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

CONNECTED TRANSACTION PROPOSED CAPITALISATION OF SHAREHOLDER'S LOAN AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

THE CAPITALISATION

The Board announces that on 30 July 2026, the Company and Splendor entered into the Capitalisation Agreement pursuant to which the Company has conditionally agreed to allot and issue, and Splendor has conditionally agreed to capitalise the outstanding Loan in the principal amount of HK$7,444,800 as at 30 June 2026 by the allotment and issue of 11,450,000 Capitalisation Shares at a Capitalisation Price of approximately HK$0.6502 per Share (being an aggregate consideration of approximately HK$7.44 million). The Capitalisation Price was determined with reference to the outstanding Loan amount and the prevailing market price of the Shares.

Completion of the Capitalisation is conditional upon the Independent Shareholders approving the Capitalisation Agreement and the transactions contemplated thereunder, including the grant of the specific mandate for the allotment and issue of the Capitalisation Shares, at the EGM. Upon Completion, the Loan will be fully satisfied and discharged.

CAPITALISATION PRICE

The Capitalisation Price of HK$0.6502 per Share:

(i) represents a discount of approximately 5.77% to the closing price of HK$0.69 per Share as quoted on the Stock Exchange on 30 July 2026, being the Last Trading Day;

(ii) represents a discount of approximately 7.64% to the average closing price of HK$0.704 per Share for the last five consecutive trading days immediately preceding 30 July 2026; and

(iii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 1.70% of the theoretical diluted price of HK$0.6920 per Share to the benchmarked price of HK$0.704 per Share (as defined under Rule 10.44A of the GEM Listing Rules) , taking into account the higher of the closing price on the trading day preceding the date of the Settlement Agreement of HK$0.690 per Share and the average closing price of HK$0.704 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding the date of the Capitalisation Agreement.

The Capitalisation Price was determined after negotiations between the Company and Splendor with reference to the prevailing market price of the Shares and current market conditions. The Directors (excluding the independent non-executive Directors) consider the Capitalisation Price to be fair and reasonable having regard to the prevailing market price of the Shares.

CAPITALISATION SHARES

The 11,450,000 Capitalisation Shares represent:

(i) approximately 28.63% of the existing issued share capital; and

(ii) approximately 22.25% of the enlarged issued share capital as enlarged by the allotment and issue of the Capitalisation Shares.

The Capitalisation Shares will be issued under a specific mandate to be sought from the Independent Shareholders at the EGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

GEM LISTING RULES IMPLICATIONS

Splendor is wholly owned by Mr. Chan, who is the chairman and an executive Director and a controlling shareholder of the Company holding approximately 51.29% of the issued share capital of the Company as at the date of this announcement. Accordingly, Splendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

As the Capitalisation involves the issue of new Shares under a specific mandate to a connected person, the Capitalisation constitutes a connected transaction of the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Chan has abstained from voting on the relevant Board resolutions approving the Capitalisation Agreement and the transactions contemplated thereunder. Splendor and its associates will abstain from voting at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder. Carlyon Capital Limited was appointed as the Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

THE CAPITALISATION

The Board announces that on 30 July 2026, the Company and Splendor entered into the Capitalisation Agreement pursuant to which the Company has conditionally agreed to allot and issue, and Splendor has conditionally agreed to capitalise the outstanding Loan in the principal amount of HK$7,444,800 as at 30 June 2026 by the allotment and issue of 11,450,000 Capitalisation Shares at a Capitalisation Price of approximately HK$0.6502 per Share (being an aggregate consideration of approximately HK$7.44 million). The Capitalisation Price was determined with reference to the outstanding Loan amount and the prevailing market price of the Shares.

Completion of the Capitalisation is conditional upon the Independent Shareholders approving the Capitalisation Agreement and the transactions contemplated thereunder, including the grant of the specific mandate for the allotment and issue of the Capitalisation Shares, at the EGM. Upon Completion, the Loan will be fully satisfied and discharged.

THE SHAREHOLDER'S LOAN

The Loan was advanced by Splendor to the Company from 2024 to 2026 for the purpose of supporting the Group's general working capital. The Loan is unsecured, interest-free and repayment on demand. As at 30 June 2026, the outstanding principal amount of the Loan was approximately SGD1,228,616.22 (equivalent to HK$7,444,800 based on an exchange rate of HK$6.0595 to SGD1).

CAPITALISATION PRICE

The Capitalisation Price of HK$0.6502 per Share:

(i) represents a discount of approximately 5.77% to the closing price of HK$0.69 per Share as quoted on the Stock Exchange on 30 July 2026, being the Last Trading Day;

(ii) represents a discount of approximately 7.64% to the average closing price of HK$0.704 per Share for the last five consecutive trading days immediately preceding 30 July 2026; and

(iii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 1.70% of the theoretical diluted price of HK$0.6920 per Share to the benchmarked price of HK$0.704 per Share (as defined under Rule 10.44A of the GEM Listing Rules) , taking into account the higher of the closing price on the trading day preceding the date of the Settlement Agreement of HK$0.690 per Share and the average closing price of HK$0.704 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding the date of the Capitalisation Agreement.

The Capitalisation Price was determined after negotiations between the Company and Splendor with reference to the prevailing market price of the Shares and current market conditions. The Directors (excluding the independent non-executive Directors) consider the Capitalisation Price to be fair and reasonable having regard to the prevailing market price of the Shares.

CAPITALISATION SHARES

The 11,450,000 Capitalisation Shares represent:

(i) approximately 28.63% of the existing issued share capital; and

(ii) approximately 22.25% of the enlarged issued share capital as enlarged by the allotment and issue of the Capitalisation Shares.

