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 TRANSACTION IN RESPECT OF POSSIBLE ACQUISITION OF SHARES IN BLUE SKY ENERGY EFFICIENCY COMPANY LIMITED INVOLVING ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Financial adviser to the Company

AmCap
Ample Capital Limited
豐盛融資有限公司

THE ACQUISITION

On 11 April 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser agreed to purchase the Sale Shares (representing 20% of the entire issued share capital of the Target Company) from the Vendor at an aggregate consideration of HK$21,000,000, which will be satisfied as to HK$4,200,000 in cash and the remaining balance of HK$16,800,000 by procuring the Company to issue the Convertible Bonds to the Vendor (or its nominees) which entitles the holders thereof to convert into 21,000,000 Conversion Shares at the initial Conversion Price of HK$0.80 (subject to adjustment).

THE ARRANGER AGREEMENT

On 11 April 2014 (after trading hours), the Purchaser and the Arranger entered into the Arranger Agreement, pursuant to which the Company agreed to appoint the Arranger and the Arranger agreed to provide the Services to the Purchaser in connection with the Acquisition. Subject to the fulfillment of the conditions under the Arranger Agreement, including but not limited to the Completion, in consideration of the Arranger having successfully introduced to the Company the business opportunities as contemplated under the Agreement and the provision of the Services under the Arranger Agreement, an Arranger Fee shall be payable by the Purchaser by procuring the Company to allot and issue 5,692,307 Warrants to subscribe for up to 5,692,307 Warrant Shares at the initial Exercise Price of HK$0.80 per Warrant Share to the Arranger on the date of the Completion pursuant to the Agreement.

LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the Acquisition is over 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but does not require the approval by the Shareholders under the Listing Rules.

THE ACQUISITION

On 11 April 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser agreed to purchase the Sale Shares (representing 20% of the entire issued share capital of the Target Company) from the Vendor. The principal terms of the Agreement are set out below:

The Agreement

Date: 11 April 2014 (after trading hours)

Parties:

(1) Vendor: Shiny Meadow Limited, the beneficial owner of 30% of the Target Company as at the date of this announcement

(2) Purchaser: Keen Castle Limited, a wholly-owned subsidiary of the Company

(3) Guarantor: Gu Meiqin, as the guarantor to the Vendor, has guaranteed in favour of the Purchaser the due and punctual performance by the Vendor of its obligations under the Agreement

The Vendor is a an investment holding company incorporated in the British Virgin Islands with limited liability. The Guarantor is a shareholder of the Vendor. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s), the Guarantor and their respective associates are Independent Third Parties.

Asset to be acquired

The assets to be acquired under the Agreement are the Sale Shares, representing 20% of the entire issued share capital of the Target Company. As at the date of this announcement, the Vendor is the beneficial owner of 30% of the entire issued share capital of the Target Company. The Vendor represents and warrants to the Purchaser that the Sale Shares are not subject to any pre-emptive right.

Consideration of the Acquisition

Pursuant to the Agreement, the consideration for the Acquisition is HK$21,000,000, which is determined by arm's length negotiations between the Purchaser and the Vendor with reference to a preliminary valuation on the Target prepared by an independent professional valuer, according to which the market value of the 100% equity interest in Target Company Group was approximately HK$145,900,000 as at 31 March 2014, by using the market approach. In determining the consideration, the Board also considered, among other things, (i) the nature, business prospects and development potentials of the Target Company Group and (ii) the financial condition of the Target Company Group. The consideration will be satisfied by the Purchaser as to HK$4,200,000 in cash and the remaining balance of HK$16,800,000 by procuring the Company to issue the Convertible Bonds to the Vendor (or its nominees) which entitles the holders thereof to convert into 21,000,000 Conversion Shares at the initial Conversion Price of HK$0.80 (subject to adjustment). Key terms of the Convertible Bonds are set out in the paragraph headed "Convertible Bonds" below.

The Directors consider that the terms and conditions of the Acquisition have been arrived after arm's length negotiations among the Purchaser, the Vendor and the Guarantor and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Corporate Structure

As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of the Company.

