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 RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

Characteristics of the GEM ("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 the emerging nature of companies listed on GEM, 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.

This announcement, for which the directors (the "Directors") of Indigo Star Holdings Limited (the "Company") 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 announcement 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 announcement misleading.

All defined terms have the same meanings as set out in the prospectus of the Company dated 31 October 2017, unless otherwise defined.

INTERIM RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	**2018** ***S$'000*** **(Unaudited)**	2017 *S$'000* (Unaudited)
Revenue	*5*	**23,257**	16,528
Direct cost		**(19,260)**	(11,479)
Gross profit		**3,997**	5,049
Other income, net	*7*	**383**	325
Administrative expenses		**(2,112)**	(2,971)
Finance costs	*8*	**(26)**	(22)
Profit before taxation	*10*	**2,242**	2,381
Income tax expense	*9*	**(364)**	(518)
Profit for the period		**1,878**	1,863
Other comprehensive expenses 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		**(6)**	–
Profit and other comprehensive income for the period		**1,872**	1,863
Earnings per share:			
— basic and diluted (Singapore cents)	*12*	**0.47**	0.62

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	**30 June 2018** **S$'000** **(Unaudited)**	31 December 2017 S$'000 (Audited)
Non-current assets			
Investment property	*14*	**255**	258
Property, plant and equipment	*13*	**2,139**	2,050
Retention sum receivables	*15*	**8,158**	7,574
		10,552	9,882
Current assets			
Trade and retention sum receivables	*15*	**2,299**	5,174
Amounts due from customers for contract works		**–**	2,077
Contract assets	*16*	**1,466**	–
Prepayments, deposits and other receivables		**956**	784
Cash and cash equivalents		**10,538**	13,820
		15,259	21,855
Current liabilities			
Trade and retention sum payables	*17*	**1,404**	1,915
Amounts due to customers for contract works		**–**	4,272
Contract liabilities	*16*	**1,199**	–
Other payables and accruals		**2,880**	6,786
Bank borrowing	*18*	**642**	675
Obligations under finance leases		**100**	166
Tax payables		**948**	1,217
		7,173	15,031
Net current assets		**8,086**	6,824
Total assets less current liabilities		**18,638**	16,706

	Notes	**30 June 2018** *S$'000* **(Unaudited)**	31 December 2017 *S$'000* (Audited)
Non-current liabilities			
Deferred tax liabilities		**30**	30
Obligations under finance leases		**83**	23
		113	53
Net assets		**18,525**	16,653
Capital and reserves attributable to owners of the Company	*19*		
Share capital		**695**	695
Reserves		**17,830**	15,958
Total equity		**18,525**	16,653

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Share capital	Share premium *(note a)*	Merger reserves *(note b)*	Exchange reserves	Retained earnings	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 1 January 2017 (Audited)	3,100	–	–	–	6,697	9,797
Total comprehensive income for the period	–	–	–	–	1,863	1,863
As at 30 June 2017 (Unaudited)	3,100	–	–	–	8,560	11,660
As at 1 January 2018 (Audited)	**695**	**8,060**	**3,100**	**(11)**	**4,809**	**16,653**
Total comprehensive income for the period	**–**	**–**	**–**	**(6)**	**1,878**	**1,872**
As at 30 June 2018 (Unaudited)	**695**	**8,060**	**3,100**	**(17)**	**6,687**	**18,525**

Notes:

a. Share premium represents the excess of share issue over the par value.

b. 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	2018 *S$'000* **(Unaudited)**	2017 *S$'000* (Unaudited)
Net cash used in operating activities	**(3,002)**	(558)
Net cash used in investing activities	**(209)**	(52)
Net cash used in financing activities	**(65)**	(163)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3,276)**	(773)
Cash and cash equivalents at the beginning of the period	**13,820**	7,015
Effect of foreign exchange rate changes	**(6)**	–
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**10,538**	6,242

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 8 March 2017. The Company's immediate and ultimate holding company is Amber Capital Holding Limited ("Amber Capital"), a company incorporated in the British Virgin Islands ("BVI") with limited liability. The Company's shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 November 2017.

