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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Oriental Patron Securities Limited

On 24 April 2015 (after trading hours of the Stock Exchange), the Company entered into the conditional Placing and Subscription Agreement with the Placing Agent and the Subscriber for the Placing of up to an aggregate of 50,000,000 existing Placing Shares to the Placees at the Placing Price of HK\$1.60 per Placing Share and the Subscription of up to 50,000,000 new Subscription Shares by the Subscriber at the Subscription Price of HK\$1.60 per Subscription Share.

The Placing Shares represent, in aggregate, (i) approximately 8.39% of the existing issued share capital of the Company; and (ii) approximately 7.74% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$80 million and approximately HK\$77 million, respectively. The Company intends to use the net proceeds from the Subscription for general working capital purposes of the Group.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date : 24 April 2015
Issuer : The Company
Placing Agent : Oriental Patron Securities Limited, being an Independent Third Party
Subscriber : Jeong Un, being an executive Director and a controlling Shareholder (as defined under the Listing Rules) of the Company

The Placing Agent has been appointed to place the Placing Shares on a best effort basis and will receive a placing commission of 3.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent. The placing commission was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 50,000,000 Placing Shares to the Placees at a price of HK\$1.60 per Placing Share and the Subscriber will subscribe the Subscription Shares at a price of HK\$1.60 per Subscription Share. Details of the Placing and the Subscription are set out below:

A. PLACING

Placees

The Placing Agent has agreed to place the Placing Shares on a best effort basis to not less than six Placees, each of whom (and its ultimate beneficial owners(s), where applicable) is an Independent Third Party.

It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Placing Shares

The 50,000,000 Placing Shares represent, in aggregate, (i) approximately 8.39% of the existing issued share capital of the Company; and (ii) approximately 7.74% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Placing Shares rank *pari passu* among themselves and with the other Shares in issue as at the date of this announcement.

Placing Price

The Placing Price of HK\$1.60 per Placing Share represents:

- (i) a discount of approximately 12.57% to the closing price of HK\$1.83 per Share as quoted on the Stock Exchange on 24 April 2015, being the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 10.11% to the average closing price of approximately HK\$1.78 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of the relevant expenses, is approximately HK\$1.54 per Placing Share.

Placing commission

The Company shall pay to the Placing Agent the placing commission of 3.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent and all reasonable costs, fees and expenses in relation to the preparation and completion of the Placing and Subscription Agreement.

Completion of the Placing

The Placing is unconditional and completion of the Placing will take place on 4 May 2015 (or such other date as may be agreed by the Subscriber and the Placing Agent).

B. SUBSCRIPTION

Subscription Shares

Up to 50,000,000 Subscription Shares, which is equivalent to the number of Placing Shares to be placed under the Placing, will be subscribed by the Subscriber under the Placing and Subscription Agreement and represent, in aggregate, (i) approximately 8.39% of the existing issued share capital of the Company; and (ii) approximately 7.74% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with the other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

General mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 119,184,615 Shares. As at the date of this announcement, (i) no portion of the General Mandate was utilised; (ii) the Company has not allotted and issued any Shares pursuant to the General Mandate; and (iii) the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' approval.

Subscription Price

The Subscription Price of HK\$1.60 per Subscription Share represents:

- (i) a discount of approximately 12.57% to the closing price of HK\$1.83 per Share as quoted on the Stock Exchange on 24 April 2015, being the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 10.11% to the average closing price of approximately HK\$1.78 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$1.54 per Subscription Share.

Conditions precedent

The Subscription is conditional upon the following conditions being fulfilled:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the completion of the Placing pursuant to the Placing and Subscription Agreement.

In the event that the conditions of the Placing are not fulfilled on or before 7 May 2015 (or such other date as may be agreed between the parties to the Placing Agreement) in writing, the Placing and Subscription Agreement shall cease and neither the Company, the Subscriber nor the Placing Agent shall have any claim against the others under the Placing and Subscription Agreement in respect of the Subscription.

Completion of the Subscription

Completion of the Subscription will take place within the next Business Day (or such other date as may be agreed by the Company and the Subscriber) after the conditions of the Subscription have been fulfilled. The Subscription shall be completed on or before 8 May 2015, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders.

