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INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

星謙發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

DISCLOSEABLE TRANSACTION FOUNDATION WORKS CONTRACT AND CONSTRUCTION WORKS CONTRACT

On 11 July 2023 and 24 April 2024 (after trading hours), PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company, entered into the Foundation Works Contract and the Construction Works Contract with the Contractor, through tender processes, pursuant to which the Contractor was appointed and responsible for the Foundation Works and the Construction Works of a manufacturing plant of PT. Zhongbu Resins Indonesia in the Construction Area, at the considerations of Rp34,318,635,900 (approximately HK\$17,727,000) and Rp117,766,000,000 (approximately HK\$57,085,000), respectively.

In accordance with the requirement of Rule 14.22 of the Listing Rules, the Foundations Works Contract and the Construction Works Contract, being entered into within a 12-month period, should be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio (as defined under Chapter 14 of the Listing Rules) in respect of the transactions contemplated under the Constructions on an aggregated basis exceeds 5% but is less than 25%, such transactions on an aggregated basis constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 11 July 2023 and 24 April 2024 (after trading hours), PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company, entered into the Foundation Works Contract and the Construction Works Contract with the Contractor, through tender processes, pursuant to which the Contractor was appointed and responsible for the Foundation Works and the Construction Works of a manufacturing plant of PT. Zhongbu Resins Indonesia in the Construction Area, at the Foundation Works Consideration and the Construction Works Consideration, respectively.

Details of the Foundation Works Contract and Construction Works Contract are as follows:

The Foundation Works Contract

The principal terms of the Foundation Works Contract are set out below:

- Date: 11 July 2023
- Parties: (i) PT. Zhongbu Resins Indonesia; and
(ii) the Contractor.
- Scope of works: The Contractor is appointed and responsible for the piling works and other ancillary works located at the Construction Area.
- Foundation Works period: The construction period is expected to be 150 days, which was expected to commence on 21 July 2023 and end on 22 December 2023.
- Foundation Works Consideration: The total consideration payable to the Contractor is Rp34,318,635,900 (equivalent to approximately HK\$17,727,000), inclusive tax, pursuant to the Foundation Works Contract.
- Payment terms: The Foundation Works Consideration would be payable by PT. Zhongbu Resins Indonesia in the following manner:
- (i) 30% is payable within 10 days upon (a) signing of the Foundation Works Contract; (b) arrival of workers, management and necessary equipment at the Construction Area; and (c) issuance of invoice by the Contractor;
 - (ii) 15% is payable upon commencement of the Foundation Works;
 - (iii) 25% is payable upon completion of the piling works for the workshop, storage area and fence at the Construction Area;
 - (iv) 10% is payable upon completion of the piling works for the restaurant, main building and dormitory;
 - (v) 10% is payable upon completion of the piling works for two warehouses;
 - (vi) 5% is payable upon practical completion of the Foundation Works; and

(vii) the remaining 5% is used as quality guarantee and is payable within 30 days after 12 months of the completion of the Foundation Works.

As of the date of this announcement, approximately Rp32,602,704,105 (equivalent to approximately HK\$16,840,000) has been paid under the Foundation Works Contract.

Warranties:

The warranty period is one year from the date of the inspection and acceptance of the completed Foundation Works by PT. Zhongbu Resins Indonesia.

During the warranty period, the Contractor will rectify defects of the Foundation Works and conduct repair and maintenance works as agreed under the Foundation Works Contract. If the Foundation Works' quality issue is not caused by the Contractor, the Contractor will conduct repair and maintenance works at costs incurred to be borne by PT. Zhongbu Resins Indonesia.

The warranty period of the Foundation Works commenced on 21 December 2023 immediately upon completion of the Foundation Works.

The Construction Works Contract

The principal terms of the Construction Works Contract are set out below:

Date: 24 April 2024

Parties: (i) PT. Zhongbu Resins Indonesia; and
(ii) the Contractor.