The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Group is at #03–08 Quartz Industrial Building, 5 Upper Aljunied Link, Singapore 367903.

The Company is an investment holding company and the Company's subsidiaries are principally engaged in provision of structural reinforced and concrete works in buildings and civil engineering works. The consolidated financial statements are presented in Singapore dollars ("S$"), which is the functional currency of its principal subsidiaries. All values are rounded to the nearest thousand ("S$'000"), except when otherwise indicated.

2. REORGANISATION

Details of the Reorganisation are set out in the section headed "History, Reorganisation and Group Structure" to the prospectus of the Company dated 31 October 2017.

(i) Incorporation of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2017. Upon incorporation, the Company has an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. One nil-paid Share was allotted and issued to the initial subscriber to the memorandum and articles of association of the Company, which was then transferred to Amber Capital at nil consideration on the same date.

(ii) Incorporation of Indigo Link Holdings Limited ("Indigo Link")

Indigo Link was incorporated in the BVI with limited liability on 10 March 2017 and is the intermediate holding company of the Group. Indigo Link is authorised to issue a maximum of 50,000 shares of a single class with par value of US$0.01 each.

On 10 March 2017, one ordinary share of Indigo Link, representing the entire issued share capital of Indigo Link, was allotted and issued to the Company at nominal consideration of US$0.01, credited as fully paid. Immediately upon the said allotment and issue of the ordinary share, the Company held one ordinary share in Indigo Link, representing the entire issued share capital of Indigo Link.

(iii) Acquisition of Interno Engineering (1996) Pte. Ltd. ("IEPL")

On 16 October 2017, Indigo Link as purchaser, Mr. Goh as vendor and the Company entered into a sale and purchase agreement, pursuant to which Mr. Goh transferred 3,000,000 ordinary shares in IEPL, representing the entire issued shares of IEPL, to Indigo Link. In consideration of the said transfer, (i) the one nil-paid Share in the Company held by Amber Capital was credited as fully paid; and (ii) one ordinary share in Indigo Link will be allotted and issued to the Company. Immediately after the said share transfer, IEPL had become an indirect wholly-owned subsidiary of the Company.

(iv) Acquisition of Interno Construction Pte. Ltd. ("ICPL")

On 16 October 2017, Indigo Link as purchaser, Ms. Tan as vendor and the Company entered into a sale and purchase agreement, pursuant to which Ms. Tan transferred 100,000 ordinary shares in ICPL, representing the entire issued shares of ICPL, to Indigo Link. In consideration of the said transfer, (i) the Company allotted and issued nine Shares to Amber Capital, credited as fully paid; and (ii) one ordinary share in Indigo Link will be allotted and issued to the Company. After the said share transfer, ICPL had become an indirect wholly owned subsidiary of the Company.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the Group structure upon the completion of the Group Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2018 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which is a collective term that includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations (the "Interpretations") issued by the International Accounting Standard Board (the "IASB"), accounting principles generally accepted in International and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules. The Interim Financial Statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this announcement is to be read in conjunction with the annual report for the year ended 31 December 2017.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period and the adoption of new and amended standards as set out below.

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRS Standards 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

The new and amendments to IFRSs have been applied in accordance with the relevant transition provision in the respective standards and amendments which results in changes in accounting policies, amount reported and/or disclosures as described in Note 4.

4. CHANGE IN ACCOUNTING POLICIES

Impacts and changes in accounting policies of application on IFRS 15 Revenue form contracts with customers

The group has applied IFRS 15 for the first time in the current interim period. IFRS 15 superseded IAS 18 Revenue, IAS 15 Construction Contracts and the related interpretations.

The Group recognizes revenue from the following major sources:

- Construction contract income
- Interest income
- Rental income

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognized in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provision in IFRS 15, the Group has elect to apply the Standard retrospectively only to the contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations.