Upon Completion, the Company will be legally and beneficially interested in 20% of the issued share capital of the Target Company, and the Purchaser will be entitled to appoint a director to the board of directors of the Target Company, therefore, the Target Company will be accounted for as an associated company of the Company upon Completion.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfillment or waiver (if applicable) of the following conditions:

(a) the Purchaser being reasonably satisfied with the results of the due diligence review to be conducted under the Agreement;

(b) the approval of the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Conversion Shares having been obtained;

(c) the Vendor having obtained all necessary consents and approvals in respect of the transactions contemplated under the Agreement;

(d) the Purchaser having obtained all necessary consents and approvals in respect of the transactions contemplated under the Agreement; and

(e) the warranties as set out in the Agreement remaining true, accurate and complete in all material respects.

Except conditions (a) and (e) above, none of the conditions precedent above are waivable. In the event the abovementioned conditions precedent are not fulfilled (or properly waived, as appropriate) on or before 12:00 noon on 30 April 2014 (or such later date as the parties to the Agreement may agree in writing), the Agreement shall cease and determine and thereafter, neither party shall have any obligations and liabilities towards each other hereunder, save for any antecedent breach of the terms hereof.

Completion

Completion shall take place on the date falling on the second Business Day (or such later date as the Purchaser and the Vendor may agree in writing) after all conditions precedent to the Agreement being fulfilled (or being property waived, as appropriate).

CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are arrived at after arm's length negotiations between the Purchaser and the Vendor and are summarized as follows:

Issuer:	The Company
Subscriber:	The Vendor (or its nominees)
Principal amount:	HK$16,800,000
Interest rate:	The Convertible Bonds shall bear no interest
Security:	The Convertible Bonds shall be unsecured
Maturity date:	The second anniversary of the date of issue of the Convertible Bonds (the "**Maturity Date**") Unless previously converted or redeemed, the Company shall redeem the Convertible Bonds (in whole or in part) at 100% of the principal amount of such bonds at any time before the Maturity Date
Conversion:	Provided that (i) the conversion of the Convertible Bonds will not trigger mandatory offer under Rule 26.1 of the Takeovers Code and (ii) the Company will maintain the public float in compliance with the Listing Rules upon conversion of the Convertible Bonds, the holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares a in amounts of not less than a whole multiple of HK$1,000,000 on each conversion.

Conversion period: The holders of the Convertible Bonds shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at any time and from time to time, from the date of issue of the Convertible Bonds up to 4:00 p.m. on the Maturity Date

Conversion Price: The Conversion Bonds may be converted into Shares at an initial Conversion Price of HK$0.80 per Share, representing (a) a discount of approximately 5.88% to the closing price of HK$0.85 per Share as quoted on those Stock Exchange on the Last Trading Day; and (b) a discount of approximately 0.99% to the average of the closing prices of HK$0.808 per Share as quoted on the Stock Exchange for the last five Trading Days up to and including the Last Trading Day.

The Conversion Price shall be subject to adjustments for, amongst other things, consolidations or subdivision.

The Conversion Price was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the recent trading price of the Shares and the recent market sentiment of the financial market in Hong Kong. The Directors consider that the Conversion Price is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conversion Shares: Based upon the initial Conversion Price of HK$0.80 per Share, the Convertible Bonds may be converted into a total of 21,000,000 Conversion Shares, representing:

(i) approximately 3.69% of the issued share capital of the Company as at the date of this announcement;

(ii) approximately 3.56% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price in full; and

(iii) approximately 3.52% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price and the Warrant Shares in full.

Status: The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all time rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by applicable legislation.

Voting rights: The holder of the Convertible Bonds will not be entitled to attend or vote at any meetings of the Company by reason only of it being the holder of the Convertible Bonds.

Transferability:	The Convertible Bonds shall be freely transferable provided that no transfer or assignment of the Convertible Bonds shall be made to any connected persons of the Company without prior written consent of the Company.
Listing:	No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds will be allotted and issued on the date of Completion pursuant to the general mandate (the "**General Mandate**") granted to the Directors at the annual general meeting of the Company held on 26 February 2014, subject to the limit of 113,846,153 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). As such, no Shareholders' approval is necessary for the issue of the Conversion Shares. The 21,000,000 Conversion Shares, to be allotted and issued upon full exercise of the conversion rights attaching to the Convertible Bonds, will utilise about 18.45% of the General Mandate.

