INDIGO STAR HOLDINGS LIMITED
靛藍星控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8373)

ISSUE OF SHARES UNDER GENERAL MANDATE
DEED OF SETTLEMENT

Reference is made to the announcement of Indigo Star Holdings Limited dated 30 April 2025 in relation to, among other matters, the appointment of Mr. Wong as the authorised representative and company secretary of the Company with effect from 1 May 2025. The engagement of Red Sun commenced on 1 March 2025 pursuant to an engagement letter dated 1 March 2025, and certain services were provided prior to the appointment of Mr. Wong as authorised representative and company secretary.

DEED OF SETTLEMENT

On 27 July 2026 (after trading hours), the Company and Red Sun entered into the Deed of Settlement, pursuant to which Red Sun has agreed to accept, and the Company has agreed to allot and issue, 800,000 new Shares as Settlement Shares at an issue price of approximately HK$0.6352 per Share in full and final settlement of the Outstanding Indebtedness, being the outstanding professional corporate services fee and reimbursements in the aggregate amount of HK$508,144.75 due and owing by the Company to Red Sun for the provision of corporate services to the Company for the period from 1 March 2025 to 31 December 2025 pursuant to the engagement letter dated 1 March 2025.

Such services included company secretarial transition work and financial management services provided by Red Sun through its staff during the period from 1 March 2025 to 30 April 2025, and services provided by Mr. Wong, an employee of Red Sun, following his appointment as authorised representative and company secretary of the Company with effect from 1 May 2025.

The Outstanding Indebtedness has been accrued in the audited financial statements of the Company.

Upon allotment and issue of the Settlement Shares and subject to the Listing Committee granting approval for the listing of, and permission to deal in, the Settlement Shares, the Outstanding Indebtedness shall be deemed fully satisfied and discharged and the Company’s liability in respect thereof shall be extinguished in full. Red Sun shall have no further claim against the Company in respect thereof.

The number of Settlement Shares is fixed at 800,000 Shares and is not subject to any adjustment.

Settlement Shares

On the basis that the issued share capital of the Company comprises 40,000,000 Shares as at the date of this announcement, the Settlement Shares of 800,000 Shares represent:

(i) approximately 2.00% of the total number of Shares in issue; and

(ii) approximately 1.96% of the total number of Shares in issue as enlarged by the allotment and issue of the Settlement Shares (assuming no other change in the issued share capital of the Company).

The aggregate nominal value of the Settlement Shares amounts to HK$80,000 based on par value of HK$0.1 per Share.

The Settlement Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Settlement Shares on GEM.

Issue Price

The Issue Price of approximately HK$0.6352 per Share represents:

(i) a discount of approximately 10.54% to the closing price of HK$0.71 per Share as quoted on GEM on 27 July 2026 (being the date of the Deed of Settlement); and

(ii) a discount of approximately 8.47% to the average closing price of the Shares of HK$0.694 for the five consecutive trading days immediately preceding the date of the Deed of Settlement.

The Issue Price was determined after arm's length negotiations between the Company and Red Sun with reference to prevailing market prices of the Shares and the commercial objective of settling the Outstanding Indebtedness without cash outflow.

The Directors consider that the Issue Price and the terms of the Deed of Settlement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

General Mandate to issue the Settlement Shares

The Settlement Shares will be issued under the General Mandate granted to the Directors pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on 20 May 2026, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 8,000,000 new Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

As at the date of this announcement, the General Mandate has not been utilised. Immediately following the allotment and issue of the Settlement Shares, the General Mandate will be utilised as to 800,000 Shares and will remain available for the allotment and issue of up to 7,200,000 Shares.

Accordingly, no further Shareholders' approval is required for the allotment and issue of the Settlement Shares.

Listing Approval

Completion of the debt capitalisation is conditional upon (i) the approval of the Deed of Settlement and the allotment and issue of the Settlement Shares by the Board; and (ii) the Listing Committee granting the listing of, and permission to deal in, the Settlement Shares.

An application will be made to the Listing Committee for such approval.

INFORMATION OF RED SUN

Red Sun Capital Limited is a company incorporated in Hong Kong with limited liability and is licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and is also licensed to provide trust and company services.

Red Sun is owned as to 50% by Ms. Shum Man Wah, 40% by Mr. Chung Kin Shun Jimmy and 10% by Mr. Lai Chun Yu Lewis. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Red Sun and its ultimate beneficial owners are Independent Third Parties.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE DEED OF SETTLEMENT

The Company is an investment holding company and the Group is principally engaged in (i) providing reinforced concrete works, which mainly cover steel reinforcement works, formwork erection and concrete works in Singapore; and (ii) trading of mobile phones and accessories in Hong Kong.

The Group's reinforced concrete business in Singapore is labour-intensive and capital-intensive in nature, requiring continuous deployment of working capital for project mobilisation, procurement of materials, labour costs, subcontracting expenses and performance bonds. At the same time, the trading business in Hong Kong requires ongoing capital support for inventory procurement and credit terms extended to customers. In particular, a portion of the Group's available cash resources is strategically allocated to the procurement of mobile phones and accessories for trading purposes in order to maintain adequate inventory levels, secure competitive pricing from suppliers and respond promptly to market demand and price fluctuations in the mobile trading business. Such allocation of cash resources forms part of the Group's ordinary course treasury and working capital management.

