

# INDIGO STAR HOLDINGS LIMITED

## 靛藍星控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8373

INTERIM REPORT  
2024

# 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.*

# Corporate Information

## Board of Directors

### *Executive Directors*

- Mr. Chan Ming (*Chairman*)  
(appointed as Executive Director on 10 May 2024 and Chairman on 28 May 2024)
- Mr. Goh Cheng Seng  
(*Chief Executive Officer*)  
(ceased as Chairman on 28 May 2024)
- Ms. Tan Soh Kuan
- Mr. Ng Sai Cheong  
(resigned on 10 May 2024)

### *Independent Non-executive Directors*

- Dato' KOH Yee Keng  
(appointed on 10 May 2024)
- Mr. Chan Francis Ping Kuen  
(appointed on 10 May 2024)
- Mr. Clay Huen  
(appointed on 10 May 2024)
- Mr. Ma Yiu Ho Peter  
(resigned on 10 May 2024)
- Mr. Yip Ki Chi Luke  
(resigned on 10 May 2024)
- Mr. Khu Chee Hua  
(resigned on 10 May 2024)

## Company Secretary

- Ms. Lo Siu Ting

## Authorised Representatives

- Mr. Goh Cheng Seng
- Ms. Lo Siu Ting

## Audit Committee

- Mr. Chan Francis Ping Kuen (*Chairman*)  
(appointed on 10 May 2024)
- Dato' KOH Yee Keng  
(appointed on 10 May 2024)
- Mr. Clay Huen  
(appointed on 10 May 2024)
- Mr. Ma Yiu Ho Peter (*Chairman*)  
(resigned on 10 May 2024)
- Mr. Yip Ki Chi Luke  
(resigned on 10 May 2024)
- Mr. Khu Chee Hua  
(resigned on 10 May 2024)

## Remuneration Committee

- Mr. Clay Huen (*Chairman*)  
(appointed on 10 May 2024)
- Mr. Chan Francis Ping Kuen  
(appointed on 10 May 2024)
- Dato' KOH Yee Keng  
(appointed on 10 May 2024)
- Mr. Khu Chee Hua (*Chairman*)  
(resigned on 10 May 2024)
- Mr. Goh Cheng Seng  
(ceased on 10 May 2024)
- Mr. Yip Ki Chi Luke  
(resigned on 10 May 2024)

## Nomination Committee

- Dato' KOH Yee Keng (*Chairman*)  
(appointed on 10 May 2024)
- Mr. Chan Francis Ping Kuen  
(appointed on 10 May 2024)
- Mr. Clay Huen  
(appointed on 10 May 2024)
- Mr. Khu Chee Hua (*Chairman*)  
(resigned on 10 May 2024)
- Ms. Tan Soh Kuan  
(ceased on 10 May 2024)
- Mr. Ma Yiu Ho Peter  
(resigned on 10 May 2024)

# Corporate Information

## **Auditors**

Prism Hong Kong and Shanghai Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## **Registered Office**

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **Headquarters**

5, Upper Aljunied Link, #03-08  
Quartz Industrial Building  
Singapore 367903

## **Principal Place of Business in Hong Kong**

Room 1, 1/F,  
Yee Fai Building,  
423-433 Chatham Road, Hung Hom  
Kowloon, Hong Kong

## **Principal Share Registrar and Transfer Office**

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## **Hong Kong Branch Share Registrar and Transfer Office**

Computershare Hong Kong  
Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## **Principal Bankers**

United Overseas Bank Limited

## **Company's Website**

[www.indigostar.sg](http://www.indigostar.sg)

## **Stock Code**

8373

# Financial Highlights

- Revenue for the six months period ended 30 June 2024 amounted to approximately S\$38.7 million (30 June 2023: S\$17.9 million), representing an increase of approximately 115.5% as compared to the same period of the previous financial year.
- Gross profit amounted to approximately S\$8.2 million for the six months ended 30 June 2024 (30 June 2023: S\$5.6 million), representing an increase of approximately 45.7% as compared to the same period of the previous financial year.
- Profit for the period is approximately S\$2.3 million for the six months ended 30 June 2024 (30 June 2023: S\$0.5 million), representing an increase of approximately 375.9% as compared to the same period in the previous financial year.
- Basic and diluted profit per share for the six months ended 30 June 2024 was approximately 0.58 Singapore cents (30 June 2023: 0.12 Singapore cents), representing an increase of approximately 383.3% as compared to the same period in the previous financial year.
- The Board does not recommend the payment of any dividend for the six months ended 30 June 2024.