SHAREHOLDERS' AGREEMENT

Pursuant to the Agreement, the Purchaser, the Vendor, China Energy Conservation Investments Company Limited and the Target Company, being all the then existing shareholders of the Target Company shall enter into the Shareholders' Agreement in relation to the management of the Target Company and its relationship with each of the shareholders.

Major terms of the Shareholders' Agreement

Composition of the board of the Target Company

The board of the Target Company shall comprise five (5) directors, of whom one (1) shall be appointed by the Purchaser and four (4) appointed by China Energy Conversation Investments Company Limited.

Quorum for meetings

The quorum for all meeting of the board of the Target Company shall be five (5) directors, of whom there must be at least one (1) director nominated by the Purchaser.

The quorum for all shareholders' meeting of the Target Company shall be two (2) shareholders, of which at least one of whom must be the Purchaser or its authorised representative.

Further financing and/or provision of financial assistance to the Target Company Group

According to the Shareholders' Agreement, the Purchaser is neither obliged to provide any financing form of guarantee in relation to any external financing to the Target Company Group (if any) nor to contribute any further capital investment to the Target Company Group.

DEED OF NON-COMPETITION

Pursuant to the Agreement, each of the Vendor and the Guarantor will execute the Deed of Non-Competition in favour of the Target Company on the date of Completion, pursuant to which, each of them irrevocably and unconditionally covenants with the Target Company not to engaged in the business carried out or to be carried out from time to time by the Target Company or its subsidiaries, for a period of two years from the date of the Deed of Non-competition.

PROFIT GUARANTEE

Pursuant to the Agreement, the Vendor irrevocably and unconditionally warrants and guarantees to the Purchaser that the audited net profits after tax of the Target Company Group as shown in its audited consolidated financial statement for a period of twenty-four (24) months commencing from the date of Completion (the "**Relevant Period**") will not be less than HK$30,000,000 (the "**Guaranteed Profit**").

If the actual audited net profits after tax of the Relevant Period (the "**Actual Profit**") as certified by the auditors (the "**Auditors**") shall be less than HK$30,000,000, being the Guaranteed Profit, the Vendor shall pay to the Purchaser an amount equivalent to "A" calculated as below within 15 days upon receipt of the relevant audited consolidated financial statement of the Target Company:

$$A = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 7 \times 20\%$$

provided that the maximum amount of "A" shall not exceed HK$21,000,000 in any event. For the avoidance of doubt, should the Target Company Group record a loss in its audited consolidated financial statements for the Relevant Period, the Actual Profit for such Relevant Period shall be deemed as zero.

The Vendor and the Purchaser shall jointly procure that the Auditors to provide to them (a) a signed copy of the audited consolidated financial statements of the Target Company Group and (b) a certificate (the "**Guarantee Certificate**") certifying the amount of the aggregate audited net profits after tax of the Target Company as shown in the aforesaid audited financial statements within 45 days immediately following the end of the Relevant Period.

The Guarantee Certificate shall, in the absence of manifest error, be final and conclusive of the matters stated therein and binding on the Vendor, the Purchaser and the Guarantor.

THE ARRANGER AGREEMENT

Date: 11 April 2014 (after trading hours)

Parties: (i) the Purchaser

(ii) Gu Guoying, being the arranger to the Arranger Agreement

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Arranger and his associates are Independent Third Parties and as at the date of this announcement, the Arranger and his associates do not hold any Share or other securities in the Company.

Services provided/to be provided by the Arranger

The Arranger shall provide the following services (the "**Services**") in relation to the Acquisition to the Purchaser:

(1) provide assistance to the Purchaser in relation to (i) the negotiation of the terms and conditions of the Agreement; and (ii) the entering into of the Agreement; and

(2) provide assistance to the Purchaser in the due diligence exercises (the "**Due Diligence Exercises**") on the assets, liabilities, operation and business of the Target Company.