As disclosed in the Company's announcement dated 22 July 2026, a substantial portion of the Group's available funds has already been earmarked for specific purposes, including but not limited to, funding of ongoing construction projects in Singapore, procurement of construction materials and labour costs, capital commitments relating to business expansion plans, repayment of borrowings and finance costs; general working capital requirements of the Group.

Given that a significant portion of the Group's financial resources has been committed to the above operational and strategic purposes in the ordinary course of business, the Board considers it commercially prudent to preserve cash resources and optimise the Group's capital structure where appropriate, rather than utilising cash for settlement of accrued liabilities.

The issue of the Settlement Shares to settle the Outstanding Indebtedness allows the Company to satisfy its payment obligations for the corporate services provided by Red Sun without utilising cash resources. This arrangement:

(i) preserves the Group's working capital for its core operations and expansion plans;

(ii) enhances the Group's liquidity position and financial flexibility;

(iii) avoids increasing the Group's gearing level that might otherwise arise if external financing were used; and

(iv) demonstrates alignment of interest between the service provider and the Company as the service provider will become a shareholder of the Company.

The Board considers that settling the Outstanding Indebtedness by way of allotment and issue of the Settlement Shares is an efficient and cost-effective arrangement under the current financial and market conditions. The dilution effect to existing Shareholders is minimal (approximately 1.96% of the enlarged issued share capital), and the arrangement does not involve any cash outflow from the Group and will also reduce the Group's current liabilities and improve its overall financial position without affecting its ongoing operations.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Deed of Settlement and the Issue Price were determined after arm's length negotiations and are on normal commercial terms, fair and reasonable, and the issue of the Settlement Shares is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion pursuant to the Deed of Settlement, assuming that there will be no other change to the share capital or shareholding structure of the Company other than the allotment and issue of the Settlement Shares, are set out below:

	As at the date of this announcement		**Immediately upon Completion**	
	Number of shares	*% (approximately)*	*Number of shares*	*% (approximately)*
Splendor Investment Limited *(Note)*	20,516,000	51.29	20,516,000	50.28
Red Sun	-	-	800,000	1.96
Public Shareholders	19,484,000	48.71	19,484,000	47.76
	40,000,000	100.00	40,800,000	100.00

Note: *Splendor Investment Limited is beneficially and wholly-owned by Mr. Chan Ming, the Chairman and Executive Director of the Company.*

GEM LISTING RULES IMPLICATIONS

Red Sun and its ultimate beneficial owners are Independent Third Parties. The debt capitalisation does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules nor a notifiable transaction under Chapter 19.

Completion of the allotment and issue of the Settlement Shares is subject to the listing approval of the Settlement Shares being granted by the Listing Committee. Accordingly, the debt capitalisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"AGM"	the annual general meeting of the Company dated 20 May 2026
"Board"	the board of Directors
"Company"	Indigo Star Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8373)
"Completion"	completion of the allotment and issue of the Settlement Shares pursuant to the Deed of Settlement
"Deed of Settlement"	the deed of settlement dated 27 July 2026 entered into between the Company and Red Sun in relation to the settlement of the Outstanding Indebtedness by way of allotment and issue of the Settlement Shares
"Director(s)"	director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"General Mandate"	the general mandate granted to the Directors at the AGM to allot, issue and otherwise deal with up to 20% of the issued share capital of the Company as at the date of the AGM
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons (as defined under the GEM Listing Rules)
"Issue Price"	approximately HK$0.6352 per Settlement Share
"Listing Committee"	the Listing Committee of the Stock Exchange

"Mr. Wong"	Mr. Wong Chi Kong, the authorised representative and company secretary of the Company
"Outstanding Indebtedness"	the professional corporate services fee and reimbursements in the aggregate amount of HK$508,144.75 due and owing by the Company to Red Sun for the period from 1 March 2025 to 31 December 2025, comprising HK$500,000 professional corporate service fees and HK$8,144.75 reimbursements
"Red Sun"	Red Sun Capital Limited, a company incorporated in Hong Kong with limited liability
"Settlement Shares"	800,000 new Shares to be allotted and issued by the Company to Red Sun pursuant to the Deed of Settlement
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
Indigo Star Holdings Limited
Chan Ming
Chairman and Executive Director

Hong Kong, 27 July 2026

As at the date of this announcement, the Chairman and the executive director of the Company is Mr. Chan Ming, the executive directors of the Company are Mr. Goh Cheng Seng and Ms. Tan Soh Kuan; and the independent non-executive directors of the Company are Dato' Koh Yee Keng, Mr. Clay Huen and Mr. Lam Yu Hon.

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 with 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 the "Latest Listed Company Information" page of The Stock Exchange of Hong Kong Limited's website at www.hkexnews.hk and on the website of the Company at www.indigostar.sg for at least 7 days from the day of its publication.