The Capitalisation Shares will be issued under a specific mandate to be sought from the Independent Shareholders at the EGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

EFFECT ON SHAREHOLDING STRUCTURE

For illustration purposes only, the shareholding structure of the Company

(i) as at the date of this announcement (assuming the 800,000 Settlement Shares to Red Sun have not been issued);

(ii) immediately upon Completion (assuming the 800,000 Settlement Shares to Red Sun have not been issued); and

(iii) immediately upon Completion (assuming the 800,000 Settlement Shares have been issued to Red Sun prior to Completion),

is set out below:

Shareholders	**Before Completion**	**%**	**After Completion and Settlement Shares not issued**	**%**	**After Completion and Settlement Shares issued**	**%**
Splendor	20,516,000	51.29%	31,966,000	62.13%	31,966,000	61.18%
Red Sun	-	-	-	-	800,000	1.53%
Public Shareholders	19,484,000	48.71%	19,484,000	37.87%	19,484,000	37.29%
Total	40,000,000	100.00%	51,450,000	100.00%	52,250,000	100.00%

Following Completion, the Company will continue to comply with the public float requirement under the GEM Listing Rules.

REASONS FOR AND BENEFITS OF THE CAPITALISATION

The Loan was advanced by Splendor to the Company from 2024 to 2026 to support the Group's general working capital and operational requirements.

As disclosed in the announcement of the Company dated 22 July 2026 in relation to the very substantial acquisition of the property located at 39 Changi South Avenue 2, Singapore (the "**Acquisition**"), the Group has entered into the Option Agreement to acquire the Property. The Acquisition represents a significant capital commitment and will be financed by a combination of internal resources and external borrowings.

In light of the funding requirements for the Acquisition and the Group's ongoing operational needs, including working capital for construction projects, labour costs and business expansion in Singapore, the Directors consider it prudent to preserve the Group's available cash resources and maintain financial flexibility.

The Capitalisation will fully settle the outstanding Loan without any cash outflow. Upon Completion, the Loan will be extinguished, and the Group's liabilities will be reduced accordingly. This will strengthen the Group's balance sheet, improve its gearing position and enhance its overall capital structure, thereby placing the Group in a better financial position to implement the Acquisition and pursue future business development opportunities.

The Directors have considered alternative means of settling the Loan, including cash repayment and refinancing through additional external borrowings. Having taken into account the Group's current liquidity position, anticipated capital expenditure and prevailing financing conditions, the Directors are of the view that the Capitalisation is more prudent and cost-effective than utilising cash resources or incurring further interest-bearing indebtedness.

The Capitalisation also reflects the controlling shareholder's continued support and long-term commitment to the strategic development of the Group.

Accordingly, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Capitalisation Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activity during the 12 months immediately preceding the date of this announcement.

On 27 July 2026, the Company entered into a deed of settlement with Red Sun pursuant to which the Company agreed to allot and issue 800,000 new Shares at an issue price of approximately HK$0.6352 per Share under the general mandate granted at the annual general meeting of the Company held on 20 May 2026, for the purpose of settling outstanding professional fees in the aggregate amount of HK$508,144.75. No cash proceeds were raised from the issue of such shares.

As at the date of this announcement, an application has been submitted to the Listing Committee for the listing of, and permission to deal in, such 800,000 new Shares, and listing approval has not yet been granted. Accordingly, such shares have not been issued as at the date of this announcement.

Save as disclosed above, the Company has not conducted any other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATIONS

Splendor is wholly owned by Mr. Chan, who is the chairman and an executive Director and a controlling shareholder of the Company holding approximately 51.29% of the issued share capital of the Company as at the date of this announcement. Accordingly, Splendor is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

As the Capitalisation involves the issue of new Shares under a specific mandate to a connected person, the Capitalisation constitutes a connected transaction of the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Chan has abstained from voting on the relevant Board resolutions approving the Capitalisation Agreement and the transactions contemplated thereunder. Splendor and its associates will abstain from voting at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder. Carlyon Capital Limited was appointed as the Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Capitalisation Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee, a letter of advice from the Independent Financial Adviser, together with a notice convening the EGM, will be despatched to the Shareholders in accordance with the GEM Listing Rules as soon as practicable.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Capitalisation"	the proposed capitalisation of the Loan pursuant to the Capitalisation Agreement by the allotment and issue of the Capitalisation Shares to Splendor
"Capitalisation Agreement"	the capitalisation agreement dated 30 July 2026 entered into between the Company and Splendor in relation to the Capitalisation
"Capitalisation Price"	approximately HK$0.6502 per Capitalisation Share

"Capitalisation Shares"	11,450,000 new Shares to be allotted and issued by the Company to Splendor pursuant to the Capitalisation Agreement
"Company"	Indigo Star Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8373)
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Capitalisation Agreement and the transactions contemplated thereunder, including the grant of the specific mandate
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Carlyon Capital Limited, a company incorporated in Hong Kong with limited liability and is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than Splendor and its associates
"Last Trading Day"	30 July 2026, being the date of the Capitalisation Agreement and the last trading day of the Shares immediately prior to the publication of this announcement

"Listing Committee"	the Listing Committee of the Stock Exchange
"Loan"	the unsecured, interest-free shareholder's loan in the principal amount of HK$7,444,800 as at 30 June 2026 advanced by Splendor to the Company in 2024 to 2026
"Mr. Chan"	Mr. Chan Ming, the chairman and executive Director of the Company and the sole shareholder of Splendor
"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 dated 27 July 2026 entered into between the Company and Red Sun
"SGD"	Singapore dollars, the lawful currency of Singapore
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Splendor"	Splendor Investment Limited, a company wholly owned by Mr. Chan Ming and a controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

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

Hong Kong, 30 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.