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<i>Notes</i>	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Revenue	7	38,683	17,951
Cost of sales		(30,500)	(12,336)
Gross profit		8,183	5,615
Other income	8	824	241
Administrative expenses		(6,139)	(5,193)
Finance costs	9	(60)	(73)
<b>Profit before taxation</b>	<b>11</b>	<b>2,808</b>	<b>590</b>
Income tax expense	10	(495)	(104)
Profit for the period		2,313	486
<b>Other comprehensive expenses for the period</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		22	(150)
<b>Profit and other comprehensive income for the period</b>		<b>2,335</b>	<b>336</b>
<b>Earning per share:</b>			
— basic and diluted (Singapore cents)	13	0.58	0.12

# Unaudited combined Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

		30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Investment property		224	226
Property, plant and equipment	14	5,845	6,025
Right-of-use assets		539	896
Deferred tax assets		45	45
<b>Total non-current assets</b>		<b>6,653</b>	<b>7,192</b>
<b>Current assets</b>			
Trade receivables	15	3,504	7,356
Contract assets	16	8,501	5,250
Prepayments, deposits and other receivables		2,368	1,927
Inventories		3,564	896
Financial assets at fair value through profit or loss ("FVTPL")		471	648
Pledged bank deposits		345	344
Cash and cash equivalents		8,841	10,316
<b>Total current assets</b>		<b>27,594</b>	<b>26,737</b>
<b>Current liabilities</b>			
Trade and retention sum payables	17	1,329	1,894
Contract liabilities	16	6,622	6,295
Other payables and accruals		6,776	7,919
Bank borrowings		1,353	1,923
Lease liabilities		80	80
Income tax payable		763	527
<b>Total current liabilities</b>		<b>16,923</b>	<b>18,638</b>
<b>Net current assets</b>		<b>10,671</b>	<b>8,099</b>
<b>Total assets less current liabilities</b>		<b>17,324</b>	<b>15,291</b>

		30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
<hr/>			
<b>Non-current liabilities</b>			
Lease liabilities		601	903
<hr/>			
<b>Net assets</b>		<b>16,723</b>	<b>14,388</b>
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<b>Capital and reserves</b>			
Share capital	18	695	695
Reserves		16,028	13,693
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<b>Total equity</b>		<b>16,723</b>	<b>14,388</b>
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# Unaudited Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital	Share premium <i>(note a)</i>	Merger reserves <i>(note b)</i>	Exchange reserves	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2023 (Audited)	695	8,060	3,100	105	1,523	13,483
Profit for the period	-	-	-	-	486	486
Other comprehensive expense for the period	-	-	-	(150)	-	(150)
As at 30 June 2023 (Unaudited)	695	8,060	3,100	(45)	2,009	13,819
As at 1 January 2024 (Audited)	695	8,060	3,100	11	2,522	14,388
Profit for the period	-	-	-	-	2,313	2,313
Other comprehensive expense for the period	-	-	-	22	-	22
As at 30 June 2024 (Unaudited)	695	8,060	3,100	33	4,835	16,723

*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.

## Unaudited Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(383)	2,102
Net cash used in investing activities	(182)	(129)
Net cash used in financing activities	(932)	(641)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,497)	1,332
Cash and cash equivalents at the beginning of the period	10,316	5,810
Effect of foreign exchange rate changes	22	(150)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	8,841	6,992

# Notes to the Unaudited Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 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 30 June 2024, the Company’s immediate parent was Splendor Investment Limited, a company incorporated in Hong Kong.

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 changed from Units 1607-8, 16/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay Hong Kong to Room 1, 1/F, Yee Fai Building, 423-433 Chatham Road, Hung Hom, Kowloon, Hong Kong on 28 February 2024.

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, concrete works, labour supply for construction industry, trading in ceramic tiles, as contractors for building related to ceramic tiles and trading of mobile phones and accessories.

The functional currency of the Company is Hong Kong dollars. The 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

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.