Key changes in accounting policies resulting from application of IFRS 15

IFRS 15 introduces a 5 step approach when recognizing revenue:

Step 1: Identify the contracts with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligation in the contract
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for the goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is recognized revenue on the basis of the Group's effect or inputs to the satisfaction of an obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or service.

Variable consideration

For contracts that contain variable consideration (to specify), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updated the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Except the reclassification of amount due from customers for contract works to contract assets and amount due to customers for contract works to contract liabilities and further disclosure set as related note in the interim financial statements, the Directors believe that the application of IFRS 15 has no impact on the amounts reported set out in the interim financial statements.

	Carrying amounts previously reported at 31 December 2017	**Reclassification**	**Carrying amounts under IFRS 15 at 1 January 2018**
	S$'000	*S$'000*	*S$'000*
Current assets			
Amounts due from customers for contract works	2,077	(2,077)	–
Contract assets	–	2,077	2,077
Current liabilities			
Amounts due to customers for contract works	4,272	(4,272)	–
Contract liabilities	–	4,272	4,272

Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

In the current period, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRs. IFRS 9 introduce new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for the financial assets and contract assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provision set out in IFRS 9 i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognized in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 Financial Instruments: Recognition and Measurement.

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognized financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset five rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. There were no impact on the amounts reported set out in the interim financial statements.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and retention receivables and contract assets). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and retention receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 35 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and retention receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amounts of these debt instruments.

The directors reviewed and assessed the Group's existing financial assets and contract assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. The directors has concluded that the impact of expected credit losses on financial assets is not significant as at 1 January 2018.

Classification and measurement of financial liabilities

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Summary of effects arising from initial application of IFRS 9

Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and retention receivables and contract assets. To measure the ECL, trade and retention receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade and retention receivables are a reasonable approximation of the loss rates for the contract assets.

Loss allowances for other financial assets at amortised cost mainly comprise of pledged bank deposits, bank balances are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

The directors believes that the credit risk inherent the Group's outstanding trade and retention sum receivable due from the customers is not significant.

5. REVENUE

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
General building projects	**13,579**	13,043
Civil engineering projects	**9,678**	3,485
	23,257	16,528

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition:		
Over time	**23,257**	16,528

6. SEGMENT INFORMATION

The Group operates in one operating segment which is the provision of structural reinforced and concrete works in general building and civil engineering works. A single management team reports to the Directors (being the chief operating decision-maker ("CODM")) who comprehensively manage the entire business. The CODM reviews revenue by nature of contracts, i.e. "General Building Projects" and "Civil Engineering Projects" and profit for the period as a whole. Accordingly, the Group does not present separately segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group's revenue is generated in Singapore and all of the Group's assets and liabilities are located in Singapore. Accordingly, no business or geographical segment information is presented.

The Group principally operates in Singapore, also the place of domicile. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

Revenue from major customers

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

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Customer A	**9,672**	3,064
Customer B	**5,621**	3,269
Customer C	**5,631**	8,792
	20,924	15,125

Geographical information

The Group principally operates in Singapore, also the place of domicile. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

7. OTHER INCOME, NET

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Government grants	**46**	37
Rental income	**–**	11
Interest income	**8**	4
Sundry income	**329**	273
	383	325

8. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Interest on:		
Bank borrowing wholly repayable on demand	**22**	17
Obligations under finance lease	**4**	5
	26	22

9. INCOME TAX EXPENSE

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

The Singapore Corporate Income Tax rate was 17% during the six months ended 30 June 2018 and 2017. 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 2018 and 2017 are:

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Current tax		
— Singapore Corporate Income Tax ("CIT")	**334**	488
Under provision in respect of prior year	**–**	30
Deferred tax expenses	**30**	–
	364	518

10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	Six months ended 30 June	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Materials used	**3,056**	3,346
Subcontracting charges	**6,898**	1,113
Depreciation expense	**131**	307
Employee benefit expenses (including directors' emoluments)		
Salaries and other employee benefits	**9,058**	6,922
Contributions to defined contribution retirement plan	**145**	159
Total employee benefit expenses (including directors' emoluments)	**9,203**	7,081

11. DIVIDEND

On 19 April 2017, a special dividend in aggregate amount of S$4,491,000 had been proposed by the directors of IEPL and subject to approval by the shareholders. On 13 October 2017, the special dividend was declared to its then shareholders.

