

INDIGO STAR HOLDINGS LIMITED

靛藍星控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8373

FIRST
QUARTERLY
REPORT
2023

Characteristics of GEM of the Stock Exchange of Hong Kong Limited (The “Stock Exchange”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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.

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This report, for which the directors (the “Directors”) of Indigo Star Holdings Limited (the “Company”, and collectively with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.

Highlights

The Group's revenue increased by approximately 152.47% to S\$8.09 million for the three months ended 31 March 2023 as compared with the corresponding period in 2022. For the three months ended 31 March 2023, the Group recorded a net profit of approximately S\$0.12 million as compared with a net loss of S\$0.42 million for the corresponding period in 2022.

First Quarterly Results

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023 (the "Reporting Period"), together with the unaudited comparative figures for the corresponding period in 2022 (the "Prior Period"), as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Notes	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Revenue	5	8,089	3,204
Cost of sales		(5,373)	(2,688)
Gross profit		2,716	516
Other income, gains and loss	6	277	304
Administrative expenses		(2,843)	(1,215)
Finance costs		(29)	(21)
Profit/(Loss) before taxation	8	121	(416)
Income tax expense	7	–	–
Profit/(Loss) for the period		121	(416)
Other comprehensive income/(expense) for the period, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		7	(15)
Total comprehensive income/(expense) for the period		128	(431)
Earning/(Loss) per share:			
– basic and diluted (Singapore cents)	9	0.03	(0.10)

Unaudited Condensed Consolidated Statement of Changes in Equity

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Share capital	Share premium <i>(note a)</i>	Merger reserve <i>(note b)</i>	Translation reserve	Retained earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2022 (Audited)	695	8,060	3,100	11	1,231	13,097
Loss for the period	-	-	-	-	(416)	(416)
Other comprehensive expense for the period	-	-	-	(15)	-	(15)
As at 31 March 2022 (Unaudited)	695	8,060	3,100	(4)	815	12,666
As at 1 January 2023 (Audited)	695	8,060	3,100	105	1,523	13,483
Profit for the period	-	-	-	-	121	121
Other comprehensive income for the period	-	-	-	7	-	7
As at 31 March 2023 (Unaudited)	695	8,060	3,100	112	1,644	13,611

Notes:

- Share premium represents the excess of share issue over the par value.
- Merger reserve represents the difference between the cost of acquisition pursuant to the Reorganisation and the total value of share capital of the entities acquired.

Notes to the Unaudited Condensed Consolidated Financial Statements

FOR THE THREE MONTHS ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Indigo Star Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 8 March 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 November 2017.

In the opinion of the directors of the Company, as at 31 March 2023, the Company’s immediate parent was Amber Capital Holdings Limited, a company incorporated in the British Virgin Islands (the “BVI”).

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the head office and principal place of business of the Group is at 5, Upper Aljunied Link, #03-08 Quartz Industrial Building, Singapore 367903. The address of the principal place of business in Hong Kong is Units 1607-8, 16/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are the provision of reinforced concrete works including steel reinforcement works, formwork erection and concrete works, labour supply for construction industry, trading in ceramic tiles and as ceramic tiles contractor for building related works.

The functional currency of the Company is Hong Kong dollars. The unaudited condensed consolidated financial statements are presented in Singapore dollars. The directors of the Company consider that choosing Singapore dollars as the presentation currency best suits the needs of the shareholders and investors as the principal place of operation of principal subsidiaries is Singapore.

2. BASIS OF PREPARATION OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT

The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

In the current period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB which are effective for the Group's financial year beginning 1 January 2023:

Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020 cycle

The application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

New and amendments to IFRSs issued but not yet effective

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

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to IAS 8	Definition of Accounting Estimates ¹
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance is categorised mainly according to the types of services provided and products sold.

In last financial year, the Group deployed additional resources to expand its existing business from construction projects to sales of tiles. The reportable operating segment is revised to separately present the construction projects and sales of tiles as described above. In prior corresponding period, the Group operates in one operating segment which is the provision of structural reinforced and concrete works in general building and civil engineering works, the Group does not present separate segment information.