Arranger Fee

Subject to the fulfillment of the conditions under the Arranger Agreement, in consideration of the Arranger having successfully introduced to the Company the business opportunities as contemplated under the Agreement and the provision of the Services by the Arranger to the Purchaser, the Purchaser shall pay the Arranger Fee to the Arranger. The Arranger Fee shall be payable by the Purchaser by procuring the Company to issue 5,692,307 Warrants to subscribe for up to 5,692,307 Warrant Shares at the initial Exercise Price of HK$0.80 per Warrant Share to the Arranger on the date of Completion pursuant to the Agreement.

Pursuant to the terms and conditions of the Arranger Agreement, the payment of the Arranger Fee is subject to the fulfillment of the following conditions:

(1) the Purchaser and the Company having obtained all necessary consents and approvals in respect of the transactions contemplated under the Agreement;

(2) the approval of the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrant Shares being obtained; and

(3) the Completion.

The Arranger Fee as may be required to be provided by the Purchaser to the Arranger under the Arranger Agreement is determined after arm's length negotiation between the Purchaser and the Arranger after taking into account (i) the Services to be provided by the Arranger to the Purchaser; (ii) the nature, business prospects and development potentials of the Target Company Group and (iii) the benefits of the Acquisition to the Group as set out in the paragraph headed "Reasons for and benefits of the Acquisition" below.

The Directors (including the independent non-executive Directors) are of the view that the Arranger Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Long stop date under the Arranger Agreement

If the conditions of the Arranger Agreement are not fulfilled on or before 30 April 2014 or such later date as may be agreed by the Purchaser and the Arranger in writing (the "**Long Stop Date**"), the Arranger Agreement (save for the clauses in the Arranger Agreement in relation to notice, confidentiality and governing law and jurisdiction) shall lapse and cease to have any effect. No Arranger Fee shall be payable by the Company and/or the Purchaser for the Services provided by the Arranger. Save for any default under or breach of any provisions in the Arranger Agreement committed prior to the Long Stop Date, no parties to the Arranger Agreement shall have any duties or obligations under the Arranger Agreement.

PRINCIPAL TERMS OF THE WARRANTS

The principal terms of the Warrants are arrived at after arm's length negotiations between the Purchaser and the Arranger and are summarized as follows:

Issuer: The Company

Subscriber: The Arranger

Exercise Price (the "Exercise Price"): HK$0.80 per Warrant Share (subject to adjustment)

The Exercise Price is subject to adjustment in the event of, among other things, reduction, sub-division or consolidation of share capital or any distribution of the Company's capital assets to Shareholders pro rata, whether in cash or specie, except dividend paid out of the net profits attributable to Shareholders for each financial year of the Company.

Every adjustment to the exercise price shall be certified either (at the option of the Company) by the auditors of the Company or by an approved merchant bank.

The initial Exercise Price represents (a) a discount of approximately 5.88% to the closing price of HK$0.85 per Share as quoted on those Stock Exchange on the Last Trading Day; and (b) a discount of approximately 0.99% to the average of the closing prices of HK$0.808 per Share as quoted on the Stock Exchange for the last five Trading Days up to and including the Last Trading Day (c) a premium of approximately 1.65% over the closing price of HK$0.787 per Share as quoted on the Stock Exchange over the last ten Trading Days up to and including the Last Trading Day. Based on the closing price of HK$0.85 per Share as quoted on the Stock Exchange on the Last Trading Day, the market value of the Warrants Shares is approximately HK$0.85.

The Exercise Price was determined after arm's length negotiation between the Purchaser and the Arranger with reference to the recent trading price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Subscription period: from the date of issue up to the first anniversary of the date of issue of the Warrant

Status:	the Warrant Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other Shares then in issue
Warrant Shares:	The initial number of Warrant Shares issuable upon exercise of the Warrants shall be 5,692,307. An initial maximum of 5,692,307 Warrant Shares will be allotted and issued upon full exercise of the Warrants, representing: (i) approximately 1% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 0.99% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Warrant Shares; (iii) approximately 0.96% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price and the Warrants Shares in full
Voting rights:	The holder of the Warrant will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of the Warrants
Transferability:	The Warrants are not transferable
Listing:	Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares

The Warrants Shares to be issued upon the exercise of the Subscription Rights will be allotted and issued pursuant to the General Mandate, subject to the limit of 113,846,153 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). As such, no Shareholders' approval is necessary for the issue of the Warrants.

