# INDIGO STAR HOLDINGS LIMITED
# 靛藍星控股有限公司

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

**(Stock code: 8373)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

## CHARACTERISTICS OF THE 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the "Directors") of Indigo Star Holdings Limited (the "Company") 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 is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for year ended 31 December 2018 (the "Reporting Year"), together with audited comparative figures for the corresponding preceding year, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2018*

| | *Notes* | **2018** *S$'000* | 2017 *S$'000* |
|---|---|---|---|
| Revenue | *5* | **42,556** | 45,196 |
| Cost of sales | | **(35,050)** | (32,900) |
| Gross profit | | **7,506** | 12,296 |
| Other income | *6* | **375** | 393 |
| Administrative expenses | | **(4,808)** | (8,701) |
| Finance costs | | **(17)** | (40) |
| **Profit before taxation** | *8* | **3,056** | 3,948 |
| Income tax expense | *7* | **(549)** | (1,345) |
| **Profit for the year** | | **2,507** | 2,603 |
| **Other comprehensive expenses** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising from translation of foreign operations | | **(9)** | (11) |
| **Other comprehensive expenses for the year, net of income tax** | | **(9)** | (11) |
| **Profit and other comprehensive income for the year** | | **2,498** | 2,592 |
| **Earnings per share** | | | |
| — basic and diluted (Singapore cents) | *10* | **0.63** | 0.84 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*As at 31 December 2018*

| | Notes | 2018 S$'000 | 2017 S$'000 |
|---|---|---|---|
| **Non-current assents** | | | |
| Investment property | | **253** | 258 |
| Property, plant and equipment | | **2,061** | 2,050 |
| Retention sum receivables | *11* | **–** | 7,574 |
| | | **2,314** | 9,882 |
| **Current assets** | | | |
| Trade and retention sum receivables | *11* | **2,695** | 5,174 |
| Amounts due from customers for contract works | | **–** | 2,077 |
| Contract assets | | **10,035** | – |
| Prepayments, deposits and other receivables | | **1,019** | 784 |
| Cash and cash equivalents | | **12,919** | 13,820 |
| | | **26,668** | 21,855 |
| **Current liabilities** | | | |
| Trade and retention sum payables | *12* | **1,828** | 1,915 |
| Amounts due to customers for contract works | | **–** | 4,272 |
| Contract liabilities | | **3,068** | – |
| Other payables and accruals | | **4,096** | 6,786 |
| Amount due to a director | | **414** | – |
| Bank borrowing | | **–** | 675 |
| Obligations under finance leases | | **43** | 166 |
| Tax payable | | **748** | 1,217 |
| | | **10,197** | 15,031 |
| **Net current assets** | | **16,471** | 6,824 |
| **Total assets less current liabilities** | | **18,785** | 16,706 |
| **Non-current liability** | | | |
| Deferred tax liabilities | | **30** | 30 |
| Obligations under finance leases | | **62** | 23 |
| | | **92** | 53 |
| **Net assets** | | **18,693** | 16,653 |
| **Capital and reserves attributable to owners of the Company** | | | |
| Share capital | | **695** | 695 |
| Reserves | | **17,998** | 15,958 |
| **Total equity** | | **18,693** | 16,653 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 8 March 2017. The Company's immediate and ultimate holding company is Amber Capital Holding Limited ("Amber Capital"), a company incorporated in the British Virgin Islands ("BVI") with limited liability. The Company's shares were initially listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 November 2017.

The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Group is at #03–08 Quartz Industrial Building, 5 Upper Aljunied Link, Singapore 367903.

The Company is an investment holding company and the Company's subsidiaries are principally engaged in provision of structural reinforced and concrete works in buildings and civil engineering works. The consolidated financial statements are presented in Singapore dollars ("S$"), which is the functional currency of its principal subsidiaries. All values are rounded to the nearest thousand ("S$'000"), except when otherwise indicated.

