares were listed on GEM on the 19 January 2018 ("**Listing Date**") by way of Share Offer. The Directors believe that the listing will raise the profile and visibility of the Group and strengthen our competitiveness among our competitors, in the hope of leading to an increase in market share. In addition, the Directors also believe that customers and suppliers may prefer to work with listed companies given their reputation, listing status, public financial disclosures and general regulatory supervision by the relevant regulatory bodies.

The Group is in the course of negotiations with existing customers and potential new customers, including groups with scalable size of operations, expressing intentions for inviting us to expand the existing supply scope.

The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the medical devices plastic injection molding industry.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S$1.7 million or approximately 9.1% from approximately S$19.0 million in FY2016 to approximately S$20.7 million in FY2017. Such increase was mainly driven by the increase in revenue from the increasing demand for plastic medical devices of respiratory and dialysis product.

Cost of sales

The Group's cost of sales increased by approximately S$1.8 million or approximately 12.9% from approximately S$14.5 million in FY2016 to approximately S$16.3 million in FY2017. Such increase was primarily due to (i) increase in depreciation of approximately S$0.2 million due to the acquisition of new property, plant and equipment, (ii) increase in rental expense due to the extension of clean room facilities of approximately S$0.2 million and (iii) increase in cost of inventories due to increase in production of approximately S$1.4 million.

Gross profit and gross profit margin

The Group's overall gross profit decreased by approximately S$0.1 million or approximately 3.1% from approximately S$4.5 million for FY2016 to approximately S$4.4 million for FY2017. The Group's overall gross profit margin decreased from approximately 24.0% in FY2016 to approximately 21.3% in FY2017, which was mainly due to increase in production cost for 2 products and the setting up of a new Class 100,000 clean room facility for the assembly and packaging of medical devices with a floor space of approximately 360 sq.m..

Administrative expenses

The Group's administrative expenses increased by approximately S$2.7 million or 113.6% from approximately S$2.3 million in FY2016 to approximately S$5.0 million in FY2017.

Our administrative expenses mainly comprise salaries and benefits paid to our staffs in the administrative function, directors' remuneration, rental and utilities expenses, legal and professional fees, travelling and transportation expenses, depreciation expenses, amortization expenses, insurance expenses, listing expenses and others such as repair and maintenance fees, entertainment fees, telephone and bank charges.

The increase was primarily due to the recognition of non-recurring listing expenses in FY2017 amounting to approximately S$2.2 million, the increase in legal and professional fees by approximately S$0.1 million and the increase in directors remuneration, staff salaries and benefits of approximately S$0.2 million.

Use of proceeds

The net proceeds from the listing amounted to approximately S$7.1 million which will be used to enable the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the medical devices plastic injection molding industry.

These proceeds are intended to be applied in accordance with the proposed application set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the date of this announcement, the Directors do not anticipate any change to the planned use of proceeds as disclosed in the Prospectus.

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 year ended 31 December 2017.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "**Scheme**") on 19 December 2017. The purpose of the Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group. The principal terms of the Scheme are summarised in the section headed "Share Option Scheme" in Appendix V to the Prospectus.

During FY2017 and to the date of this announcement, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the year ended 31 December 2017.

COMPLIANCE ADVISER'S INTERESTS

As at 28 March 2018, except for the compliance adviser's agreement entered into between the Company and Fortune Financial Capital Limited, the Company's compliance adviser, on 26 August 2017, neither the Company's compliance adviser nor its directors, employees or associates had any interest in relation to the Company which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

COMPLIANCE WITH 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 provision as set out in the Corporate Governance Code ("**CG Code**") in Appendix 15 to the GEM Listing Rules.

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Since 25 August 2017, Mr. Phua Swee Hoe was appointed as the Chairman of the Board and chief executive officer of our Group. He is responsible for the overall management strategic direction and business development of our Group.

Since establishment of our Group in 1981, Mr. Phua has been the key leadership figure of our Group who has been deeply involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group's operations as he directly supervises our Directors (other than himself) and members of our senior management. Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-executive Directors) consider Mr. Phua is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and our Shareholders as a whole.

The Board does not have the intention to segregate the roles of the Chairman of the Board and the chief executive officer of our Group at present and believe that this will not have an adverse effect to the Company, as decisions of the Company will be made collectively by the Directors. The Board will continually review the current structure of the Board and the need for the segregation of the two roles. Appointment will be made to fill the post to comply with code provision A.2.1 of the CG Code, if necessary.

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 the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the year ended 31 December 2017.

EVENTS AFTER THE BALANCE SHEET DATE

The following significant event took place subsequent to 31 December 2017:

On 19 January 2018, the Company issued additional 299,999,900 shares, credited as fully paid, to the Controlling Shareholders of the Company, by way of capitalisation of HK$2,999,999 standing to the credit of the Company's share premium amount.

On 19 January 2018, the shares of the Company were listed on the Stock Exchange. In connection with the Listing completed on 19 January 2018, the Company issued a total of 100,000,000 ordinary shares were issued at an offer price of HK$0.65 per share for a total proceeds of HK$65,000,000.

SCOPE OF WORK OF AUDITOR

The financial information presented in this announcement has been agreed by PricewaterhouseCoopers, the Company's independent auditors, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2017, which has been audited by PricewaterhouseCoopers. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this announcement.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with rules 5.28 of the GEM Listing Rules and the CG Code. The audit committee consists of all the three independent non-executive Directors being Mr. Ong Kian Guan, Mr. Tan Yew Bock and Mr. Chow Wen Kwan. Mr. Ong Kian Guan was appointed to serve as the Chairman of the audit committee. The primary duties of our audit committee are mainly 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 annual results of the Group for the year ended 31 December 2017.

By order of the Board
IAG Holdings Limited
Phua Swee Hoe
Chairman and Executive Director

Singapore, 28 March 2018

As at the date of this announcement, the executive Directors are Mr. Phua Swee Hoe, Ms. Ng Hong Kiew and Mr. Ang Lai Seng; the non-executive Director is Mr. Tay Koon Chuan; and the independent non-executive Directors are Mr. Tan Yew Bock, Mr. Ong Kian Guan and Mr. Chow Wen Kwan.

This announcement will remain on the Stock Exchange's website at http://www.hkexnews.hk and, in any case of this announcement, on the "Latest Company Announcements" page for a minimum period of seven days from the date of its posting. This announcement will also be published on the Company's website at http://www.inzign.com.