The completion of the Subscription is subject to the satisfaction of the conditions precedent in the Placing and Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Recission

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing and Subscription Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the date of completion of the Placing if:

- (1) there is any introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Subscriber or the Company or the Placing Agent to proceed with the Placing; or
- (3) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber in the Placing and Subscription Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or

- (4) there is any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (5) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing and Subscription Agreement pursuant to the above mentioned force majeure factors, all liabilities of the parties thereto shall cease and no party of the Placing and Subscription Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing and Subscription Agreement save for any antecedent breach of any obligation under the Placing and Subscription Agreement.

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Group is principally engaged in the manufacture and sales of adhesives and related products for customers in footwear manufacturing in the PRC and Vietnam and the trading of adhesive used in the production of electronic products.

The Directors have considered various ways of raising funds to develop its businesses and consider that the Placing and the Subscription represent a suitable opportunity to raise capital for the Company and enlarge the equity and Shareholder base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Placing and the Subscription (including but not limited to the Placing Price, the Subscription Price and the placing agent commission of 3.5%) are fair and reasonable based on the current market conditions, and the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole. The Company would continue to explore the possibility of raising further funds with the Placing Agent through further issue of equity securities. However, as at the date of this announcement, no concrete plan or proposal has been made nor any written agreement has been entered into in respect of any other equity fund raising activity.

USE OF PROCEEDS

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$80 million and approximately HK\$77 million, respectively. The Company intends to use the net proceeds from the Subscription for general working capital purposes of the Group.

The net proceeds being raised per Share upon completion of the Placing and the Subscription will be approximately HK\$1.54 per Share.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has no fund raising activities in the past 12 months immediately preceding the date of this announcement.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Placing and the Subscription are as follows:

Shareholders	Existing shareholding (as at the date of this announcement)		Shareholding immediately after the Placing but before the Subscription		Shareholding immediately after the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Subscriber (<i>Note 1</i>)	412,626,769	69.24%	362,626,769	60.85%	412,626,769	63.88%
<i>Public shareholders</i>						
The Places	—	—	50,000,000	8.39%	50,000,000	7.74%
Other public shareholders	<u>183,296,307</u>	<u>30.76%</u>	<u>183,296,307</u>	<u>30.76%</u>	<u>183,296,307</u>	<u>28.38%</u>
Total	<u>595,923,076</u>	<u>100.00%</u>	<u>595,923,076</u>	<u>100.00%</u>	<u>645,923,076</u>	<u>100.00%</u>

Note:

1. All Reach Investments Limited is directly, wholly and beneficially owned by Mr. Jeong Un. By virtue of the SFO, Mr. Jeong Un, an executive Director, is deemed to be interested in the entire 342,500,000 Shares held by All Reach Investments Limited. Mr. Jeong Un beneficially owns 70,126,769 Shares in person.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being Saturdays, Sunday or public holidays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Infinity Chemical Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with Shares at the annual general meeting of the Company held on 25 February 2015
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Directors, chief executive or substantial Shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules, and that such party is not acting in concert with the Subscriber in relation to the control of the Company within the meaning of the Takeovers Code
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placees”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing and Subscription Agreement
“Placing Agent”	Oriental Patron Securities Limited, the Placing Agent and a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing and Subscription Agreement”	the agreement dated 24 April 2015 and entered into among the Company, the Placing Agent and the Subscriber in respect of the Placing and the Subscription
“Placing Price”	the placing price of HK\$1.60 per Placing Share
“Placing Shares”	up to an aggregate of 50,000,000 existing Shares to be placed by the Placing Agent on behalf of the Subscriber under the Placing
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ieong Un, being an executive Director and a controlling Shareholder
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$1.60 per Subscription Share
“Subscription Shares”	up to 50,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement

“Takeovers Code” The Hong Kong Code on Takeovers and Mergers
“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent.

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

Hong Kong, 24 April 2015

As at the date of this announcement, the Board of Directors 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. Simon Luk and Mr. Tong Hing Wah.