## 2. BASIS OF PREPARATION

The consolidated financial statement has been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants. Fair value for measurement and/or disclosure purposes in the consolidated financial statement is determined on such a basis, except for share-based payment transactions that are within the of IAS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

## 3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

**Application of new and revised IFRSs — effective on 1 January 2018**

In the current year, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by International Accounting Standard Board (the "IASB") which are effective for the Group's financial year beginning from 1 January 2018. A summary of the new and revised IFRSs applied by the Group is set out as follows:

| | |
|---|---|
| IFRS 2 (Amendments) | Classification and Measurement of Share-Based Payment Transaction |
| IFRS 4 (Amendments) | Insurance Contracts |
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue from Contracts with Customers |
| IAS 28 (Amendments) | As part of the Annual Improvements to IFRSs 2014–2016 Cycle |
| IAS 40 (Amendments) | Transfers of Investment Property |
| IFRIC Interpretation 22 | Foreign Currency Transactions and Advance Consideration |

The above new IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

### *(a) Impact on the consolidated financial statements*

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the application of new IFRSs have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below:

| **Consolidated statement of financial position (extract)** | **At 31 December 2017** | **IFRS 9** | **IFRS 15** | **At 1 January 2018** |
|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Non-current assets** | | | | |
| Retention sum receivables | 7,574 | (290) | (7,284) | – |
| **Current assets** | | | | |
| Trade and retention sum receivables | 5,174 | (91) | (781) | 4,302 |
| Amounts due from customers for contract works | 2,077 | (77) | (2,000) | – |
| Contract assets | – | – | 10,065 | 10,065 |
| **Current liabilities** | | | | |
| Amounts due to customers for contract works | 4,272 | – | (4,272) | – |
| Contract liabilities | – | – | 4,272 | 4,272 |
| **Net current assets** | 6,824 | (458) | – | 6,366 |
| **Total assets less current liabilities** | 16,706 | (458) | – | 16,248 |
| **Net assets** | 16,653 | (458) | – | 16,195 |
| **Capital and reserves** | | | | |
| Reserves | 15,958 | (458) | – | 15,500 |
| Total equity | 16,653 | (458) | – | 16,195 |

### *(b) IFRS 9 Financial Instruments*

In the current year, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduce new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and contract assets and (3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 Financial Instruments: Recognition and Measurement.

Below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

Under the transition methods chosen, the Group recognises the cumulative effect of the initial application of IFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been affected by IFRS 9.

| | **At 31 December 2017** | **Impact on initial application of IFRS 9** | **At 1 January 2018** |
|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* |
| **Non-current assets** | | | |
| Retention sum receivables | 7,574 | (290) | 7,284 |
| **Current assets** | | | |
| Trade and retention sum receivables | 5,174 | (91) | 5,083 |
| Amounts due from customers for contract works | 2,077 | (77) | 2,000 |
| Retained earnings | 4,809 | (458) | 4,351 |

*(i) Classification and measurement*

IFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede IAS 39 's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

— Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

— FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

— FVPL, if the investment does not meet the criteria for being measured at amortise cost or FVOCI (recycling). Changes in the fair value of the investment (including) interest are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

There is no reclassification or remeasurement of the financial assets, including cash and cash equivalent, trade receivables, deposit and other receivables for the adoption of IFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of IFRS 9.

*(ii) Impairment under ECL model*

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Except for those which had been determined as credit impaired under IAS 39, the remaining balances are grouped based on past due analysis. The Group has therefore estimated the expected loss rates for the trade receivables and contract assets on the same basis.

Except for those which had been determined as credit impaired under IAS 39, ECL for other financial assets at amortised cost, including deposit and other receivables and bank balances, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

All loss allowances including trade receivables, contract assets and other financial assets at amortised cost as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

| | **Trade receivables** *S$'000* | **Contract assets** *S$'000* | **Total** *S$'000* |
|---|---|---|---|
| At 31 December 2017 — IAS 39 | 300 | – | 300 |
| Amounts re-measured through opening retained profits | 60 | 398 | 458 |
| At 1 January 2018 — IFRS 9 | 360 | 398 | 758 |

**IFRS 15 Revenue from Contracts with Customers**

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 15, prior period comparative figures have not been restated. In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018):

| | **IAS 18 carrying amount at 31 December 2017** *S$'000* | **Reclassification** *S$'000* | **Remeasurement** *S$'000* | **IFRS 15 carrying amount at 1 January 2018** *S$'000* |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Retention sum receivables | 7,574 | (7,284) | (290) | – |
| **Current assets** | | | | |
| Trade and retention sum receivables | 5,174 | (781) | (91) | 4,302 |
| Amounts due from customers for contract works | 2,077 | (2,000) | (77) | – |
| Contract assets | – | 10,065 | – | 10,065 |
| **Current liabilities** | | | | |
| Amounts due to customers for contract works | 4,272 | (4,272) | – | – |
| Contract liabilities | – | 4,272 | – | 4,272 |