No dividend has been declared or paid by the Company since its date of incorporation.

The directors of the Company do not recommend the payment of any dividend for the six months ended 30 June 2018.

12. EARNINGS PER SHARE

Basic earnings 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	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**1,878**	1,863
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**400,000**	300,000
Basic earnings per share (Singapore cents)	**0.47**	0.62

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share for the six months ended 30 June 2017 is based on 300,000,000 shares, which were issued pursuant to the capitalisation issue and deemed to have been issued since 1 January 2017.

Diluted earnings per share is the same as the basic earnings per share because there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2018 and 2017.

13. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENTS

During the period under review, the Group's acquired property, plant and equipment at cost of approximately S$217,000 (six months ended 30 June 2017: approximately S$52,000).

As at 30 June 2018, property, plant and equipment with carrying amount of approximately S$1,437,000 (31 December 2017: S$1,451,000) were secured for the secured mortgage loan as below mentioned in Note 18.

As at 30 June 2018, property, plant and equipment with carrying amount of approximately S$399,000 (31 December 2017: S$482,000) were held under finance lease obligations.

14. INVESTMENT PROPERTY

During the period under review, investment properties with carrying amount of approximately S$255,000 (31 December 2017: approximately S$258,000) was secured to banks for the Group's mortgage loan.

15. TRADE AND RETENTION SUM RECEIVABLES

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Trade receivables	**2,291**	4,662
Retention sum receivables	**8,466**	8,386
	10,757	13,048
Less: Provision for bad debt	**(300)**	(300)
	10,457	12,748

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Current portion	**2,299**	5,174
Non-current portion	**8,158**	7,574
	10,457	12,748

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.

The non-current portion represented retention sum receivables only.

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

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Within 30 days	**1,991**	4,538
31 to 90 days	**179**	616
91 to 180 days	**405**	935
181 to 365 days	**1,726**	1,897
Over 1 year but less than 2 years	**2,935**	1,952
Over 2 years	**3,221**	2,810
	10,457	12,748

16. CONTRACT ASSETS/CONTRACT LIABILITIES

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Contract assets	**1,466**	–*
Contract liabilities	**(1,199)**	–*
	267	–*

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Contract costs incurred plus recognised profits less recognised losses	**75,978**	56,908
Less: Progress billings to date	**(75,711)**	(59,103)
As at the end of the period/year	**267**	(2,195)

* Due to the adoption of IFRs15, effective on 1 January 2018, the balances of amounts due from/(to) customers for contract works was reclassified to contract assets and contract liabilities. See Note 4 for further details.

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. 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.

Movement in the contract assets and the contract liabilities balances during the six months ended 30 June 2018 are as follows:

Contract assets:

	S$'000
	(Unaudited)
As at 1 January 2018	–
Reclassification from amounts due from customers for contract works	2,077
Rights of consideration for works amplitude but not yet billed	589
Transfers from the contract assets recognised to trade receivables	(1,200)
As at 30 June 2018	1,466

Contract liabilities:

As at 1 January 2018	–
Reclassification from amounts due to customers for contract works	(4,272)
Consideration received from customers over the amounts of revenue recognised	775
Revenue recognised during the period	(3,848)
As at 30 June 2018	(1,199)

17. TRADE AND RETENTION SUM PAYABLES

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Trade payables	**1,135**	1,765
Retention sum payables	**269**	150
	1,404	1,915

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 2018 and 31 December 2017, based on the invoice date, is as follows:

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
0 to 30 days	**891**	1,532
31 to 90 days	**109**	93
91 to 180 days	**118**	82
Over 180 days	**286**	208
	1,404	1,915

18. BANK BORROWINGS

	30 June 2018	31 December 2017
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Secured mortgage loan	**642**	675

Note:

The bank borrowing was secured by the pledge of certain Group's property, plant and equipment and investment property which carries weighted average effective interest rate at 3.50% (31 December 2017: 3.50%) per annum. It is subject to a repayment on demand clause and hence classified as current liabilities.