The 5,692,307 Warrant Shares, to be allotted and issued upon full exercise of the subscription rights attaching to the Warrants, will utilise about 5.00% of the General Mandate.

As at the date of this announcement, save for the proposed issue of the Warrants Shares upon full exercise of the subscription rights attaching to the Warrants and the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds, the Company has not utilised the General Mandate.

In the event that following any adjustments of the Exercise Price made in accordance with the terms and conditions of the Warrants, the number of the Warrants Shares which may fall to be allotted an disused pursuant to the exercise of the subscription rights attaching to the Warrants which will exceed the authorisation under the General Mandate will not be allotted and issued.

CHANGES IN SHAREHOLDING STRUCTURE

Assuming there being no other change in the shareholding structure of the Company (other than those as contemplated under the Agreement), the following table sets out the shareholding structure of the Company (i) as at the date of this announcement and before Completion; (ii) immediately after the Completion and the allotment and issue of the Conversion Shares; (iii) immediately after the Completion and the allotment and issue of the Warrant Shares and (iv) immediately after the Completion and after the allotment and issue of the Conversion Shares and the Warrant Shares in full.

	As at the date of this announcement		Immediately upon the Completion and after the allotment and issue of the Conversion Shares in full		Immediately upon Completion and after the allotment and issue of the Warrant Shares in full		Immediately upon Completion and after the allotment and issue of the Conversion Shares and the Warrant Shares in full	
	No. of Shares	*Approximate percentage*	*No. of Shares*	*Approximate percentage*	*No. of Shares*	*Approximate percentage*	*No. of Shares*	*Approximate percentage*
Substantial Shareholders								
Mr. Ieong Un ("Mr. Ieong") *(Note 1)*	70,126,769	12.32%	70,126,769	11.88%	70,126,769	12.20%	70,126,769	11.77%
All Reach Investments Limited *(Notes 1 & 2)*	342,500,000	60.17%	342,500,000	58.03%	342,500,000	59.57%	342,500,000	57.47%
Sub-total for substantial Shareholders	412,626,769	72.49%	412,626,769	69.91%	412,626,769	71.77%	412,626,769	69.24%
Vendor	—	—	21,000,000	3.56%	—	—	21,000,000	3.52%
Arranger	—	—	—	—	5,692,307	0.99%	5,692,307	0.96%
Public Shareholders	156,604,000	27.51%	156,604,000	26.53%	156,604,000	27.24%	156,604,000	26.28%
Total	569,230,769	100%	590,230,769	100%	574,923,076	100%	595,923,076	100%

Notes:

1. All Reach Investments Limited is directly, wholly and beneficially owned by Mr. Ieong. By virtue of the SFO, Mr. Ieong, an executive Director, is deemed to be interested in the entire 342,500,000 Shares held by All Reach Investments Limited. Mr. Ieong is in person beneficially owns 70,126,769 Shares. Ms. Chan Sut Kuan ("Mrs. Ieong") is the spouse of Mr. Ieong and is therefore deemed to be interested in the 412,626,769 Shares held by Mr. Ieong.

2. According to the laws of Macau, the regime of matrimonial property of Mr. Ieong and Mrs. Ieong is community (共同財產制).

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

INFORMATION ON THE TARGET COMPANY GROUP

The Target Company was incorporated in the British Virgin Islands with limited liability on 13 November 2013 and is an investment holding company. As at the date of this announcement, the Target Company is owned as to 70% by China Energy Conservation Investments Company Limited and as to 30% by the Vendor respectively.

The Target Group comprises of the Target and two subsidiaries, namely, Profit Strong Technology Limited ("**Profit Strong**") and Profit Link Industrial Limited ("**Profit Link**"). Apart from the investments in Profit Strong and Profit Link, the Target Company does not have any other operation.

