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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.10 each.

The Share Consolidation is conditional upon, among others, the approval by the Shareholders at the EGM.

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 400,000,000 Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that there are no changes on the authorised share capital of the Company from the date hereof until the Share Consolidation becomes effective, the authorised share capital of the Company will become HK\$10,000,000 divided into 100,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 40,000,000 Consolidated Shares will be in issue.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. The Circular containing, among other matters, information regarding the Share Consolidation with a notice of the EGM will be despatched to the Shareholders on or before 24 October 2024.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” below. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.10 each.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Existing Shares with par value of HK\$0.01 each.

Upon the Share Consolidation becoming effective and assuming that there are no changes on the authorised share capital of the Company from the date of this announcement until the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$10,000,000 divided into 100,000,000 Consolidated Shares with par value of HK\$0.10 each.

As at the date of this announcement, 400,000,000 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares are issued nor Existing Shares are repurchased from the date hereof until the effective date of the Share Consolidation, 40,000,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled. The Directors are of the view that the Share Consolidation will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 15 November 2024.

As at the date of this announcement, none of the conditions above had been fulfilled.

Application for listing of the Consolidated Shares

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Details of the arrangement on odd lot trading will be set out in the Circular to be despatched to the Shareholders.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 15 November 2024, the second Business Day after the date of the EGM, the Shareholders may during specific the period submit existing share certificates for the Existing Shares (in the colour of blue) to the Registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of red) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Thursday, 19 December 2024, trading will only be in Consolidated Shares. Share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.076 per Existing Share (equivalent to the theoretical closing price of HK\$0.76 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 5,000 Existing Shares is HK\$380; and (ii) the estimated value of each board lot of 5,000 Consolidated Shares would be HK\$3,800 assuming that the Share Consolidation becomes effective.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Moreover, pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, it stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) the expected board lot value per board lot should be greater than HK\$2,000 after taking into account the minimum transaction costs for a securities trade.

Based on the closing price of HK\$0.076 per Existing Share as at the date of this announcement, and the board lot size of 5,000 Existing Share, the board lot value of Existing Shares is HK\$380, which is lower than HK\$2,000. After the Share Consolidation becoming effective, the estimated board lot value of the Consolidated Shares will be HK\$3,800. As such, the Share Consolidation will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge a minimum transaction costs for each securities trade. In addition, the Board considers that the corresponding upward adjustment in the trading price per Consolidated Share as a result of the Share Consolidation will make investing in the shares of the Company more attractive to a broader range of investors, and thus further broaden the shareholder base of the Company.

In view of the above reasons, the Company considers the proposed Share Consolidation is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. As at the date of this announcement, the Company has no present intention to conduct any equity fundraising activities. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Events	Hong Kong Time and Date
Despatch date of circular with notice of EGM	On or before Thursday, 24 October 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM.	4:30 p.m. on Thursday, 7 November 2024
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Friday, 8 November 2024 to Wednesday, 13 November 2024
Latest time for lodging proxy forms for the EGM (not less than 48 hours prior to the time of the EGM)	11:00 a.m. on Monday, 11 November 2024

Events**Hong Kong Time and Date**

Record date for determining attendance and voting
at the EGM. Wednesday, 13 November 2024

Expected date and time of EGM to approve
the Share Consolidation 11:00 a.m. on
Wednesday, 13 November 2024

Announcement of the poll results of the EGM. Wednesday, 13 November 2024

Register of members of the Company re-opens Thursday, 14 November 2024

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation and therefore the dates are tentative:

Events**Hong Kong Time and Date**

Effective date of the Share Consolidation Friday, 15 November 2024

First day of free exchange of existing share certificates
into new share certificates for Consolidated Shares Friday, 15 November 2024

Dealing in the Consolidated Shares commence 9:00 a.m. on
Friday, 15 November 2024

Original counter for trading in Shares in board lots
of 5,000 Existing Shares (in the form of existing share
certificates) temporarily closes. 9:00 a.m. on
Friday, 15 November 2024

Temporary counter for trading in Consolidated Shares in temporary board lot of 500
Consolidated Shares (in the form of existing share certificates) opens 9:00 a.m. on
Friday, 15 November 2024

Original counter for trading in Consolidated Shares
in board lot of 5,000 Consolidated Shares (in the form of new
share certificates for Consolidated Shares) re-opens. 9:00 a.m. on
Friday, 29 November 2024

Events

Hong Kong Time and Date

Parallel trading in the Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Friday, 29 November 2024
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Friday, 29 November 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Thursday, 19 December 2024
Temporary counter for trading in Consolidated Shares in temporary board lot of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 19 December 2024
Parallel trading in Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends	4:10 p.m. on Thursday, 19 December 2024
Last day for free exchange of existing share certificates into new share certificates for Consolidated Shares	Monday, 23 December 2024

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. The Circular containing, among other matters, information regarding the Share Consolidation, together with a notice of the EGM will be despatched to the Shareholders on or before 24 October 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	means a day (other than Saturday, Sunday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the EGM
“Company”	Indigo Star Holdings Limited (stock code: 8373), a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation
“Existing Share(s)”	existing ordinary share(s) in the Company of HK\$0.01 each
“GEM”	GEM of the Stock Exchange

“GEM Listing Rules”	the Rules governing the Listing of Securities on GEM of the Stock Exchange
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *For identification purposes only*

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

Hong Kong, 10 October 2024

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. Chan Francis Ping Kuen 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 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 GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.indigostar.sg.