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INFINITY CHEMICAL HOLDINGS COMPANY LIMITED

星謙化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

DISCLOSEABLE AND CONNECTED TRANSACTION

On 11 October 2012 (after the trading hours of the Stock Exchange), the Purchaser entered into the SP Agreement with Mr. Jeong, pursuant to which the Purchaser has conditionally agreed to acquire and Mr. Jeong has conditionally agreed to sell, the Sale Share and the Sale Loan for the Consideration of HK\$45,000,000. The Consideration shall be satisfied by the Purchaser in the following manner: (i) HK\$9,000,000 being the Deposit and part of the consideration, will be payable by the Purchaser to Mr. Jeong or his nominee in cash within five Business Days after the EGM approving the SP Agreement and the transactions contemplated thereunder; and (ii) HK\$36,000,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to Mr. Jeong or his nominee credited as fully paid at the Issue Price upon Completion.

The Consideration Shares to be allotted and issued upon Completion represent approximately (i) 13.85% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 12.16% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares are to be issued under a specific mandate to be approved by the Independent Shareholders at the EGM.

The Acquisition constitutes a discloseable transaction on the part of the Company under the Listing Rules. As Mr. Jeong is a substantial Shareholder, chairman of the Board and an executive Director, Mr. Jeong is connected person of the Company. Mr. Ip Ka Lun, Mr. Ip Chin Wing and Mr. Stephen Graham Prince, all being the executive Director are the director, manager and supervisor of the PRC Company, respectively. The Acquisition constitutes a connected transaction on the part of the Company and will be subject to the approval by the Independent Shareholders at the EGM. Mr. Jeong and his associates, who hold in aggregate approximately 68.68% of the entire issued share capital of the Company as at the date of this announcement, will abstain from voting on the relevant ordinary resolution at the EGM to approve the SP Agreement and the transactions contemplated thereunder. As at the date of this announcement, each of Mr. Ip Ka Lun, Mr. Ip Chin Wing and Mr. Stephen Graham Prince does not hold any Share.

A circular containing, among other things, details of the Acquisition, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders on the Acquisition and a notice of the EGM, will be despatched to the Shareholders on or before 1 November 2012.

As the Acquisition is subject to the fulfillment of a number of conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

THE SP AGREEMENT

Date: 11 October 2012

Parties: (1) Vendor : Mr. Jeong
(2) Purchaser : Keen Castle Limited, an indirectly wholly owned subsidiary of the Company

Mr. Jeong is the chairman of the Board, an executive Director and a substantial Shareholder holding (both in person and through his wholly-owned corporation) 343,396,000 Shares in aggregate, representing approximately 68.68% of the issued share capital of the Company as at the date of this announcement.

Accordingly, Mr. Jeong is a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the SP Agreement therefore constitutes a connected transaction on the part of the Company. Since each of the percentage ratios (other than the profits ratio) is less than 25% and the Consideration exceeds HK\$10,000,000, the transactions contemplated under the SP Agreement are subject to the reporting, announcement requirements and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Assets to be acquired

- (1) the Sale Share being 1 share in the Target Company to be transferred by Mr. Jeong to the Purchaser, representing 100% of the entire issued share capital of the Target Company; and
- (2) the Sale Loan, being all the obligations, liabilities and debts owing or incurred by the Target Group to Mr. Jeong (whether actual, contingent or deferred) at the Completion Date. As at 31 August 2012, the Target was indebted to the Company in the amount of approximately HK\$1,985,000.

Consideration

The consideration for the sale and purchase of the Sale Share and the Sale Loan is HK\$45,000,000. The Consideration shall be satisfied by the Purchaser in the following manner:

- (a) as to HK\$9,000,000 being the Deposit and part of the consideration, will be payable by the Purchaser to Mr. Jeong or his nominee in cash within five Business Days after the EGM approving the SP Agreement and the transactions contemplated thereunder; and
- (b) as to HK\$36,000,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to Mr. Jeong or its nominee credited as fully paid at the Issue Price upon Completion.

The Group will finance the cash portion of the Consideration by its internal resources.

The Consideration was determined on normal commercial terms and arrived at after arm's length negotiations between the parties to the SP Agreement and by reference to (i) the Profit Guarantee; (ii) the preliminary valuation on the Target Company based on market approach prepared by an independent professional valuer, according to which the market value of the Target Company was HK\$47.5 million as at 30 September 2012; (iii) prospects of trading of electronic adhesive products; and (iv) secured foothold and established relationship with the customers of the Target Group.