Profit Strong

Profit Strong was incorporated in Hong Kong with limited liability on 19 November 2013 which is wholly owned by the Target Company, and principally engaged in the provision of one-stop energy saving solution services in the PRC. These services mainly comprise of design, application and installment of energy-efficiency system for commercial buildings, hotel, gymnasium, airport and hospital and residential premises. The customers will be benefited on saving the energy costs by way of efficiently utilizes of lighting system, watering system, air-conditioning, elevator and escalator etc.

Profit Strong is in the process for setting up a wholly owned subsidiary in the PRC, namely 深圳市利強藍天節能科技有限公司 by way of a wholly foreign owned enterprise for acting as an operating arm for the implementation of energy saving solution services in the PRC.

The revenue model of Profit Strong will depends on certain percentage for the amounts of energy cost saved for each of the project which normally calculated on yearly basis. Such percentage will be depend on nature of works involved and will on case by case basis.

As at the date of this announcement, Profit Strong has eight signed memorandum of understanding on hand with formal contract to be entered on or before July 2014. The revenue derived by the project will be based on percentage of total energy saved annually with estimated revenue of approximately RMB22.5 million per year. The projects were related to the implementation of energy saving system in hotel and shopping mall in the PRC. These projects will be commenced after the Completion.

The installation and implementation of the energy-efficiency system will be outsourced to an external services provider and they are responsible for the provision of analysis and design the most efficient and economic way for utilisation of energy, formulate energy cost saving proposal for implementation of energy cost saving solution including guidance, inspection, installation and maintenance.

Profit Link

Profit Link was incorporated in Hong Kong with limited liability on 19 November 2013 which is wholly owned by the Target Company, and is principally engaged in research and development and sales of environmental chemical coating products.

The products of Profit Link mainly include (i) windows coating on residential premises, commercial building and motor vehicle and exterior coating on building and motor vehicle.

Profit Link owns a self developed coating formula which was mainly used for windows coating on and residential commercial building with result on reducing indoor temperature.

Profit Link has a three years exclusive distribution contract with Sinochem Plastics Co., Limited ("**Sinochem**") for acting as the sole distributer to Sinochem for window coating on residential, commercial building and motor vehicle and exterior coating on building and motor vehicle. Sinochem is a member of Sinochem Corporation and is principally engaged in the production of chemical and petrochemical products in the PRC.

As at the date of this announcement, Profit Link also has three legally-binding contracts including one coating project for installation of window coating and two province distributor contracts in Shenzhen and Wenzhou, the PRC for the sales and installment of window coating on commercial buildings and distribution of window coating on residential, commercial building and motor vehicle and exterior coating on building and motor vehicle. The summary of contracts is set out as follows:

	Customers	Contract type	Contract years	Revenue size
				RMB'000
1)	Hotel	Installment of window coating	1	630
2)	Province agency in Shenzhen	Distribution of coating material	3	26,000
3)	Province agency in Wenzhou	Distribution of coating material	3	22,500

These projects will commence after the Completion.

The Directors considered that the operations of both Profit Strong and Profit Link will have synergy effect as the environmental products offered by Profit Link (i.e. windows and exterior coating on buildings) can be used as part of the one-stop energy saving solution services offered by Profit Strong.

FINANCIAL INFORMATION ON THE TARGET COMPANY GROUP

The Target Company Group which comprising of the Target Company, Profit Strong and Profit Link was newly formed in 2013, hence the Target Company Group does not have any significant assets and liabilities.

Set out below are the unaudited financial information of the Target Company Group as prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants since its incorporation to 31 December 2013:

	For the period from 13 November 2013 (date of incorporation of the Target Company Group) to 31 December 2013
	HK$'000
Revenue	—
Net loss before taxation	50
Net loss after taxation	50
Net asset	340

Except for disclosed above, the Target Company Group does not have any contingent liabilities.

After the Completion, the investment in Target Company Group will be classified as investment in an associate and recorded under the equity accounting in accordance with HKAS 28 (2011) Investments in Associates and Joint Ventures issued by the Hong Kong Institute of Certified Public Accountants.

REASONS AND BENEFITS FOR THE ACQUISITION

The Group is principally engaged in the manufacture and sales of adhesives and related products for customers in footwear manufacturing in the PRC, Vietnam and Indonesia.

The Directors have been actively seeking and identifying further investment and business opportunities in order to maximize the return of the Shareholders.