*(i) Presentation of assets and liabilities related to contracts with customers*

The Group has also changed the presentation of the following amounts in the balance sheet to reflect the terminology of IFRS 15:

- In relation to construction contracts previously accounted under IAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application of IFRS 15. S$2,000,000, S$4,272,000 and S$8,065,000 of amounts due from/to customers for contract work and retention sum receivables were reclassified to contract assets and contract liabilities respectively.

*(ii) Timing of revenue recognition*

As a result of the changes in the Group's accounting policies, except for the reclassification of the contract assets/contract liabilities from trade and retention sum receivables and amounts due from/to customers for contract works, IFRS 15 was generally adopted without restating any other comparative information. The adoption of IFRS 15 in the current period does not result in any impact on the amounts reported in the consolidated financial information and/or disclosures set out in the consolidated financial information except that, the Group has adopted the accounting policies as stated in the annual report.

**New and revised IFRSs that have been issued but are not yet effective**

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

| | |
|---|---|
| IFRS (Amendments) | Annual Improvements to IFRSs 2015–2017 Cycle[1] |
| IFRS 3 (Amendments) | Definition of a business[2] |
| IFRS 9 (Amendments) | Prepayment Features with Negative Compensation[1] |
| IFRS 10 and IAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5] |
| IFRS 16 | Leases[1] |
| IFRS 17 | Insurance Contracts[4] |
| IAS 1 and IAS 8 (Amendments) | Definition of Material[3] |
| IAS 19 (Amendments) | Plan Amendment, Curtailment or Settlement[1] |
| IAS 28 (Amendments) | Long-term interests in Associates and Joint Ventures[1] |
| IFRIC Interpretation 23 | Uncertainty over Income Tax Treatments[1] |

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2020.
4 Effective for annual periods beginning on or after 1 January 2021.
5 Effective for annual periods beginning on or after a date to be determined.

Except as described below, the management of the Group considers that the application of the other new and revised standards and amendments is unlikely to have a material impact on the Group's financial position and performance as well as disclosure to be set out in the future financial statement of the Group.

**IFRS 16 Leases**

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value or short-term leases. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as containing a lease applying IAS 17 and IFRIC-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application.

Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profit without restating comparative information.

## 4. SEGMENT INFORMATION

The Group operates in one operating segment which is the provision of structural reinforced and concrete works in general building and civil engineering works. A single management team reports to the Directors (being the chief operating decision-maker ("CODM")) who comprehensively manage the entire business. The CODM reviews revenue by nature of contracts, i.e. "General Building Projects" and "Civil Engineering Projects" and profit for the year as a whole. Accordingly, the Group does not present separately segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group's revenue is generated in Singapore and all of the Group's assets and liabilities are located in Singapore. Accordingly, no business or geographical segment information is presented.

**Revenue from major customers**

Revenue from customers over 10% of the Group's total revenue is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Customer A | **11,074** | 9,482 |
| Customer B | **6,513** | – |
| Customer C | **6,509** | 20,021 |
| Customer D | **15,403** | 9,853 |
| | **39,499** | 39,356 |

**Geographical information**

The Group principally operates in Singapore, also the place of domicile. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

## 5. REVENUE

### (i) Over time of revenue recognition

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| General building projects | **27,126** | 34,823 |
| Civil engineering projects | **15,430** | 10,373 |
| | **42,556** | 45,196 |
| Outstanding Contract amount | **9,549** | 50,595 |

### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2018, the aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts is S$9,549,000. This amount represents revenue expected to be recognised in the future from pre-completion construction contracts entered into by the customers with the Group. The Group will recognised the expected revenue in future when or as the work is completed which is expected to occur within the next 12 months.

## 6. OTHER INCOME

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Recovery of provision for doubtful debt | **–** | 225 |
| Government grants *(note)* | **75** | 80 |
| Rental income | **–** | 11 |
| Interest income | **56** | 13 |
| Sundry income | **124** | 64 |
| Reversals of credit losses on trade receivables and contract assets | **120** | – |
| | **375** | 393 |

*Note:*

The government grants received mainly pertain to Special Employment Credit Scheme and Workforce Training and Upgrading Scheme, which are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support. There were no unfulfilled conditions or contingencies relating to those government grants.