The Profit Guarantee

Pursuant to the SP Agreement, Mr. Jeong has irrevocably guaranteed and warranted to the Company that the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for each of the two years ending 31 December 2014 (the "**Net Profit**") shall not be less than HK\$5,000,000 (the "**Guaranteed Profit**").

Adjustment mechanism for the Consideration

In the event that the Net Profit is less than the Guaranteed Profit, Mr. Jeong shall pay to the Company, an amount equivalent to the product of 9, being the price earning multiple for determining the Consideration and such shortfall, as compensation (the "**Shortfall**"). In the event there is an audited consolidated net loss of the Target Group for each of the two years ending 31 December 2014, the Net Profit will be deemed to be zero for the purpose of calculating compensation payable by Mr. Jeong to the Group.

The amount of the Shortfall shall be paid by Mr. Jeong to the Purchaser in cash.

For the avoidance of doubt, (i) the total amount to be payable by Mr. Jeong shall not exceed HK\$45,000,000, being the total consideration payable for the Acquisition; and (ii) if the Net Profit exceeds the Guaranteed Profit, no additional payment shall be made by the Group to Mr. Jeong.

Conditions precedent

Completion shall be conditional upon and subject to:

- (1) the obtaining of all necessary consents and approvals on the part of Mr. Jeong in relation to the SP Agreement and the transactions contemplated thereunder;
- (2) the obtaining of all necessary consents and approvals on the part of the Purchaser in relation to the SP Agreement and the transactions contemplated thereunder;
- (3) the warranties given by Mr. Jeong in the SP Agreement remaining true and accurate in all respects;
- (4) the Listing Committee of the Stock Exchange having granting the listing of, and the permission to deal in the Consideration Shares;
- (5) the passing by the Independent Shareholders at the EGM the necessary resolutions to approve the SP Agreement and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Consideration Shares and the transactions contemplated thereunder, as required by the Listing Rules;
- (6) the obtaining of a PRC legal opinion (in the form and the substance satisfactory to the Purchaser) in relation to the validity and legality of the establishment of the PRC Company and the transactions contemplated under the SP Agreement;
- (7) completion of the Reorganisation;
- (8) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) prepared by an independent valuer appointed by the Purchaser showing that fair value of the Target Group will not be less than the Consideration; and
- (9) the Company being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group.

None of the above conditions are capable of being waived. The Purchaser shall use its best endeavour to fulfill conditions (2), (4) and (5) above, Mr. Jeong shall use its best endeavour to fulfill conditions (1), (3), (6), (7) and (9) above. The Purchaser and Mr. Jeong shall jointly use their best endeavour to fulfill condition (8) above. If the conditions have not been satisfied on or before 180 days from the date of the SP Agreement (or such other date as Mr. Jeong and the Purchaser may mutually agree), the SP Agreement shall cease and determine, and thereafter neither party thereto shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

In the event that the Deposit has been paid to Mr. Jeong and (i) Completion does not take place as a result of the sole default of the Purchaser, Mr. Jeong shall have the right to forfeit the Deposit paid; or (ii) Completion does not take place as a result of the sole default of Mr. Jeong, Mr. Jeong shall forthwith repay the Deposit and compensate the Purchaser a sum equivalent to the amounts of the Deposit paid; or (iii) Completion does not take place otherwise than as a result of the sole default of neither the Purchaser nor Mr. Jeong, Mr. Jeong shall forthwith and repay the Deposit to the Purchaser (without interest).

Completion

Completion shall take place at 5:00 p.m. on the date falling the third Business Day after the fulfilment of the conditions.

Consideration Shares

The Consideration Shares to be allotted and issued upon Completion represent approximately (i) 13.85% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 12.16% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The Consideration Shares shall rank pari passu in all respects among themselves and with the then existing issued Shares as at the date of the allotment.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Issue Price of HK\$0.52 per Consideration Share represents (i) a premium approximately 4% over the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium approximately 3.79% over the average of the closing prices of HK\$0.501 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the SP Agreement; (iii) a premium approximately 2.77% over the average of the closing price of HK\$0.506 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the SP Agreement; and (iv) a premium of approximately 39.48% over the net asset value of the Company as shown in the latest audited consolidated financial statements of the Company for the year ended 30 September 2011.