19. SHARE CAPITAL

The Company was successfully listed on GEM on 16 November 2017 by way of share offer of public offer of 10,000,000 ordinary shares and placing of 90,000,000 ordinary shares at the price of HK$0.60 per share ("Share Offer").

	Number of shares	**Amount**
	'000	*S$'000*
Authorised share capital of the Company at HK$0.01 each:		
At date of incorporation *(note a)*	38,000	69
Increase on 24 October 2017 *(note b)*	962,000	1,678
As at 30 June 2018	1,000,000	1,747

	Number of shares	**Amount**
	'000	*S$'000*
Issued and fully paid of the Company at HK$0.01 each:		
At date of incorporation on 8 March 2017	–	–
Issue of share under the capitalisation issue *(note c)*	300,000	523
Issue of shares under the Share Offer *(note d)*	100,000	172
As at 30 June 2017	400,000	695

Notes:

a. The Company was incorporated in the Cayman Islands with limited liability on 8 March 2017 with authorised share capital of HK$380,000 (approximately S$69,000) divided into 38,000,000 shares at HK$0.01 each. One nil-paid share was allotted and issued to the initial subscriber to the memorandum and articles of the Company, which was then transferred to Amber Capital at nil consideration on the same date.

b. Pursuant to the written resolutions passed on 24 October 2017, the Company increased its authorised share capital from HK$380,000 (approximately S$69,000) to HK$10,000,000 (approximately S$1,747,000) by the creation of an additional 962,000,000 shares of HK$0.01 each.

c. Pursuant to the resolution passed by the sole shareholder on 24 October 2017, conditional on the share premium account of the Company being credit with the proceeds from the Share Offer, HK$2,999,999.90 (approximately S$523,000) will be capitalised from the share premium account of the Company and applied in paying up in full at par 299,999,990 shares for the allotment.

d. On 16 November 2017, 100,000,000 ordinary shares of HK$0.01 each were issued by way of placing at a price of HK$0.60 per share for cash consideration of approximately HK$600,000,000 (approximately S$10,432,000). The excess of the Share Offer over the par value of the shares issued were credited to the share premium account.

20. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the 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	
	2018	2017
	S$'000	*S$'000*
	(Unaudited)	(Unaudited)
Directors' fee	**76**	–
Salaries and other employee benefits	**1,088**	443
	1,164	443

21. SUBSEQUENT EVENTS

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

22. APPROVAL OF INTERIM FINANCIAL STATEMENT

The Interim Financial Statements were approved and authorised to issue by the Board on 9 August 2018.

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. 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, curtail 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 ended 30 June 2018, we recorded revenue from general building projects of approximately S$13.6 million (six months ended 30 June 2017: approximately S$13.0 million), which accounted for approximately 58.4% of our total revenue for the same period (six months ended 30 June 2017: approximately 78.9%).

As at 30 June 2018, we had five ongoing general building contracts with an aggregate outstanding contract value of approximately S$9.2 million.

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 ended 30 June 2018, we recorded revenue from civil engineering projects of approximately S$9.7 million (six months ended 30 June 2017: approximately S$3.5 million), which accounted for approximately 41.6% of our total revenue for the same period (six months ended 30 June 2017: approximately 21.1%).

As at 30 June 2018, we had one ongoing civil engineering works contracts with an aggregate outstanding contract value of approximately S$12.0 million.