## 7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Singapore Corporate Income Tax rate was 17% during the year ended 31 December 2018 (2017: 17%). Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at a statutory income tax rate of 17% in Singapore. Major components of income tax expense are summarised as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Current tax | | |
| — Singapore Corporate Income Tax ("CIT") | **743** | 1,256 |
| (Over)/under provision in respect of prior year | **(194)** | 59 |
| Deferred tax expenses | **–** | 30 |
| | **549** | 1,345 |

## 8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

| | 2018 | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Auditors' remuneration | | |
| — Audit service | **210** | 222 |
| — Non-audit service | **–** | – |
| Material used | **5,984** | 11,368 |
| Subcontracting charges | **10,206** | 5,616 |
| Depreciation on property, plant and equipment | **255** | 302 |
| Depreciation on investment property | **5** | 5 |
| Listing expenses | **–** | 3,514 |
| Employee benefit expenses (including directors' emoluments) | | |
| Salaries and other employee benefits | **16,139** | 16,869 |
| Contributions to defined contribution retirement plan | **295** | 320 |
| Total employee benefit expenses (including directors' emoluments) | **16,434** | 17,189 |

## 9. DIVIDENDS

On 19 April 2017, a special dividend in aggregate amount of approximately S$4,500,000 has been proposed by the directors of IEPL and subject to approval by the shareholders. On 13 October 2017, the special dividend was declared to its then shareholders.

The Directors do not recommend the payment of any dividend of the year ended 31 December 2018.

## 10. EARNINGS PER SHARE

| | 2018 | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Profit for the year attributable to owners of the Company | **2,507** | 2,603 |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share | **400,000** | 308,333 |
| Basic earnings per share (Singapore cents) | **0.63** | 0.84 |

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted earnings per share is the same as the basic earnings per share because there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2018 and 2017.

## 11. TRADE AND RETENTION SUM RECEIVABLES

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Trade receivables | **3,033** | 4,662 |
| Retention sum receivables *(note)* | **–** | 8,386 |
| | **3,033** | 13,048 |
| Less: Allowance for credit losses | **(338)** | (300) |
| | **2,695** | 12,748 |

The Group generally allows a credit period within 35 days from invoice date of the relevant contract revenue.

Based on invoices date, ageing analysis of the Group's trade and retention sum receivables, net of allowance for credit losses, are summarised as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Within 30 days | **2,695** | 4,538 |
| 31 to 90 days | **–** | 616 |
| 91 to 180 days | **–** | 935 |
| 181 to 365 days | **–** | 1,897 |
| Over 1 year but less than 2 years | **–** | 1,952 |
| Over 2 years | **–** | 2,810 |
| | **2,695** | 12,748 |

The closing loss allowances for trade receivables as at 31 December 2018 reconcile to the opening loss allowances as follows:

| | *S$'000* |
|---|---|
| At 31 December 2017-IAS 39 | 300 |
| Amounts re-measured through opening — retained profits | 60 |
| At 1 January 2018 –IFRS 9 | 360 |
| Reversal of loss allowances | (22) |
| At 31 December 2018 –IFRS 9 | 338 |

*Note:*

Due to the adoption of IFRS 15, effective on 1 January 2018, the balance of retention sum receivable were reclassified to contract asset.

## 12. TRADE AND RETENTION SUM PAYABLES

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| Trade payables | **1,497** | 1,765 |
| Retention sum payables | **331** | 150 |
| | **1,828** | 1,915 |

Trade and retention sum payables are non-interest bearing. Trade payables are generally settled on 30-days terms. The terms and conditions in relation to the release of retention vary from contract to contract, which usually within 1 year and subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

Trade and retention sum payables were denominated in Singapore dollars.

Ageing analysis of trade and retention sum payables as at the reporting dates is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***S$'000*** | *S$'000* |
| 0 to 30 days | **1,211** | 1,532 |
| 31 to 90 days | **151** | 93 |
| 91 to 180 days | **149** | 82 |
| Over 180 days | **317** | 208 |
| | **1,828** | 1,915 |

## 13. EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Company after the Reporting Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

## INTRODUCTION

The Group is an established subcontractor in Singapore specialising in providing reinforced concrete works, which mainly cover steel reinforcement works, formwork erection and concrete works. Provision of structural reinforced and concrete works in general building and civil engineering works is the only segment of the Group. The Group may provide such services either individually or as a total package comprising all three, depending on the requirements of customers. We have also venture into projects as the main Contractor namely, SICC and 19A Tanjong Penjuru.