The Consideration Shares are to be issued under a specific mandate to be approved by the Independent Shareholders at the EGM. There is no restriction apply to the subsequent sale of the Consideration Shares.

Mr. Jeong's Undertaking

Pursuant to the SP Agreement, Mr. Jeong has irrevocably and unconditionally undertaken in favour of the Purchaser that commencing from the date of the Completion,

- (i) he shall not, except through any member of the Target Group, directly or indirectly (whether as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise) carry on, engage, invest or be interested or otherwise involved in any business that is similar to or in competition with or is likely to be in competition with any business relating to trading of electronic adhesive products carried on by any member of the Target from time to time ("**Restricted Business**");
- (ii) when he and/or any of his associates is offered or becomes aware of any new project or business opportunity directly or indirectly to engage or become interested in a Restricted Business, he (i) shall promptly notify the Purchaser in writing, refer such project or business opportunity to the Purchaser's consideration first and provide such information as may be reasonably required by Purchaser to make an informed assessment of such project or business opportunity; and (ii) shall not, and procure that his associates shall not, invest or participate in any such project or business opportunity unless such project

or business opportunity shall have been rejected by the Purchaser and the principal terms of which the Purchaser invest or participate are no more favourable than those made available to Mr. Jeong; and

- (iii) he will procure Grace Power to cease to be engaged in the trading of electronic adhesive products and shall refer all the sales order from the existing customers of Grace Power to the Target Group.

The above undertaking shall remain effective until and unless the Target Group ceases to be subsidiaries of the Company.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company immediate before and after Completion

| | As at the date of this announcement | | Immediately after Completion | |
|--|--|---|---------------------------------|---|
| | <i>Number of Shares</i> | <i>Approximate percentage of shareholding %</i> | <i>Number of Shares</i> | <i>Approximate percentage of shareholding %</i> |
| Mr. Jeong (<i>notes 1 and 2</i>) | 896,000 | 0.18 | 70,126,769 | 12.32 |
| All Reach Investments Limited (<i>note 1</i>) | 342,500,000 | 68.50 | 342,500,000 | 60.17 |
| other public shareholders | <u>156,604,000</u> | <u>31.32</u> | <u>156,604,000</u> | <u>27.51</u> |
| Total | <u>500,000,000</u> | <u>100.00</u> | <u>569,230,769</u> | <u>100.00</u> |

Notes:

- (1) The entire issued share capital of All Reach Investments Limited is wholly and beneficially owned by Mr. Jeong. By virtue of the SFO, Mr. Jeong, is deemed to be interested in the entire 342,500,000 Shares held by All Reach. Chan Sut Kuan, being the spouse of Mr. Jeong, is also deemed to be interested in the 342,500,000 Shares under the SFO.
- (2) According to the laws of Macau, the regime of matrimonial property of Mr. Jeong and Chan Sut Kuan, the wife of Mr. Jeong is community (共同財產制).

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in British Virgin Islands with limited liability on 1 August 2012 and whose entire issued share capital is wholly and beneficially owned by Mr. Jeong as at the date of this announcement. The Target Company is principally engaged in investment holdings and the Target Group is principally engaged in the trading of electronic adhesive used in the production of electronic products.

The BVI Subsidiary is a company incorporated in the British Virgin Islands with limited liability on 21 May 2012. The authorised share capital of the BVI Subsidiary is US\$50,000 divided into 50,000 shares of US\$1 each, of which 1 share was issued and beneficially owned by the Target Company as at the date of this announcement. The BVI Subsidiary is principally engaged in investment holding.

With the assistance of the PRC Company, the BVI Subsidiary manages to secure the Purchase Orders from new customers. Those new customers are different from the existing customers of the PRC Company. The Purchase Orders comprise the purchase orders placed by 6 new customers with the total purchase value of approximately HK\$13 million up to 30 June 2013.

The Macau Subsidiary is a company incorporated in Macau with limited liability on 5 October 2012. The registered capital of the Macau Subsidiary is MOP 100,000 and of which 99% of the entire registered capital is owned by the Target Company and 1% of the entire registered capital is owned by the BVI Subsidiary. The Macau Subsidiary is principally engaged in investment holding and the trading of electronic adhesive used in the production of electronic products.