The unaudited condensed consolidated financial statements for the Reporting Period have not been audited nor reviewed by the Company’s independent auditors, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

### 3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied all new amendments to IFRSs issued by the IASB that are mandatorily effective for the accounting period beginning on or after 1 January 2024.

The application of the new amendments to IFRSs in the current period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

### 4. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months period ended 30 June 2024 are the same as those followed in the preparation of the financial statements for the year ended 31 December 2023.

### 5. SEGMENT INFORMATION

#### Revenue from major customers

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

	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Customer A	12,002	6,245
Customer B	8,577	3,675
Customer C	5,034	N/A*

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

#### Geographical information

Revenue is attributable to the following geographical markets:

	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Singapore	28,337	17,951
Hong Kong SAR	10,346	–
	38,683	17,951

The Group's non-current assets are all located in Singapore.

## 6. FAIR VALUE MEASUREMENTS

Disclosure of level in fair value hierarchy:

	At 30 June 2024 Level 1 S\$'000	At 31 December 2023 Level 1 S\$'000
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### Recurring fair value measurements

Financial assets at FVTPL:

Listed equity securities	471	648
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## 7. REVENUE

	Six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
General building projects	4,806	6,613
Civil engineering projects	8,577	4,555
Ceramic tiles sales	4,842	3,786
Labour supplies	10,112	2,997
Trading of mobile phones and accessories	10,346	–
	<hr/>	<hr/>
	38,683	17,951

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	Six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Timing of revenue recognition:		
At a point in time	25,300	6,783
Over time	13,383	11,168
	<hr/>	<hr/>
	38,683	17,951

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## 8. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Government grants	174	161
Rental income	374	8
Interest income	47	14
Dividend income	9	8
Sundry income	220	50
	<b>824</b>	<b>241</b>

## 9. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Bank borrowing wholly repayable on demand	13	28
Lease liabilities	47	45
	<b>60</b>	<b>73</b>

## 10. INCOME TAX EXPENSE

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

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2024.

The Singapore Corporate Income Tax ("CIT") rate was 17% during the six months ended 30 June 2024 and 2023. 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 for the six months ended 30 June 2024 and 2023 are:

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current tax		
— Singapore Corporate Income Tax	349	104
— Hong Kong Profit Tax	146	—
	<b>495</b>	<b>104</b>

## 11. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' emoluments)		
Salaries and other employee benefits	11,036	10,058
Contributions to defined contribution retirement plan	357	298
Total employee benefit expenses (including directors' emoluments)	11,393	10,356

## 12. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the six months period ended 30 June 2024 (Six months period ended 30 June 2023: Nil).

## 13. EARNING PER SHARE

Basic earning per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	2,313	486
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	400,000	400,000
Basic earning per share (Singapore cents)	0.58	0.12

Diluted earning per share is the same as the basic earning per share because there were no potential dilutive ordinary shares outstanding during the six months period ended 30 June 2024 and 2023.

#### 14. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENTS

During the period under review, the Group's acquired property, plant and equipment at cost of approximately S\$182,000 (six months ended 30 June 2023: S\$149,600).

#### 15. TRADE RECEIVABLES

	30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
Trade receivables	4,926	7,758
Less: Allowance for impairment of trade receivables	(1,422)	(402)
	<b>3,504</b>	<b>7,356</b>

Credit period granted to the Group's customers generally within 35 days from invoice date of the relevant contract revenue. The terms of some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5% to 10%) and will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract.

Based on invoices date, ageing analysis of the Group's trade receivables are summarised as follows:

	30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
Within 30 days	2,012	7,052
31 to 90 days	1,388	186
91 to 180 days	104	107
Over 180 days	–	11
	<b>3,504</b>	<b>7,356</b>



## 16. CONTRACT ASSETS/CONTRACT LIABILITIES

	30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
Contract assets:		
Structural reinforced and concrete works in general building and civil engineering works	8,907	5,656
Less: allowance for impairment of contract assets	(406)	(406)
	<b>8,501</b>	<b>5,250</b>
Contract liabilities:		
Construction services	<b>6,622</b>	<b>6,295</b>

The contract assets are initially recognised for revenue from structural reinforced and concrete works in general building and civil engineering works as receipt of consideration is conditional on successful completion of works. The contract assets are transferred to trade receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

The balance of contract assets and contract liabilities are expected to be recovered/settled within one year.