## BUSINESS REVIEW

For the year ended 31 December 2018, our Group has completed four projects, namely Project Paya Lebar Central, Project Tanjong Penjuru, Project Woodlands and Project North Coast Drive and has been awarded for two projects, namely Project Micron FAB and Project North Coast Drive during the year ended 31 December 2018. Public sector projects remained the major contributor to our revenue and had contributed approximately S$33.0 million (2017: S$38.4 million), representing by approximately 77.6% (2017: 85.0%) of our total revenue for the year ended 31 December 2018. Our outstanding contract value as at 31 December 2018 was approximately S$9.5 million.

Set out below are the details of the contracts contributing to the revenue for the year ended 31 December 2018:

| Name of project | Nature of project | Customer | Type of services offered | Commencement date | Expected completion date | Contract sum |
|---|---|---|---|---|---|---|
| | | | | | | *S$'000* |
| Project Orchard Station | Public — civil engineering | Penta Bachy Joint Venture | Reinforced concrete works | October 2015 | October 2019 | 39,006 |
| Project New State Courts | Public — civil engineering | Samsung | Reinforced concrete works | June 2016 | October 2018 | 23,926 |
| Project Paya Lebar Central | Private — general building | JDC | Steel reinforcement works | September 2016 | January 2018 | 1,897 |
| Project Outram Community Hospital | Public — general building | Penta-Ocean | Reinforced concrete works | April 2016 | July 2018 | 25,467 |
| Project Tanjong Penjuru | Private — general building | Dovechem Packaging Pte Ltd | Main contract | May 2017 | January 2018 | 6,118 |
| Project Woodlands | Public — general building | Penta-Ocean | Steel reinforcement works and formwork erection | November 2017 | March 2018 | 1,258 |
| Project Micron FAB | Private — general building | M+W Singapore Pte Ltd | Reinforced concrete works | 31 May 2018 | February 2019 | 7,338 |
| Project North Coast Drive | Private — general building | LK Ang Construction Pte Ltd | Steel works | 15 May 2018 | October 2018 | 483 |

## FINANCIAL REVIEW

### Revenue

Revenue decreased by approximately S$2.6 million, or approximately 5.8%, from approximately S$45.2 million for the year ended 31 December 2017 to approximately S$42.6 million for the year ended 31 December 2018. The decrease was mainly attributable to the decrease in revenue from Project Outram Community Hospital for approximately S$9.9 million and Project Tanjong Penjuru for approximately S$1.6 million due to their completions, offset by increase in revenue recognised for Project Orchard Station, Project New State Courts and Project Woodlands for approximately S$5.3 million, S$2.4 million and S$1.0 million, respectively due to increase their completions during the year.

### Direct costs

Direct costs increased by approximately S$2.2 million, or approximately 6.7%, from approximately S$32.9 million for the year ended 31 December 2017 to approximately S$35.1 million for the year ended 31 December 2018.

Direct costs mainly comprised of (i) material costs of approximately S$6.0 million (2017: S$11.4 million); and (ii) direct labour of approximately S$14.2 million (2017: S$13.3 million) for the year ended 31 December 2018. The increase was mainly due to (i) increase in direct labour for approximately S$1.2 million and (ii) increase in other direct costs, particularly professional fees and rental of equipment, by approximately S$0.9 million.

### Gross profit and gross profit margin

Gross profit recorded approximately S$7.5 million for the year ended 31 December 2018 (2017: S$12.3 million). The decrease was mainly due to decrease in revenue as a result of projects completed during the year ended 31 December 2018.

Gross profit margin decreased from approximately 27.2% for the year ended 31 December 2017 to 17.6% for the year ended 31 December 2018. The higher gross profit margin in the prior year was mainly due to receipt of final account for Project Sengkang General Hospital 2 while the project had been completed during the year 31 December 2017.

### Other income, net

Other income for the year ended 31 December 2018 amounted to approximately S$0.4 million, which remained relatively stable (2017: S$0.4 million).