As part of the Reorganisation, the Macau Subsidiary entered into a sale and purchase agreement dated 9 October 2012 with Grace Power in respect of the acquisition of the entire equity interests in the PRC Company by the Macau Subsidiary for a consideration of HK\$2,448,000. Such acquisition shall be completed prior to the completion of the Reorganisation which is one of the conditions precedent to Completion.

The PRC Company is a company established in the PRC with limited liability on 25 August 2004 and whose then entire equity interest is wholly owned as to 90% and 10% by two Independent Third Parties. As at the date of this announcement, the entire equity interest of the PRC Company is wholly owned by Grace Power, a company established in Macau and wholly and beneficially owned by Mr. Jeong. The PRC Company was acquired by Grace Power in May 2012 from the two Independent Third Parties for a consideration of RMB1,830,000. The PRC Company is principally engaged in the trading of electronic adhesive used in the production of electronic products.

Pursuant to the Reorganisation, the Macau Subsidiary will also establish a new company in Macau to take up all the referral sale orders from the existing customers of Grace Power. The Purchase Order will also be traded under the operation of new subsidiary in Macau upon its inception.

Set out below is a summary of the key financial data of the Target Group (excluding the Macau Subsidiary and the PRC Company) based on the unaudited management accounts of the Target Group for the period from 21 May 2012 (being the date of incorporation of the BVI Subsidiary) to 31 August 2012 as provided by Mr. Jeong which was prepared in accordance with the generally accepted accounting principles in Hong Kong:

| | From 21 May 2012 to 31 August 2012 |
|----------------------|---|
| | <i>HK\$'000</i> |
| | <i>(unaudited)</i> |
| Turnover | — |
| Loss before taxation | (29) |
| Loss after taxation | (29) |

The unaudited net liabilities of the Target Company as at 31 August 2012 was approximately HK\$29,000.

The Macau Subsidiary was incorporated on 5 October 2012 and recorded net losses of approximately HK\$23,000 on that date. The net liabilities of the Macau Subsidiary as at 5 October 2012 was approximately HK\$23,000.

The PRC Company has its statutory financial statement prepared in accordance with the accounting principles and regulations applicable to enterprises established in the PRC. The financial statements of the PRC Company for the years ended 31 December 2010 and 2011 were audited by the PRC auditors. Set out below is the audited financial information on the PRC Company for the two years ended 31 December 2010 and 31 December 2011 which was prepared in accordance with the generally accepted accounting principles of the PRC:

| | For the year ended 31 December 2010 | For the year ended 31 December 2011 |
|------------------------|--|--|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(audited)</i> | <i>(audited)</i> |
| Turnover | 18,201 | 20,418 |
| Profit before taxation | 674 | 964 |
| Profit after taxation | 572 | 667 |

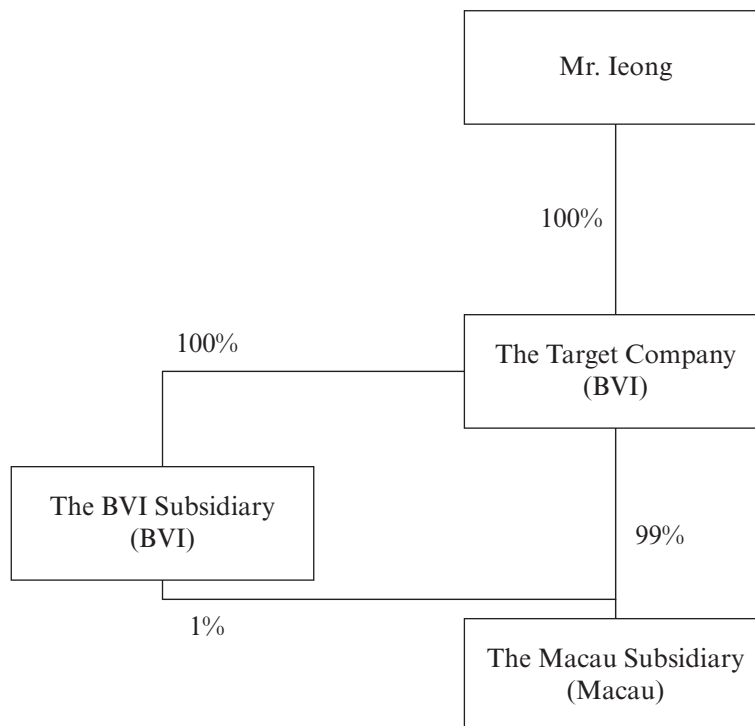
The audited net asset value of the PRC Company as at 31 December 2011 was approximately RMB2,252,000. The unaudited net asset value of the PRC Company as at 31 August 2012 was approximately RMB2,001,000.