INDUSTRY OVERVIEW

The Building and Construction Authority ("BCA") in Singapore estimated that there will be between approximately S$16 billion to S$19 billion worth of public projects to be awarded in 2018, compared to approximately S$15.5 billion in 2017. The projection of increased building demand comes amid a challenging in the previous years for the building sectors. With the strengthened overall economic outlook and an upturn in property market sentiment, as well as the redevelopment of collective-sale sites, BCA estimated that construction demand in the private sector improve to between approximately S$10 billion and S$12 billion in year 2018, compared to S$9 billion in year 2017.

FUTURE PROSPECTS

Directors considered that the construction demand in 2018 is expected to continue to increase and the outlook for the construction industry in Singapore remains optimistic. Going forward, the Group will continue to identify main contractor works and subcontracting works to capture more potential business opportunities in Singapore.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2018 (the "Reporting Period"), our Group recorded revenue of approximately S$23.3 million (six months ended 30 June 2017: approximately S$16.5 million), representing an increase of approximately 40.7% compared with the same period of the previous financial year. The increase of revenue was mainly due to the increase in revenue from our civil engineering project, namely Project Orchard Station, as a result of a greater portion of works performed during the period under review.

Direct costs

For the six months ended 30 June 2018, our Group recorded direct costs of approximately S$19.3 million (six months ended 30 June 2017: approximately S$11.5 million), representing an increase of approximately 67.8% compared with the same period of the previous financial year. Such increase was in line with the increase in revenue for the same period, which was mainly attributable to the increase in our subcontracting charges.

Gross profit and gross profit margins

For each of the six months ended 30 June 2017 and 2018, our Group recorded gross profits remained relatively stable at approximately S$5.0 million and S$4.0 million, respectively., while our gross profit margin decreased from approximately 30.6% for the six months ended 30 June 2017 to approximately 17.2% for the six months ended 30 June 2018. The decrease was mainly attributable to lower gross profits margin of Project Orchard Station for the six months ended 30 June 2018 compared with the same period of the previous financial year as a result of the increase in subcontracting charges.

Administrative expenses

Administrative expenses decreased significantly to approximately S$2.1 million for the six months ended 30 June 2018 (six months ended 30 June 2017: approximately S$3.0 million), which was mainly due to non-recurring listing expenses recorded for the six months ended 30 June 2017.

Profit for the period

As a result of the foregoing, our profit for the period remained relatively stable at to approximately S$1.9 million (six months ended 30 June 2017: approximately S$1.9 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 2018, was 2.1 times (31 December 2017: approximately 1.5 times). The increase was mainly due to increase in cash and cash equivalents from the net proceeds received from the Listing. As at 30 June 2018, the Group had net current assets of approximately S$8.1 million (31 December 2017: approximately S$6.8 million), including cash and cash equivalents of approximately S$10.5 million (31 December 2017: approximately S$13.8 million). The gearing ratio, calculated based on the total debt (including borrowings and finance lease payables) divided by total equity, was approximately 4.5% as at 30 June 2018 (31 December 2017: approximately 5.2%).

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 2018, the Company's issued share capital was HK$4.0 million (31 December 2017: HK$4.0 million) and the number of ordinary shares issued was 400,000,000 of HK$0.01 each.

COMMITMENTS

As lessor

As at 30 June 2018, the total future minimum lease receivables under non-cancellable operating lease arrangements was nil (31 December 2017: Nil).

As lessee

As at 30 June 2018, the Group had commitments for future minimum lease payments in respect of our dormitories and site equipment under non-cancellable operating lease arrangements, with leases negotiated for an initial period of 1 month to 13 months. The Group's operating lease commitments amounted to approximately S$0.6 million as at 30 June 2018 (31 December 2017: approximately S$1.7 million).

As at 30 June 2018, the Group did not have any significant capital commitments (31 December 2017: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2018, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS

As at 30 June 2018, the Group did not hold any significant investments (31 December 2017: Nil).