### Administrative expenses

Administrative expenses for the year ended 31 December 2018 amounted to approximately S$4.8 million (2017: S$8.7 million). The decrease was mainly due to no professional fees for the listing of the Company on GEM on 16 November 2017 (the "Listing") incurred for the year ended 31 December 2018 (2017: approximately S$3.5 million).

**Finance costs**

Finance costs remained relatively stable at approximately S$17,000 for the year ended 31 December 2018 (2017: S$40,000).

**Income tax expenses**

Income tax expense for the year ended 31 December 2018 amounted to approximately S$0.5 million (2017: S$1.3 million), and the effective tax rate was approximately 18.0% (2017: 34.1%). The effective tax rate was higher than the statutory tax rate of 17% in Singapore, which was mainly due to professional fees incurred for the Listing which were not tax deductible, amongst others.

**Profit for the year**

As a result of the foregoing, profit for the year ended 31 December 2018 decreased by approximately S$0.1 million, or approximately 3.6%, from approximately S$2.6 million for the year ended 31 December 2017 to approximately S$2.5 million for the year ended 31 December 2018.

## LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group, calculated based on the total current assets divided by the total current liabilities as at 31 December 2018, was 2.6 times (2017: 1.5 times). The increase was mainly due to increase in net assets as a results of profit generated during the Reporting Year.

As at 31 December 2018, the Group had net current assets of approximately S$16.5 million (2017: S$6.8 million), including cash and cash equivalents of approximately S$12.9 million (2017: S$13.8 million).

The gearing ratio, calculated based on the total debt (including borrowings and finance lease payables) divided by total equity, was approximately 0.6% as at 31 December 2018 (2017: 5.2%).

## CAPITAL STRUCTURE

Since the Listing, there has been no change in the capital structure of the Company. The share capital of the Company only comprises of ordinary shares.

As at 31 December 2018, the Company's issued share capital was HK$4.0 million and the number of ordinary shares issued was 400,000,000 of HK$0.01 each.

## COMMITMENTS

### As lessor

As at 31 December 2017, the Group had leased an industrial building unit which was classified as investment property under operating lease arrangements, with leases negotiated for term ranging from one to two years. The Group had not leased any properties as lessor as at 31 December 2018.

As at 31 December 2018, the total future minimum lease receivables under non-cancellable operating lease arrangements was nil (2017: Nil).

### As lessee

As at 31 December 2018, the Group had commitments for future minimum lease payments in respect of our dormitories and site equipment under non-cancellable operating lease arrangements, with leases negotiated for an initial period of 1 month to 13 months. The Group's operating lease commitments amounted to approximately S$0.3 million as at 31 December 2018 (2017: S$1.7 million).

### Capital Commitments

As at 31 December 2018, the Group did not have any significant capital commitments (2017: Nil).

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2018, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## SIGNIFICANT INVESTMENTS

As at 31 December 2018, the Group did not hold any significant investments (2017: Nil).

## CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 December 2018, the Group was involved in certain immaterial litigation cases, details of which are set out below. Save for the disclosed, the Group did not have any material contingent liabilities.

As at 31 December 2018, the Group had three common law claims, which had been brought before the relevant courts in Singapore, in relation to work-related injury. The claim amount of these work-related common law claims has not been finalised. It is expected that the claim amount will be fully covered by insurance.

As at 31 December 2018, the Group did not pledge any asset.

## FOREIGN EXCHANGE EXPOSURE

The Group was not exposed to foreign exchange risk during the year ended 31 December 2018 (2017: Nil).

## TREASURY POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The major classes of financial assets of the Group are cash and cash equivalents, trade and retention sum receivables, amounts due from directors, amounts due from related companies and other receivables.

For trade and retention sum receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. The Group assesses concentration of credit risk by monitoring the individual profile of its trade and retention sum receivables on an ongoing basis. As at 31 December 2018, approximately 43.4% (2017: 96.6%) of the Group's trade and retention sum receivables were due from the top five customers.

The credit risk on liquid funds is limited because the Group adopts the policy of dealing only with high credit quality counter parties. Other than concentration of credit risk on liquid funds which are deposited with a bank with a high credit rating, the Group does not have any other significant concentration of credit risk.