Upon Completion, members of the Target Group will become wholly-owned subsidiaries of the Company and their results will be consolidated into the Group's consolidated financial statements.

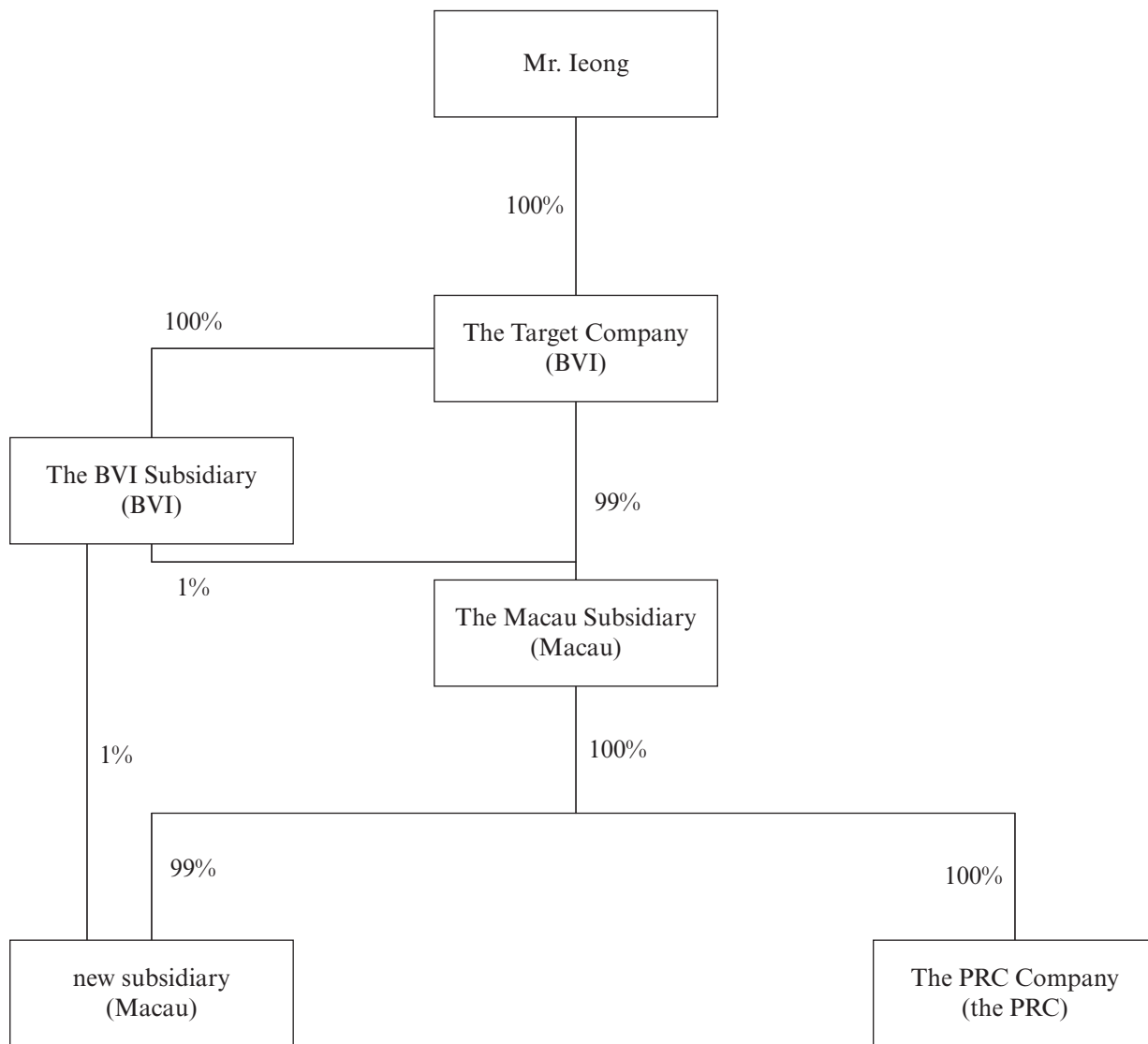
THE SHAREHOLDING STRUCTURE OF THE TARGET GROUP

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and as advised by Mr. Jeong, the following diagrams show the shareholding structure of the Target Group immediately before and after the Completion.