Scope of works: The Contractor is appointed and responsible for the civil engineering, structural steel works and mechanical and electrical construction for fire service of the manufacturing plant, dormitory and ancillary facilities located at the Construction Area.

Construction Works period: The construction period is expected to be 300 days, which will commence on 16 May 2024 and is expected to end on 11 March 2025.

Construction Works Consideration: The total consideration payable to the Contractor is fixed at Rp117,766,000,000 (equivalent to approximately HK\$57,085,000), inclusive tax, pursuant to the Construction Works Contract.

Payment terms: The Construction Works Consideration will be paid by PT. Zhongbu Resins Indonesia in the following manner:

- (i) 30% is payable within 10 days upon signing of the Construction Works Contract and receipt of billing application letter;
- (ii) monthly progress payment is payable to the Contractor based on monthly construction work report, up to a total payment of 60% of the Construction Works Consideration;
- (iii) 5% is payable upon the inspection and acceptance of the completed construction works by PT. Zhongbu Resins Indonesia; and
- (iv) the remaining 5% is used as quality guarantee and is payable within 20 working days after 12 months of completion of the Construction Works.

Warranties: During the warranty period, the Contractor will rectify defects of the Construction Works in a timely manner according to the Construction Works Contract:

- (i) The warranty period for foundation works and the main structural building works will be the reasonable tenure of use as stipulated in the relevant design documents.
- (ii) The warranty period for roof waterproofing works will be three years from the date of the Letter of Quality Warranty For Works.
- (iii) The warranty period for renovation will be one year from the date of the Letter of Quality Warranty For Works.
- (iv) The warranty period for electrical engineering pipelines, water supply and drainage pipelines and equipment installation will be one year from the date of the Letter of Quality Warranty For Works.
- (v) The warranty period for water supply and drainage facilities, roads and other ancillary facilities will be one year from the date of the Letter of Quality Warranty For Works.
- (vi) The warranty period for the remaining parts will be one year from the date of the Letter of Quality Warranty For Works.

BASIS OF THE CONSIDERATIONS

The Foundation Works Consideration and the Construction Works Consideration were both determined based on the bidding prices offered by the Contractor, which have been selected through tender processes. After thorough evaluation of the bids and considering factors, including but not limited to, the experience and technical capability of the bidders, the expected scope and the complexity of the Foundation Works and the Construction Works, the Company considers that the Contractor is able to provide related foundation, construction and engineering services to the Group so as to satisfy the required specification of the Foundation Works and the Construction Works.

The Board considers that the Considerations and terms of the Foundation Works Contract and the Construction Works Contract are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The Foundation Works Consideration was satisfied in cash through internal resources of the Group and bank loans, except for the remaining 5% of the Foundation Works Consideration as quality guarantee pursuant to the Foundation Works Contract which has not been paid as at the date of this announcement. Both the remaining 5% of the Foundation Works Consideration as quality guarantee pursuant to the Foundation Works Contract and the Construction Works Consideration will be satisfied in cash through internal resources of the Group and bank loans. The Company will make further announcement if and as required under the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FOUNDATION WORKS CONTRACT AND THE CONSTRUCTION WORKS CONTRACT

As at the date of this announcement, the Group had three manufacturing plants in the PRC, Vietnam and Indonesia, respectively. After the acquisition of the Land in Indonesia for industrial use in April 2022 as disclosed in the Company's announcement dated 13 April 2022, the Group is now in the process of construction of the new manufacturing plant in Indonesia in order to better serve its customers by improving its costs competitiveness and freight time advantages, and further solidify its core business. If necessary, the Group will consider to further expand its existing manufacturing facilities to satisfy its prestige customers' needs.

Based on the above, the Board considers that the transactions contemplated under the Foundation Works Contract and the Construction Works Contract are on normal commercial terms, the terms of the Foundation Works Contract and the Construction Works Contract are fair and reasonable, and the entering into the Foundation Works Contract and the Construction Works Contract is in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company. The Group, is principally engaged in the manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

INFORMATION ABOUT THE PARTIES

PT. Zhongbu Resins Indonesia

PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company, was established in Indonesia with limited liability.