To ensure sufficient liquidity to meet the liabilities when fall due, the Group's policy is to monitor current and expected liquidity requirements to maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet short and long term liquidity requirements. In particular, the Group monitors and maintains a level of cash and cash equivalents assessed as adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity.

## CHARGE OF GROUP'S ASSETS AND SECURITIES FOR BANKING FACILITIES

As at 31 December 2018, the Group did not have any charge.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed a total of 523 full-time staff, of which approximately 8.2% were Singapore citizens and residents and approximately 91.8% were foreigners. Total employee benefit expenses, including Directors' emoluments, of the Group amounted to approximately S$16.4 million for the year ended 31 December 2018 (2017: approximately S$17.2 million). Remuneration of the employees is determined with reference to market terms and the performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

## SHARE OPTION SCHEME

The Group has adopted a share option scheme (the "Scheme") pursuant to which the Company may grant options to individuals including employees, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company and any subsidiary to acquire shares of the Company. The Directors consider that the Scheme assists in recruiting and retaining high calibre employees. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2018.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS AND USE OF PROCEEDS

Saved as disclosed in the prospectus of the Company dated 31 October 2017 (the "Prospectus"), the Group did not have other plans for material investments and capital assets.

The net proceeds from the Listing have been applied as follows:

| | | | **Planned use of proceeds** | |
|---|---|---|---|---|
| | Planned use of proceeds up to 31 December 2018 | Actual use of proceeds up to 31 December 2018 | **For the six months ending 30 June 2019** | **For the six months ending 31 December 2019** |
| | *HK$'000* | *HK$'000* | ***HK$'000*** | ***HK$'000*** |
| Acquiring property for the dormitory and cut and bend factory | 35,500 | – | **35,500** | **–** |
| Renovating the new dormitory and cut and bend factory | 3,300 | – | **–** | **3,300** |
| Purchasing one single production line of cut and bend system | 4,000 | – | **–** | **4,000** |
| Working Capital | 500 | 500 | **–** | **–** |
| | 43,300 | 500 | **35,500** | **7,300** |

Pursuant to the Prospectus, the Company intended to apply for approximately HK$35.5 million to acquire a property for our dormitory and cut and bend factory during the six months ended 30 June 2018. During the Report Period, the Group has searched many properties, and identified thirteen of them. Among them, three properties were shortlisted and two are under the group's evaluation. In comparing short listed properties, the Company is still in consideration of the prices offered by the sellers and evaluating the estimated amounts of additions and alterations needed. The Company will continue to evaluate the targets identified and look for other suitable properties in 2019. Due to the feasibility and availability, the group will renovate the new dormitory and cut and bend factory, and purchase the production line of cut and bend system after acquiring a property for the dormitory and cut and bend factory.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

| **Business objectives as stated in the Prospectus** | **Actual business progress up to 31 December 2018** |
|---|---|
| Upgrade our licences so as to expand our business through bidding for larger public sector projects | The Group has continued to make great efforts to upgrade of licence from C1 Grade to B2 Grade. |
| Set up our dormitory and cut and bend factory | The Group is in progress to identify suitable property for dormitory and cut and bend factory. |
| Strengthen our manpower in managerial and technical expertise | The Group has recruited one quantity surveyor and is in progress of recruiting high caliber staff to strengthen our team. |

## PROSPECT

The Directors considered that the continued construction demand in 2019 is expected to exceed the one in 2018. With the increasing demand, the outlook for the construction industry in Singapore remains optimistic. Going forward, the Group will continue to identify main contractor works and subcontracting works to capture more potential business opportunities in Singapore. Moreover, the Group is also making great efforts to upgrade of licence from C1 Grade to B2 Grade to enable the Group to tender larger public sector projects.

Meanwhile, to make robust development, the Group deals with risks such as credit risk and liquidity risk arising from its operations through internal risks reports which analyse exposure by degree and magnitude of risk . For credit risk management, the Group has adopted the policy to deal only with high credit quality and good history counterparties to minimise credit risk. For the liquidity risk management, the Group carefully monitors and maintains sufficient reserves of cash for expected liquidity requirements.

The funds raised from the Listing have laid a solid foundation for the future development of the Group. Looking ahead, the Group will endeavor to strengthen the development of its existing businesses and to provide steady return as well as growth prospects for the Company's shareholders.