Specifically, the Group’s reportable segments are as follows:

- The construction contract provided including general building projects, civil engineering projects and labour supplies; and
- Sales of tiles to external customers.

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

	Construction contract S\$'000 (Unaudited)	Sales of tiles S\$'000 (Unaudited)	Total S\$'000 (Unaudited)
Period ended 31 March 2023			
Segment revenue			
Revenue from external customers	6,395	1,694	8,089
Segment results			
	214	23	237
<i>Reconciliation:</i>			
Interest income			3
Finance cost			(20)
Fair value gain on financial assets at FVTPL			116
Corporate and other unallocated expenses			(215)
Profit before tax			121
Other segment information			
Depreciation of:			
– Property, plant and equipment	153	22	175
– Investment property	1	–	1
– Right-of-use assets	18	32	50

Geographical segment information

The Group principally operates in Singapore, which is also the place of domicile. All revenue is derived from Singapore based on the location of services delivered and the Group's non-current assets are all located in Singapore. Accordingly, no geographical segment information is presented.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Customer A ¹	2,387	1,005
Customer B ¹	1,697	N/A ³
Customer C ²	970	N/A ³
Customer D ²	N/A ³	N/A ³
Customer E ²	N/A ³	N/A ³

¹ Revenue from construction contracts

² Revenue from construction contracts and sales of tiles

³ The corresponding revenue for the respective year did not contribute over 10% of the total revenue of the Group

5. REVENUE

Revenue represents revenue arising on construction contracts and sales of tiles for the period. An analysis of the Group's revenue for the period is as follows:

	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Disaggregated by major services		
– Construction contracts		
• General building projects	2,594	2,888
• Civil engineering projects	2,095	167
• Labour supply	1,706	–
• Other services	–	149
– Sales of tiles	1,694	–
	8,089	3,204
Timing of revenue recognition		
Over time	6,395	3,204
At a point in time	1,694	–
	8,089	3,204

6. OTHER INCOME, GAINS AND LOSS

	For the three months ended 31 March	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Interest income	3	42
Government grant	102	19
Dividend income	1	2
Rental income	8	36
Change in fair value of financial assets at fair value through profit or loss	116	–
Labour supply	–	163
Sundry income	47	42
	277	304

7. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Current tax expense – Singapore Income Tax	–	–

The Singapore Corporate Income Tax rate was 17% during the three months ended 31 March 2023 (three months ended 31 March 2022: 17%).

8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation has been arrived at after charging:

	For the three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Materials used	251	201
Subcontracting charges	437	404
Depreciation expense	226	168
Employee benefit expenses (including directors' emoluments)		
Salaries and other benefits	4,016	2,883
Contributions to defined contribution retirement plan	164	111
Total employee benefit expenses (including directors' emoluments)	4,180	2,994

9. EARNING/(LOSS) PER SHARE

	For the three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Profit/(Loss) for the period attributable to owners of the Company	121	(416)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	400,000	400,000
Earning/(Loss) per share (Singapore cents)	0.03	(0.10)

The calculation of basic earning/(loss) per share is based on the profit/(loss) for the period attributable to owners of the Company and the weighted average number of shares in issue.

Diluted earning/(loss) per share is the same as the basic earning/(loss) per share because there were no potential dilutive ordinary shares outstanding during the three months period ended 31 March 2023 and 2022.

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.

BUSINESS REVIEW

We are an established subcontractor in Singapore specialising in providing reinforced concrete work, comprising steel reinforcement works, formwork erection and concrete works. We may provide such services either individually or as a total package comprising all three, depending on the requirements of our customers. We have also ventured into projects as a main contractor. Our projects can be categorised into general building projects and civil engineering projects.