## 17. TRADE AND RETENTION SUM PAYABLES

	30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
Trade payables	1,267	1,803
Retention sum payables	62	91
	<b>1,329</b>	<b>1,894</b>

Trade and retention sum payables are non-interest bearing. Trade payables are generally settled on 30-day 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 30 June 2024 and 31 December 2023, based on the invoice date, is as follows:

	30 June 2024 S\$'000 (Unaudited)	31 December 2023 S\$'000 (Audited)
0 to 30 days	688	1,376
31 to 90 days	203	165
91 to 180 days	376	262
Over 180 days	62	91
	<b>1,329</b>	<b>1,894</b>

## 18. SHARE CAPITAL

	Number of shares '000	Amount S\$'000
Authorised share capital of the Company at HK\$0.01 each: As at 30 June 2024 (unaudited) and 31 December 2023 (audited)	1,000,000	1,747
	Number of shares '000	Amount S\$'000
Issued and fully paid of the Company at HK\$0.01 each: As at 30 June 2024 (unaudited) and 31 December 2023 (audited)	400,000	695

## 19. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited condensed consolidated financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Key management personnel compensation:

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Directors' fee	5	25
Salaries and other employee benefits	674	747
	679	772

## 20. SUBSEQUENT EVENTS

There is no significant event of the Company after the reporting period.

## 21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised to issue by the Board on 30 August 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 six months period ended 30 June 2024, we recorded revenue from general building projects of approximately S\$4.8 million (six months period ended 30 June 2023: approximately S\$6.6 million), which accounted for approximately 12% of our total revenue for the same period (six months period ended 30 June 2023: approximately 37%).

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 six months period ended 30 June 2024, we recorded revenue from civil engineering projects of approximately S\$8.6 million (six months period ended 30 June 2023: approximately S\$4.6 million), which accounted for approximately 22% of our total revenue for the same period (six months period ended 30 June 2023: approximately 25%).

As at 30 June 2024, we had 12 ongoing contracts with an aggregate outstanding contract value of approximately S\$137.8 million (30 June 2023: S\$86.4 million).

At January 2024, the Group started the business of trading of mobile phones and accessories. During the six months ended 30 June 2024, the revenue of trading of mobile phones and accessories amounted to approximately S\$10.3 million (representing 27% of the total revenue) which was mainly contributed by the business of trading of mobile phones and accessories in Hong Kong.

## INDUSTRY OVERVIEW AND PROSPECTS

Despite the challenges brought about by the intensification of geopolitical and trade conflicts, the global economy has been resilient over the first half of 2024.

According to the statistics released by Singapore's Ministry of Trade and Industry (MTI) in August 2024, for the first half of 2024, Singapore's GDP growth averaged 3.0% year-on-year. Growth in the construction sector came in at 3.8% year-on-year, extending the 4.1% growth in the first quarter, on account of an increase in both public and private sector construction output.

Based on the construction demand forecast released by the Building Construction and Authority ("BCA") in January 2024, total construction in 2024 is projected to range between S\$32 billion and S\$38 billion, higher than last year's projection. Regarding the public sector, construction demand is mainly from public housing and infrastructure projects, including Housing and Development Board's ("HDB") new Built-To-Order ("BTO") developments, additional Cross Island MRT Line contracts (Phase 2), infrastructure works for the future Changi Airport Terminal 5 and Tuas Port developments and other major road enhancement and drainage improvement works. Regarding the private sector, construction demand mainly from residential developments under the Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial premises, as well as development of mixed-used properties and industrial facilities.

In 2024, the Group further diversified its business to enhance its resilience and cope with economic fluctuations.

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.

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 upgrade its licence from C1 Grade to B2 Grade to enable the Group to tender for a wider scope of projects.

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 six months period ended 30 June 2024, our Group recorded revenue of approximately S\$38.7 million (six months period ended 30 June 2023: S\$17.9 million), representing an increase of approximately 115.5% as compared with the corresponding period in 2023. The increase was mainly attributable to (i) increase in progress for projects; and (ii) new business of trading of mobile phones and accessories contributed revenue of S\$10.3 million.