## OTHER INFORMATION

## CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability.

The Company has adopted and complied with the code provisions stated in the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules, except for the following deviation:

### Code Provision A.2.1

Code provision A.2.1 of the CG Code provides that the responsibilities between the chairman and the chief executive officer of an issuer should be segregated and should not be performed by the same individual.

However, the Company does not have a separate chairman and chief executive officer and Mr. Goh Cheng Seng currently performs these two roles. The Directors believe that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient strategic planning for the overall development for the Group. The Directors also consider that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Group to make and implement effective and expedient decisions. The Company will continue to review and consider splitting the roles of chairman and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors (the "Code of Conduct") on terms no less than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all Directors and all of them confirmed their compliance with the Code of Conduct from 1 January 2018 and up to the date of this announcement.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2018.

## COMPETING INTEREST

The Directors are not aware that any controlling shareholders of the Company or Directors or their close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly with the Group's business during the Reporting Year.

## DEED OF NON-COMPETITION

The controlling shareholders, namely Mr. Goh Cheng Seng, Ms. Tan Soh Kuan and Amber Capital Holding Limited, had entered into a deed of non-competition dated 24 October 2017 (the "Deed of Non-Competition") in favour of the Company (for itself and as trustee for each of its subsidiaries). The controlling shareholders have also confirmed that none of them nor any of his/her close associates is engaged in, involved in or interested in any Group's business (other than being a director or shareholder of the Group) which, directly or indirectly, competes or may compete with the Group's business. For details of the Deed of Non-Competition, please refer to the section headed "Relationship with Controlling Shareholders" in the Prospectus.

Each controlling shareholder has confirmed to the Company of his/her compliance with the Deed of Non-Competition from the date of the Listing up to the date of this announcement. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholders up to the date of this announcement.

## MAJOR CUSTOMERS AND SUPPLIERS

The revenue of the Group's top five customers accounted for approximately S$41.7 million for the Reporting Year, representing approximately 98.1% of the Group's total revenue. The Group's largest customer accounted for approximately S$15.4 million or 36.3% of total revenue for the Reporting Year.

The total purchase from the Group's top five suppliers amounted to approximately S$8.2 million for the Reporting Year, representing approximately 50.4% of the Group's total purchase. The Group's largest supplier accounted for approximately S$3.1 million or 19.0% of total purchase for the Reporting Year.

As at the date of this announcement, as far as the Company is aware, none of the Directors, their close associates or any shareholder owning more than 5% of the Company's share capital had any interest in the Group's customers and suppliers as mentioned above.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the public information available to the Company and within the best knowledge of Directors as the date of this announcement, the Company has maintained the public float of not less than 25% of the Company issued shares as required under GEM Listing Rules since the Listing Date.

## INTEREST OF THE COMPLIANCE ADVISER

As at the date of this announcement, except for (i) the participation of Guotai Junan Capital Limited ("GTJA") as the sponsor in relation to the Listing of the Company on GEM; and (ii) the compliance adviser agreement entered into between the Company and GTJA, neither GTJA nor any of its directors, employees or associates had any interests in relation to the Group which requires to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Company after the Reporting Year.

## AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters and the audited consolidated financial statements for the year ended 31 December 2018. The Audit Committee is of the opinion that the financial statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made. For the Reporting Year, the Audit Committee considered the Group's risk management and internal control system as adequate and effective.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 3 May 2019 to Wednesday, 8 May 2019 (both days inclusive) during which period no transfer of Shares may be effected for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company (the "Annual General Meeting"). In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 2 May 2019.

## PUBLICATION OF 2018 ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2018 containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at http://www.indigostar.sg and the website of the Stock Exchange at www.hkexnews.hk.

## APPRECIATION

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the Report Year.

By order of the Board
**Indigo Star Holdings Limited**
**Goh Cheng Seng**
*Chairman and Chief Executive Officer*

Hong Kong, 21 March 2019

*As at the date of this announcement, the Chairman and the executive directors of the Company is Mr. Goh Cheng Seng, the executive directors of the Company are Ms. Tan Soh Kuan, Mr. Ng Sai Cheong and Mr. Wang Jianye; and the independent non-executive directors of the Company are Mr. Ma Yiu Ho Peter, Mr. Yip Ki Chi Luke, Mr. Zhou Guangguo and Dr. Zhang Tianmin.*

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

*This announcement will remain on GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.indigostar.sg.*