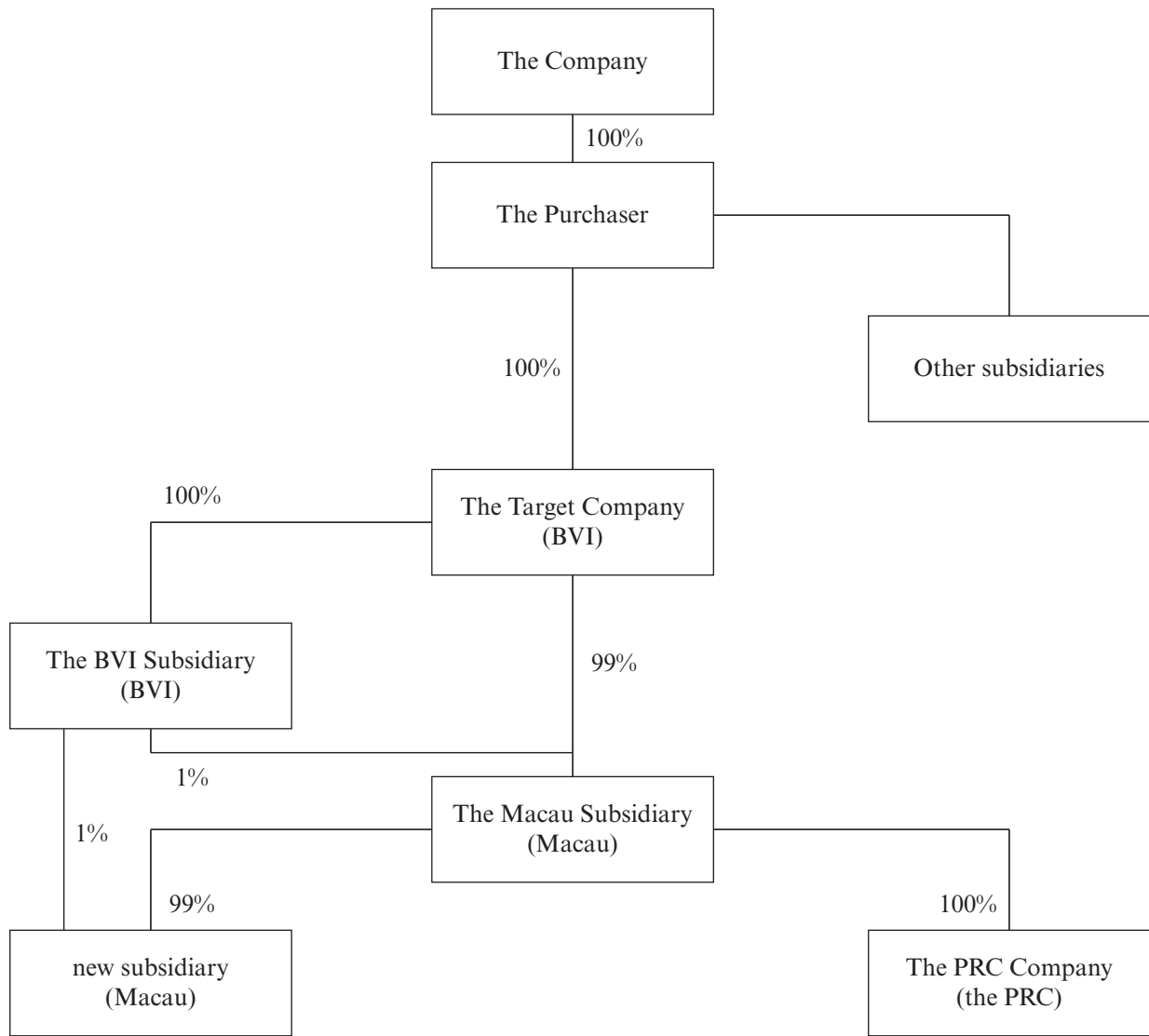
(i) As at the date of this announcement:



(ii) Immediately after completion of the Reorganisation:



(iii) Immediately after Completion:



REASONS FOR THE ACQUISITION

The Company acts as an investment holding company of the Group which is principally engaged in the manufacture and sales of adhesives and related products for customers in footwear manufacturing in the PRC, Vietnam and Indonesia.