### Direct costs

For the six months period ended 30 June 2024, our Group recorded direct costs of approximately S\$30.5 million (six months period ended 30 June 2023: S\$12.3 million), representing an increase of approximately 147.2% as compared with the corresponding period in 2023, in line with increase in revenue.

### Gross profit and gross profit margins

For each of the six months period ended 30 June 2023 and 2024, our Group recorded gross profits of approximately S\$5.6 million and S\$8.2 million, respectively, while our gross profit margin decreased from approximately 31.3% for the six months period ended 30 June 2023 to approximately 21.2% for the six months period ended 30 June 2024.

### Other income

Other income for the six months period ended 30 June 2024 was approximately S\$0.8 million (six months period ended 30 June 2023: S\$0.2 million). The increase was mainly due to increase in rental income.

### Administrative expenses

Administrative expenses increased to approximately S\$6.1 million for the six months period ended 30 June 2024 (six months period ended 30 June 2023: S\$5.2 million). The increase is in line with the increase of revenue.

### Profit for the period

The Group recorded profit for the Reporting Period was approximately S\$2.3 million (profit for the six months period ended 30 June 2023: S\$0.5 million).

## 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 30 June 2024, was 1.6 times (31 December 2023: 1.4 times). As at 30 June 2024, the Group had net current assets of approximately S\$10.7 million (31 December 2023: S\$8.1 million), including cash and cash equivalents of approximately S\$8.8 million (31 December 2023: S\$10.3 million). The gearing ratio, calculated based on the total debt divided by total equity, was approximately 12.2% as at 30 June 2024 (31 December 2023: 20.2%).

## **CAPITAL STRUCTURE**

The shares of the Company were successfully listed on the GEM on 16 November 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares. As at 30 June 2024, the Company's issued share capital was HK\$4.0 million (31 December 2023: HK\$4.0 million) and the number of ordinary shares issued was 400,000,000 of HK\$0.01 each.

## **COMMITMENTS**

As at 30 June 2024, the Group did not have any significant capital commitments.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the six months period ended 30 June 2024, the Group did not have material acquisition or disposals of subsidiaries and affiliated companies (2023: Nil).

## **SIGNIFICANT INVESTMENTS**

As at 30 June 2024, the Group did not hold any significant investments, save for certain listed equity securities in Hong Kong, Singapore and US amounted to approximately S\$0.5 million.

## **CONTINGENT LIABILITIES AND LITIGATIONS**

As at 30 June 2024, the Group did not have any material contingent liabilities.

## **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, the Group was not exposed to any significant foreign currency risk nor had employed any financial instrument for hedging.

## **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.

The credit risk on liquid funds is limited because the Group adopts the policy of dealing only with high credit quality counterparties. 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

Save for the Group's leasehold property, investment property and pledged bank deposits of approximately S\$4.9 million, S\$0.2 million and S\$0.3 million respectively which have been pledged to secure bank borrowings granted to the Group, the Group did not have any charge of assets as at 30 June 2024.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed a total of 887 full-time staff, of which (i) 886 were in Singapore, including approximately 17.7% Singapore citizens and residents and approximately 82.1% foreigners; and (ii) 1 was in Hong Kong. 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.

## 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. As at 30 June 2024, none of the proceeds have been utilised.

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

	Planned use of proceeds up to 31 December 2023 HK\$'000	Actual use of proceeds up to 30 June 2024 HK\$'000
Acquiring property for the dormitory and cut and bend factory	28,502	28,502
Renovating the new dormitory and cut and bend factory	1,100	1,100
Purchasing one single production line of cut and bend system	4,000	0
Staff costs in respect of construction projects	9,200	9,200
Working Capital	500	500
	<b>43,302</b>	<b>39,302</b>



## Intended use of Net Proceeds

Approximately HK\$28.5 million (equivalent to approximately S\$5.0 million) was planned as per the prospectus of the Company dated 31 October 2017 and the subsequent change as per the Company's announcement dated 30 July 2020, to use for the acquisition of a property ("New Property") for our cut and bend factory and our dormitory to accommodate our foreign workers.

Approximately HK\$1.1 million (equivalent to approximately S\$0.2 million) was planned as per the prospectus of the Company dated 31 October 2017 and the subsequent change as per the Company's announcement dated 30 July 2020, to be used for the renovation of the New Property.