General building works refer to general construction and major repair works, piling works, finishing works, installation of doors, windows, sanitary products, curtain walling/cladding works, structural works, other special trade construction such as scaffolding and sandblasting, and production of pre-cast components. Our general building works relate primarily to the construction of hotels, hospitals, mixed development and court buildings. During the three months period ended 31 March 2023, we recorded revenue from general building projects of approximately S\$2.60 million (2022: S\$2.88 million), which accounted for approximately 32.07% of our total revenue (2022: 90.13%).

Civil engineering works refer to non-building construction such as the construction of roads, bridges, tunnels, railways, viaducts, water and gas pipelines, sewers, communications and power lines, marine construction as well as site-preparation and construction-related landscaping works. Our civil engineering works relate primarily to the construction of MRT stations. During the three months period ended 31 March 2023, we recorded revenue from civil engineering projects of approximately S\$2.09 million (2022: S\$0.16 million), which accounted for approximately 25.90% of our total revenue (2022: 5.20%).

As at 31 March 2023, we had 7 ongoing contracts with an aggregate outstanding contract value of approximately S\$92.84 million (2022: S\$17.48 million).

INDUSTRY OVERVIEW AND PROSPECTS

The economic outlook of Singapore in 2023 remains positive in the post-Covid era. The Ministry of Trade and Industry projected that the GDP of Singapore will grow by 0.5% to 2.5%. Besides, growth in China is projected to pick up in tandem with the faster-than expected easing of its COVID-19 restrictions. This has led to improvements in the growth outlook of regional economies. Moreover, the global supply situation continues to stabilize due to softening global demand conditions.

Based on the construction demand forecast released by the Building Construction and Authority (“BCA”) in January 2023, total construction demand in 2023 is projected to range between S\$27 billion and S\$32 billion, similar to last year’s projection. Regarding the public sector, industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for construction of water treatment plants, educational buildings and community club. Civil engineering construction demand is anticipated to stay firm with continued support from MRT line construction and other infrastructure works. Regarding the private sector, both residential and industrial building construction demand are expected to be similar to last year’s level, underpinned by the development of new condominiums and high specification industrial buildings. Due to rescheduling of some major projects from 2022 to 2023 as well as redevelopment of old commercial premises to enhance asset values, commercial building demand is anticipated to increase.

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 continuing its efforts to maintain BCA work heads licences C1 Grade and B2 Grade to enable the Group to tender for a wider scope of 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.

FINANCIAL REVIEW

Revenue

For the three months period ended 31 March 2023 (the "Reporting Period"), our Group recorded revenue of approximately S\$8.09 million (2022: S\$3.20 million), representing an increase of approximately 152.47% compared with corresponding period in 2022. The increase was mainly attributable to completion of contracts in hand brought forward from the prior year, addition of two new projects during the Reporting Period, and sales of tiles.

Direct costs

Our Group recorded direct costs of approximately S\$5.37 million for the Reporting Period (2022: S\$2.68 million), representing an increase of approximately 99.89% compared with the prior period. Such increase was in line with the increase in revenue for the Reporting Period.

Gross profit and gross profit margins

For each of the three months period ended 31 March 2022 and 2023, our Group recorded gross profits of approximately S\$0.52 million and S\$2.72 million respectively, while our gross profit margin increased from approximately 16.10% for the three months period ended 31 March 2022 to approximately 33.58% for the Reporting Period. The increase in gross profit margin was primarily attributable to the higher gross profits margin of new projects, the new segment in relation to sales of tiles and labour supply.

Other income, gains and loss

Other income was approximately S\$0.28 million for the Reporting Period (2022: Other gains S\$0.30 million). Other gains due to fair value gain on financial assets of FVTPL.

Administrative expenses

Administrative expenses were approximately S\$2.84 million for the Reporting Period (2022: S\$1.22 million). The increase was mainly attributable to the increase in salaries and other employee benefits paid during the Reporting Period.

Profit for the period

As a result of the foregoing, our profit for the period amounted to approximately S\$0.12 million (loss for 2022: S\$0.42 million).

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 March 2023 (2022: Nil).

CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 March 2023, the Group was not involved in any litigation cases and the Group did not have any material contingent liabilities.