Prior to acquisition of the PRC Company by Grace Power in early this year, Mr. Jeong had referred such investment opportunity to the Company. However, at that material time, the Board took the view that the operation scale of the PRC Company was quite small and the Company would rather prefer to focus in its core footwear adhesive products business than injecting resources to develop new electronic adhesive products business.

Differentiated from the acquisition of the PRC Company solely, the underlying assets under Acquisition comprise not only the PRC Company, but also the Purchase Orders from new customers referred by the PRC Company and potential new purchase orders from the existing customers of Grace Power. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser, and each of Mr. Jeong, Mr. Ip Ka Lun, Mr. Ip Chin Wing, Mr. Stephen Graham Prince who had abstained from voting at the Board meeting to approve the SP Agreement and the transactions contemplated thereunder) consider that the Acquisition will provide considerably large customers base for the Company to deploy to new business (i.e. trading of electronic adhesive products) without substantial further capital commitment for developing the new business.

The electronic adhesive products traded by the Target Group are mainly used for bonding all electronic components in the LED TVs, digital cameras, mobile phones (including the smartphones), computer notebooks, automobiles, freezers and air-conditioners and so forth. The global mobile handset industry maintained a strong demand in the past few years. The Directors are aware that the accumulative sales for 2011 reached approximately 1,564,930,000 units, representing an increase of approximately 14.5% compared with the same period of 2010. According to statistics released by the Ministry of Industry and Information Technology of the PRC, mobile handset market in the PRC also maintained a stable growth, with the number of users reaching over 1 billion for 2011. The Directors believe that the electronic adhesive products will have benefited from the development of the smartphone market and the popularisation of the smartphones.

The Directors consider that the Acquisition will enable the Group to diversify its sale and manufacture of footwear adhesive products to the trading of electronic adhesive used in the production of electronic products.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser, and each of Mr. Jeong, Mr. Ip Ka Lun, Mr. Ip Chin Wing, Mr. Stephen Graham Prince who had abstained from voting at the Board meeting to approve the SP Agreement and the transactions contemplated thereunder) consider that the Acquisition will provide a good opportunity for the Group to expand its business horizon to other type of adhesive products apart from adhesive products used for footwear industry.

GENERAL

The Acquisition constitutes a discloseable transaction on the part of the Company under the Listing Rules. As Mr. Jeong is a substantial Shareholder, chairman of the Board and an executive Director, Mr. Jeong is connected person of the Company. Mr. Ip Ka Lun, Mr. Ip Chin Wing and Mr. Stephen Graham Prince, all being the executive Director are the director, manager and supervisor of the PRC Company, respectively. The Acquisition constitutes a connected transaction on the part of the Company and will be subject to the approval by the Independent Shareholders at the EGM. Mr. Jeong and his associates, who hold in aggregate approximately 68.68% of the entire issued share capital of the Company as at the date of this announcement, will abstain from voting on the relevant ordinary resolution at the EGM to approve the SP Agreement and the transactions contemplated thereunder. As at the date of this announcement, each of Mr. Ip Ka Lun, Mr. Ip Chin Wing and Mr. Stephen Graham Prince does not hold any Share.

A circular containing, among other things, details of the Acquisition, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders on the Acquisition and a notice of the EGM, will be despatched to the Shareholders on or before 1 November 2012.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Acquisition. An independent financial adviser, will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

