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INDIGO STAR HOLDINGS LIMITED

靛藍星控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8373)

(1) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RULE 17.10 OF THE GEM LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE; AND (2) RESUMPTION OF TRADING

This announcement is made by Indigo Star Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE TRANSACTION

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company was informed by Amber Capital Holdings Limited (the “**Potential Vendor**”) that, on 9 July 2021, the Potential Vendor and an independent third party (the “**Potential Purchaser**”) entered into a memorandum of understanding (as supplemented by a supplemental memorandum of understanding dated 12 July 2021) (the “**MOU**”). The Potential Vendor is owned as to 96.77% by Mr. Goh Cheng Seng, the Chairman and executive Director of the Company and 3.23% by Ms. Tan Soh Kuan, an executive Director of the Company.

The MOU sets out certain preliminary terms in relation to the possible sale of all the shares of the Company (the “**Shares**”) held by the Potential Vendor, comprising an aggregate of 204,800,000 Shares (the “**Sale Shares**”), representing 51.20% of the issued share capital of the Company as at the date of this announcement, to the Potential Purchaser (the “**Possible Transaction**”). The Possible Transaction, if materialised, will lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Purchaser or parties acting in concert with it).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Purchaser and its ultimate beneficial owner(s) are independent third parties, which are not connected persons (as defined in the GEM Listing Rules) of the Company and are independent of the Company and its connected persons.

Due diligence

Pursuant to the terms of the MOU, the Potential Purchaser is entitled to conduct due diligence review on the assets, liabilities, business plan, operations and affairs of the Group; and the Potential Vendor shall use its best endeavours to assist the Potential Purchaser in connection with the due diligence review.

Exclusivity

Pursuant to the terms of the MOU, the Potential Purchaser has been granted an exclusivity period from the date of the MOU to 10 September 2021 (both days inclusive) (the “**Exclusivity Period**”). During the Exclusivity Period, the Potential Vendor will not, directly or indirectly, during the Exclusivity Period (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the Sale Shares or any interests of the Group or the sale, subscription, or allotment of any part thereof or any other shares of the Company.

Binding Effect

The MOU is an expression of the parties’ intention as to further negotiations. Accordingly, save for terms relating to due diligence review, exclusivity, confidentiality, costs, legal effect and governing law and jurisdiction, the MOU shall create no legal and binding obligations on the Potential Vendor and the Potential Purchaser. Save and except the aforesaid terms, the Potential Vendor and the Potential Purchaser intend that no legal rights or obligations between them will come into existence unless and until definitive agreements are signed and exchanged, and that in such event their respective legal rights and obligations will be only those set out in the definitive agreements.

Formal Agreement

The Potential Vendor and the Potential Purchaser shall negotiate in good faith with one another to ensure that a formal sale and purchase agreement be entered into as soon as possible.

As at the date of this announcement, no formal agreements have been entered into in respect of the Possible Transaction, and the Possible Transaction may or may not proceed.

DEALING DISCLOSURES

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company (as defined in the Takeovers Code) in issue comprised 400,000,000 Shares as at the date of this announcement. Save as disclosed above, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares as at the date of this announcement.

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement. The associates (as defined in the Takeovers Code) of the Company (including shareholders of the Company having interests of 5% or more in the relevant securities of the Company) and of the Potential Purchaser are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation”

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions in relation to the Possible Transaction will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made as and when necessary in accordance with the GEM Listing Rules and the Takeovers Code (if applicable).

TRADING HALT AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 12 July 2021 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 14 July 2021.

Warning: There is no assurance that any transactions referred to in this announcement will materialise or eventually be consummated, or that if consummated, at what price. Shareholders and potential investors of the Company should be aware that the completion of the Possible Transaction is subject to entering into of a formal agreement and the satisfaction (or waiver as applicable) of such conditions precedent as may be specified therein. The discussion in relation to the Possible Transaction may or may not proceed, and the terms of the Possible Transaction are subject to negotiation between the Potential Vendor and the Potential Purchaser. As such, the discussions may or may not lead to the Possible Transaction taking place. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

Hong Kong, 13 July 2021

As at the date of this announcement, the chairman and executive director 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 Mr. Clay Huen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 the GEM website at www.hkgem.com, on the “Latest Listed Company Information” page for at least seven days from the date of its posting and on the Company’s website at www.indigostar.sg.