As at 31 March 2023, the Group did not have any common law claims (2022: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group's principal place of business is in Singapore, hence transactions arising from its operations were generally settled in Singapore Dollars, which is the functional currency of the Group. Apart from a portion of the cash and cash equivalents of the Group arising from the global offering is denominated in Hong Kong Dollars ("HK\$"), the Group was not exposed to any significant foreign currency risk nor had employed any financial instrument for hedging.

DISCLOSURE OF INTERESTS

Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated Corporations

As at 31 March 2023, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Position in Shares

Name of Directors	Capacity	Number of Shares	Percentage of the Company's issued share capital
Mr. Goh Cheng Seng ("Mr. Goh")	Interest in controlled corporation ^(Note 1)	204,800,000	51.20%
Ms. Tan Soh Kuan ("Ms. Tan")	Interest in controlled corporation ^(Note 1) Interest of spouse ^(Note 2)	204,800,000	51.20%

Notes:

1. As at 31 March 2023, Amber Capital holds 204,800,000 Shares, representing 51.20% of the Company's issued share capital. Mr. Goh and Ms. Tan hold 96.77% and 3.23% of the entire issued share capital of Amber Capital, respectively. Therefore, pursuant to the SFO, Mr. Goh and Ms. Tan are deemed to be interested in the Shares held by Amber Capital.
2. Each of Mr. Goh and Ms. Tan is spouse to each other. Therefore, pursuant to the SFO, Mr. Goh is deemed to be interested in the Shares held by Ms. Tan, and vice versa.

Long Position in the ordinary shares of associated corporation

<u>Name of Directors</u>	<u>Name of associated corporation</u>	<u>Capacity</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Shareholding</u>
Mr. Goh	Amber Capital <i>(Note 1)</i>	Beneficial owner	9,677	96.77%
Ms. Tan	Amber Capital	Beneficial owner	323	3.23%

Note:

1. Amber Capital holds more than 50% of the issued share capital of the Company. Therefore, Amber Capital is the holding company and an associated corporation of the Company.

Saved as disclosed above, as at 31 March 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations

As at 31 March 2023, so far as it is known to the Directors, the following persons, not being Directors or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required pursuant to section 336 of the SFO to be recorded in the register of the Company or, who were interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long Position in Shares

Name of Shareholders	Capacity	Number of Shares	Percentage of the Company's issued share capital
Amber Capital	Beneficial owner	204,800,000	51.20%
Lai Ming Wai	Beneficial owner	39,200,000	9.80%

Save as disclosed above, as at 31 March 2023, the Directors are not aware of any interests and short positions owned by any parties (other than a Director) in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was required pursuant to section 336 of the SFO to be recorded in the register of the Company or, who was interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

COMPETING INTEREST

As at the date of this report, the Directors are not aware of any controlling shareholders of the Company (the "Controlling Shareholders") or Directors or any of their respective close associates (as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such person has or may have with the Group.

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 Reporting Period.

CORPORATE GOVERNANCE CODE

During the Reporting Period, to the best knowledge of the Board, the Company had complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules except for the following deviation:

Code Provision C.2.1

Code provision C.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 Directors had made specific enquiries with all Directors and all of them confirmed their compliance with the Code of Conduct during the Reporting Period.

DIVIDENDS

The Board did not recommend any payment of dividend for the Reporting Period (2022: Nil).

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. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 March 2023.

AUDIT COMMITTEE

The Company established the Audit Committee on 24 October 2017 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Ma Yiu Ho Peter, Mr. Yip Ki Chi Luke and Mr. Zhou Guangguo. The chairman of the Audit Committee is Mr. Ma Yiu Ho Peter, who has appropriate professional qualifications and experience in accounting matters. The Audit Committee of the Company has discussed and reviewed with management, the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023, and is of the opinion that such statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made.

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

Hong Kong, 12 May 2023

As at the date of this report, the Chairman and the 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 and Mr. Zhou Guangguo.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.indigostar.sg.