Approximately HK\$4.0 million (equivalent to approximately S\$0.7 million) was planned to be used for purchase of one single production line of cut and bend system.

Approximately HK\$9.2 million (equivalent to approximately S\$1.6 million) was planned as per the Company's announcement dated 30 July 2020, for payments to staff costs in respect of construction projects.

Approximately HK\$0.5 million (equivalent to approximately S\$0.1 million) was planned to be used for working capital and other general corporate purposes.

## Actual use of Net Proceeds and Intended use of Unutilised IPO Proceeds

As at 30 June 2024, approximately HK\$28.5 million (equivalent to approximately S\$5.0 million) was utilised for the payment of the refundable deposit for the acquisition of the New Property located at 8 Senoko Loop Singapore 758147. The acquisition of the New Property was completed on 25 February 2020 upon satisfaction of all conditions precedent.

The Group completed the renovation of the New Property as at 30 June 2024 and fully utilised the amount of approximately HK\$1.1 million.

As of 30 June 2024, the Group has not purchased the production line of cut and bend system as the spending has been deferred because of the impact from COVID-19. It is expected to be utilised prior to 31 December 2024.

As of 30 June 2024, the Group has paid and utilised approximately HK\$9.2 million (equivalent to approximately S\$1.6 million) for staff costs in respect of construction projects.

Approximately HK\$0.5 million (equivalent to approximately S\$0.1 million) was utilised for working capital and other general corporate purposes of our Group.

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

### Business objectives as stated in the Prospectus

### Actual business progress up to 30 June 2024

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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 has identified a suitable property and entered into a sale and purchase agreement with the Vendor, please refer to the above section of Future Plans for Material Investments and Capital Assets and Use of Proceeds for details.

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.

## DISCLOSURE OF INTERESTS

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

As at 30 June 2024, 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. Chan Ming ("Mr. Chan")	Interest in controlled corporation <sup>(Note 1)</sup>	205,160,000	51.29%

Note:

- Splendor Investment Limited ("Splendor") holds 205,160,000 Shares, representing 51.29% of the Company's issued share capital. Mr. Chan holds the entire issued share capital of Splendor. Therefore, pursuant to the SFO, Mr. Chan is deemed to be interested in the Shares held by Splendor.

## Long Position in the ordinary shares of associated corporation

Name of Directors	Name of associated corporation	Capacity	Number of Shares	Approximate Percentage of Shareholding
Mr. Chan	Splendor <sup>(Note 1)</sup>	Beneficial owner	1	100%

Note:

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

Saved as disclosed above, as at 30 June 2024, 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 30 June 2024, so far as it is known to the Directors, the following person, not being a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares 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:

### Long Position in Shares

Name of Shareholders	Capacity	Number of Shares	Percentage of the Company's issued share capital
Splendor	Beneficial owner	205,160,000	51.29%

Save as disclosed above, as at 30 June 2024, 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 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, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules except for the following deviation:

### **Code Provision C.2.1**

Code provision C.2.1 of the Corporate Governance 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.

The Company did not have a separate chairman and chief executive officer for the period from 1 January 2024 to 27 May 2024 as Mr. Goh Cheng Seng performed these two roles. Mr. Goh retired as the chairman of the Board with effect from 28 May 2024 and Mr. Chan was appointed as the chairman on the same date.

## **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.

## **SHARE OPTION SCHEME**

The Group has adopted a share option 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 30 June 2024.

## 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 report, the Company has maintained the public float of not less than 25% of the Company issued shares as required under GEM Listing Rules since 1 January 2024.

## 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. Chan Francis Ping Kuen, Dato' Koh Yee Keng and Mr. Clay Huen. The chairman of the Audit Committee is Mr. Chan Francis Ping Kuen, 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 six months ended 30 June 2024, and is of the opinion that such statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made.

For and on behalf of the Board  
**Indigo Star Holdings Limited**  
**Chan Ming**  
*Chairman and Executive Director*

Hong Kong, 30 August 2024

*As at the date of this report, 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. Chan Francis Ping Kuen and Mr. Clay Huen.*

*This report will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and the Company's website at [www.indigostar.sg](http://www.indigostar.sg).*