As the Acquisition is subject to the fulfillment of a number of conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

| | |
|-------------------------|---|
| “Acquisition” | the acquisition of the Sale Share and the Sale Loan by the Purchaser from Mr. Jeong pursuant to the terms and conditions of the SP Agreement |
| “associates” | has the meaning ascribed to this term under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| “BVI Subsidiary” | Starry Skyline Limited, a company incorporated in British Virgin Islands whose entire issued share capital is wholly and beneficially the Target Company |

| | |
|--------------------------------------|--|
| “Company” | Infinity Chemical Holdings Company Limited, a company incorporated in Cayman with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange |
| “Completion” | completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the SP Agreement |
| “connected person(s)” | has the meaning ascribed to this term under the Listing Rules |
| “Consideration” | HK\$45,000,000, being the total consideration for the sale and purchase of the Sale Share and the Sale Loan |
| “Consideration Shares” | 69,230,769 new Shares falling to be allotted and issued upon Completion to satisfy part of the Consideration payable by the Purchaser to Mr. Jeong or his nominee |
| “Deposit” | as to HK\$9,000,000 being the refundable deposit and part of the consideration, will be payable by the Purchaser to Mr. Jeong or his nominee in cash upon the signing of the SP Agreement |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the SP Agreement and the transactions contemplated thereunder (including the allotment and issue of Consideration Shares) |
| “Grace Power” | Grace Power Polymer Technology Limited, a company incorporated in Macau whose registered capital is owned by Mr. Jeong and the holding company of the PRC Company as at the date of this announcement |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the Acquisition |
| “Independent Shareholders” | Shareholders other than Mr. Jeong and his associates |
| “Independent Third Parties” | any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons |
| “Issue Price” | the issue price of HK\$0.52 per Consideration Share |

| | |
|---------------------------|--|
| “Last Trading Day” | 11 October 2012, being the last trading day for the Shares prior to the SP Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | the Macau Special Administrative Region of the PRC |
| “Macau Subsidiary” | Long Fortune Holding Company Limited (in Chinese “朗運控股有限公司”) and in Portuguese “COMPANHIA DE GESTÃO DE PARTICIPAÇÕES SOCIAIS LONG FORTUNE LIMITADA”), a company incorporated in Macau whose registered capital is owned as to 99% by the Target Company and 1% by the BVI Subsidiary |
| “Mr. Jeong” | Mr. Jeong Un, an executive Director and chairman of the Board and the controlling Shareholder |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan |
| “PRC Company” | Guangzhou Shi Yawei Trading Company Limited (廣州市雅威貿易有限公司#), a limited company established in the PRC and will be a wholly owned subsidiary of the Macau Subsidiary upon completion of the Reorganisation |
| “Profit Guarantee” | the profit guarantee given by Mr. Jeong in relation to the Acquisition |
| “Purchase Orders” | 10 purchases orders which have been entered into between the BVI Subsidiary and the customers solicited by the PRC Company in respect of the supply of electronic adhesive that is used in the production of electronic products |
| “Purchaser” | Keen Castle Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of the Company |
| “Reorganisation” | (i) completion of the acquisition of the PRC Company by the Macau Subsidiary; (ii) the PRC Company procures new customers to enter into the Purchase Orders with the BVI Subsidiary; and (iii) the Macau Subsidiary established a new subsidiary in Macau |
| “Sale Loan” | all obligations, liabilities and debts owing or incurred by the Target Group to Mr. Jeong on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, as at 31 August 2012, the Target Company was indebted to Mr. Jeong in the amount of approximately HK\$1,985,000 |
| “Sale Share” | 1 issued share in the Target Company legal and beneficially owned by Mr. Jeong to the Purchaser, representing 100% of the entire issued share capital of the Target Company |

| | |
|------------------|---|
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary issued share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “SP Agreement” | the conditional sale and purchase agreement dated 11 October 2012 and entered into between the Purchaser and Mr. Jeong in relation to the sale and purchase of the Sale Share and the Sale Loan |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Rank Best Investments Limited, a company incorporated in British Virgin Islands whose entire issued share capital is wholly and beneficially owned by Mr. Jeong |
| “Target Group” | the Target Company together with its subsidiaries on the completion of the Reorganisation |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “MOP” | Macau Pataca, the lawful currency of Macau |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent. |

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names

By order of the Board
Infinity Chemical Holdings Company Limited
Tong Yiu On
Executive Director

Hong Kong, 11 October 2012

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Jeong Un, Mr. Ip Chin Wing, Mr. Ip Ka Lun, Mr. Stephen Graham Prince and Mr. Tong Yiu On, and three independent non-executive Directors, namely Mr. Chan Wing Yau George, Mr. Ho Gilbert Chi Hang and Mr. Poon Yick Pang Philip.