The Contractor

The Contractor is a company established in Indonesia with limited liability and is principally engaged in the provision of design, construction, building and engineering services to factory.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATION

PT. Zhongbu Resins Indonesia entered into the Foundation Works Contract with the Contractor on 11 July 2023 and further entered into the Construction Works Contract with the Contractor on 24 April 2024. In accordance with the requirement of Rule 14.22 of the Listing Rules, the Foundation Works Contract and the Construction Works Contract, being entered into within a 12-month period, should be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio (as defined under Chapter 14 of the Listing Rules) in respect of the transactions contemplated under the Constructions on an aggregated basis exceeds 5% but is less than 25%, such transactions on an aggregated basis constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Infinity Development Holdings Company Limited (stock code: 640), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Considerations”	the aggregated amounts of the Foundation Works Consideration and the Construction Works Consideration, amounting to Rp152,084,635,900 (equivalent to approximately HK\$74,812,000);
“Constructions”	the Foundation Works and the Construction Works;

“Construction Area”	the area of the Land;
“Construction Works”	the civil engineering, structural steel works and mechanical and electrical construction for fire service of the manufacturing plant, dormitory and ancillary facilities located at the Construction Area;
“Construction Works Contract”	the construction work contract dated 24 April 2024 entered into between the Contractor and PT. Zhongbu Resins Indonesia in respect of the Construction Works;
“Construction Works Consideration”	the total consideration payable to the Contractor is Rp117,766,000,000 (equivalent to approximately HK\$57,085,000), inclusive tax, pursuant to the Construction Works Contract;
“Contractor”	PT Pro Chain Konstruksi Indonesia, a company established in Indonesia with limited liability;
“Director(s)”	the director(s) of the Company;
“Foundation Works”	the piling works and the other ancillary works located at the Construction Area;
“Foundation Works Contract”	the foundation works contract dated 11 July 2023 entered into between the Contractor and PT. Zhongbu Resins Indonesia in respect of the Foundation Works;
“Foundation Works Consideration”	the total consideration payable to the Contractor is Rp34,318,635,900 (equivalent to approximately HK\$17,727,000), inclusive tax, pursuant to the Foundation Works Contract;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Indonesia”	The Republic of Indonesia;
“Land”	a piece of land located at Jl Indraprasta, Kendal Industrial Park, Kendal Regency, Indonesia with an area of approximately 36,509 square meters for industrial use, which was acquired by PT. Zhongbu Resins Indonesia as disclosed in the Company’s announcement dated 13 April 2022;

“Letter of Quality Warranty For Works”	the letter of quality warranty for works to be entered into between the Contractor and PT. Zhongbu Resins Indonesia in respect of the Construction Works pursuant to the Construction Works Contract, where applicable, upon (i) the inspection and acceptance of the completed construction works by PT. Zhongbu Resins Indonesia; and (ii) acceptance report or certificate issued by the relevant government authority in Indonesia;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratios”	has the same meaning ascribed to it under Chapter 14 of the Listing Rules;
“PRC”	the People’s Republic of China;
“PT. Zhongbu Resins Indonesia”	PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company;
“Rp”	Indonesian Rupiahs, the lawful currency of Indonesia;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the issued Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vietnam”	The Socialist Republic of Vietnam; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of HK\$ into Rp in this announcement is based on the exchange rate of (i) HK\$1 to approximately Rp1,936 for the Foundation Works Contract; and (ii) HK\$1 to approximately Rp2,063 for the Construction Works Contract. Such conversions should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

By Order of the Board
Infinity Development Holdings Company Limited
Ip Ka Lun
Executive Director

Hong Kong, 24 April 2024

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Jeong Un, Mr. Ip Chin Wing, Mr. Ip Ka Lun and Mr. Stephen Graham Prince; and four independent non-executive Directors, namely Mr. Chan Wing Yau George, Mr. Simon Luk, Mr. Tong Hing Wah and Ms. Li Sin Man.