CONTINGENT LIABILITIES AND LITIGATIONS

As at 30 June 2018, the Group was involved in certain litigation cases, details of which are set out below. Save for the disclosed, the Group did not have any material contingent liabilities.

As at 30 June 2018, the Group had two common law claims, which had not been brought before the relevant courts in Singapore, in relation to work-related accidents involving foot fracture and hand injury. The claim amount of these two work-related common law claims has not been finalised. It is expected that the claim amount will be fully covered by insurance. There is currently one case where an employee has only claimed medical expenses and loss of wages amounting to approximately S$6,000.

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 counter parties. 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 BANK BORROWINGS

As at 30 June 2018, the bank borrowings of the Group were secured by the followings:

a. the investment property of the Group; and

b. the leasehold property of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed a total of 548 full-time staff, of which approximately 8.8% were Singapore citizens and residents and approximately 91.2% were foreigners. 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

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 during the Reporting Period.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS AND USE OF PROCEEDS

Business objectives as stated in the Prospectus	Actual business progress up to 30 June 2018
Upgrade our licences so as to expand our business through bidding for larger public sector projects	The Group has continued to accumulate track records for upgrade of licence from C1 Grade to B2 Grade.
Set up our dormitory and cut and bend factory	The Group is in progress to identify suitable property for dormitory and cut and bend factory.
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.

The net proceeds from Listing up to 30 June 2018 were applied as follows:

	Planned use of proceeds *HK$'000*	Actual use of proceeds up to 30 June 2018 *HK$'000*
Acquiring property for the dormitory and cut and bend factory	35,500	–
Renovating the new dormitory and cut and bend factory	3,300	–
Purchasing one single production line of cut and bend system	4,000	–
Working capital	500	500
	43,300	500

Pursuant to the Prospectus, the Company intended to apply for approximately HK$35.5 million to acquire a property for our dormitory and cut and bend factory during the six months ended 30 June 2018. During the Reporting Period, the Group has identified two target properties. The Group is still in consideration of the prices offered by the sellers and evaluating the estimated amounts of additions and alterations needed. The Group will continue to evaluate the targets identified and look for other suitable properties in 2018.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

DISCLOSURE OF INTERESTS

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

As at 30 June 2018, 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)* Interest of spouse *(Note 2)*	300,000,000	75%
Ms. Tan Soh Kuan ("Ms. Tan")	Interest in controlled corporation *(Note 1)* Interest of spouse *(Note 2)*	300,000,000	75%

Notes:

1. Amber Capital Holdings Limited ("Amber Capital") holds 300,000,000 Shares, representing 75% 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

Name of Directors	Name of associated corporation	Capacity	Number of Shares	Approximate Percentage of Shareholding
Mr. Goh	Amber Capital (Note 1)	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 30 June 2018, 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 2018, 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 10% 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	300,000,000	75%

Save as disclosed above, as at 30 June 2018, 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 10% 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 announcement, 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.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Guotai Junan Capital Limited ("Guotai Junan") to be its compliance adviser. As informed by Guotai Junan, neither Guotai Junan nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Guotai Junan.

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 15 of the GEM Listing Rules except for the following deviation:

Code Provision A.2.1

Code provision A.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 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.

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 2018.

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 announcement, 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 2018.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Company after the Reporting Period.

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, Dr. Zhang Tianmin and Mr. Yip Ki Chi Luke. 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 six months ended 30 June 2018, 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 and Chief Executive Officer

Hong Kong, 9 August 2018

As at the date of this announcement, the executive Directors are Mr. Goh Cheng Seng, Ms. Tan Soh Kuan, Mr. Ng Sai Cheong and Mr. Wang Jianye; and the independent non-executive Directors are Mr. Ma Yiu Ho Peter, Mr. Yip Ki Chi Luke, Mr. Zhou Guangguo and Dr. Zhang Tianmin.

This announcement 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.

This announcement will remain on the Stock Exchange 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.