Having considered the terms of the Agreement, the preliminary valuation on the entire issued share capital of the Target Company, the future development prospects of the Target Company's businesses, the experience and network possessed by the its management as well as the potential synergies from the Company's existing businesses, the Directors (including the independent non-executive Directors) are of the view that the Acquisition will maximize the future contribution to the Group and that the Acquisition and the Arranger Agreement are in the interest of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the Acquisition is over 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but does not require the approval by the Shareholders under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Acquisition"	the proposed acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions of the Agreement
"Agreement"	the sale and purchase agreement dated 11 April 2014 entered into among the Purchase, the Vendor and the Guarantor in relation to the Acquisition
"Arranger"	Gu Guoying (顧國英), being the arranger to the Arranger Agreement
"Arranger Agreement"	the arranger agreement dated 11 April 2014 entered into between the Purchaser and the Arranger in relation to provision of Services by the Arranger to the Purchaser in connection with the Acquisition
"Arranger Fee"	the arranger fee for the provision of Services by the Arranger pursuant to the Arranger Agreement, payable by the Purchaser by procuring the Company to issue the Warrants to the Arranger
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors of the Company
"Business Day(s)"	a day (other than a Saturday, Sunday and public holidays) on which licensed banks are generally open for business in Hong Kong

"Company"	Infinity Chemical Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Agreement
"connected person(s)"	has the same meaning ascribed to it in the Listing Rules
"Conversion Price"	the initial conversion price of HK$0.80 per Conversion Shares of the Convertible Bonds (subject to adjustment)
"Conversion Share(s)"	the new Shares to be allotted and issued upon conversion of the Convertible Bonds at the initial Conversion Price
"Convertible Bonds"	the 2016 zero coupon convertible bonds in a principal amount of HK$16,800,000 to be issued by the Company to the Vendor (or its nominees) upon Completion to satisfy part of the consideration of the Acquisition pursuant to the Agreement
"Deeds of non-competitions"	the deed of non-competition to be executed by each of the Vendor and the Guarantor in favour of the Target Company on the date of the Completion
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guarantor"	Gu Meiqin (顧美琴), being the shareholder of the Vendor
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any persons or company(ies) and their respective 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
"Last Trading Day"	11 April 2014, being the last trading day for the shares prior to the entering into of the Agreement
"Listing Committee"	has the meaning ascribed thereto in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Keen Castle Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company as at the date of this announcement

"Sale Shares"	10,000 shares of US$1.00 each in the Target Company, representing 20% of the entire issued share capital of the Target Company as at the date of this announcement
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Shares
"Shareholders' Agreement"	the shareholders' agreement to be entered into among the Target Company and the shareholders of the Target Company in relation to, among other matters, the affairs, business and management of the Target Company, and its relationship to each of its shareholders
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Rights"	subscription rights attached to the Warrants, which may be exercised in whole or in part, but no in respect of a fraction of a Warrant Share, at any time during the Warrants Period, to subscribe in cash for the Warrant Shares at the Exercise Price
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Target Company"	Blue Sky Energy Efficiency Company Limited (formerly known as Immense Profit Holdings Limited), a company incorporated in the British Virgin Islands with limited liability, and is owned as to 30% by the Vendor as at the date of this announcement
"Target Company Group"	the Target Company and its subsidiaries
"Warrants"	the 5,692,307 warrants to be issued by the Company to the Arranger upon fulfillment of the conditions under the Arranger Agreement, conferring rights entitling its holders to subscribe for up to HK$4,553,845.60 in aggregate in cash for 5,692,307 Warrant Shares at the initial Exercise Price
"Warrant Share(s)"	new Share(s) to be allotted and issued by the Company upon exercise of the subscription rights attaching to the Warrants
"Vendor"	Shiny Meadow Limited, a company incorporated in the British Virgin Islands with limited liability, being the beneficial owner of 30% of the Target Company as at the date of this announcement

"%"	per cent
"US$"	United States dollars, the lawful currency for the time being of the United States of America

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

Hong Kong, 11 April 2014

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Ieong 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. Simon Luk and Mr. Tong Hing Wah.