

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
ACQUISITION OF LAND

The Board is pleased to announce that on 13 April 2022 (after trading hours of the Stock Exchange), the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement in relation to the acquisition of the Land at the total consideration of Rp49,834,785,000 (equivalent to approximately HK\$27,195,000).

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 13 April 2022 (after trading hours of the Stock Exchange), the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement in relation to the acquisition of the Land at the total consideration of Rp49,834,785,000 (equivalent to approximately HK\$27,195,000).

The Sale and Purchase Agreement

Date: 13 April 2022

Purchaser: PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company

Vendor: PT Kawasan Industri Kendal

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a company incorporated in Indonesia, and each of the Vendor and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor shall sell and the Purchaser shall purchase the Land upon the terms contained therein.

The Consideration

The Consideration is Rp49,834,785,000 (equivalent to approximately HK\$27,195,000), which is payable by the Purchaser to the Vendor in cash in accordance with the following payment schedule:

Terms of payment	Amount (Rp)	Due date
1 st installment	16,196,304,500	30 April 2022
2 nd installment	6,727,696,100	30 May 2022
3 rd installment	6,727,696,100	30 June 2022
4 th installment	6,727,696,100	30 July 2022
5 th installment	6,727,696,100	30 August 2022
6 th installment	<u>6,727,696,100</u>	30 September 2022
Total	<u>49,834,785,000</u>	

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser and taking into account by the Company of the valuation of the land of Rp43,800,000,000 (equivalent to approximately HK\$23,902,000) as at 31 January 2022 conducted by an independent valuer by adopting market approach, the tax concession offered by Kendal Industrial Park, and the economy of scale that the Group may enjoy by relocating its manufacturing facilities closer to its customers, as many footwear manufacturers have been or will be relocating to the vicinity of the Kendal Industrial Park or nearby area in Indonesia.

The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group intends to finance the Acquisition by using its internal resources.

Completion

The Sale and Purchase Agreement is unconditional. Handover of the Land shall take place on 21 July 2022.

Pursuant to the terms of the Sale and Purchase Agreement, despite the handover of the Land on 21 July 2022, before the Purchaser fully settled the Consideration and executed such instruments as required under the applicable laws in Indonesia to effect the transfer of the title of the Land, the Purchaser does not have the right and is not allowed to (i) assign or transfer, either in whole or in part, the Land to a third party; and (ii) rent to or allow the using of the Land by any third party.

Information of the Land and the Vendor

The Land is located at Jl Indraprasta, Kendal Regency, Indonesia with an area of approximately 36,509 square meters for industrial use, which allows the Group to have a maximum build up area of 25,556 square meters thereon.

As at the date of this announcement, the Land was being consolidated and levelling work is in process, with basic utilities to be established and connected. It is therefore agreed between the Purchaser and the Vendor that the Land will be handed over by 21 July 2022. According to the information provided by the Vendor, the land use rights of the Land will be expiring in 2046, and the owner may apply for extension of the tenure in accordance with the applicable laws in Indonesia.

The Land being part of the Kendal Industrial Park, which according to the information provided by the Vendor, is the largest industrial township development in Central Java with a total development size of 2,200 hectares. The Vendor is a company established in Indonesia and is a joint venture between two industrial developers in South East Asia namely Sembcorp Development Ltd in Singapore and PT Jababeka Tbk in Indonesia. The Vendor is engaged in the management and sale of land parcels in the Kendal Industrial Park. The Kendal Industrial Park is supported by the Indonesia and Singapore governments. The Indonesia government established Kendal Industrial Park as one of the national strategic projects and has designed the park as a new special economic zone regulated by the government order, offering investors certain benefits and initiatives, such as tax allowance, exemption and postponement of import duty, immigration and employment benefits, etc.

According to the information provided by the Vendor, Sembcorp Development Ltd is ultimately held by a company listed on the Singapore Exchange Limited and PT Jababeka Tbk is a company listed on the Indonesia Stock Exchange.

REASONS FOR THE ACQUISITION

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in shoes adhesive related business. 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.

Taking into account the fact that a number of global footwear manufacturers started to establish their new manufacturing plants in Indonesia, the Company considers that it is necessary to relocate certain of the Group's production facilities to Indonesia in order to better serve its customers by improving its costs competitiveness and freight time advantages, and further solidify its core business. As such, the Company has been locating a suitable area in Indonesia for the establishment of its new production base. The Indonesia government through, among other projects, the Kendal Industrial Park, is offering a series of incentives to attract investment and industrial operations, and will provide comprehensive utilities supply network as well as port facilities which facilitate the overlay transportation. Hence, the Company considers that the Acquisition provides an opportunity for the Group to relocate certain of its production facilities for enjoying those benefits and initiatives as mentioned above.

The Group will formulate the construction plan at a later stage when the Land is about to be handed over, and the construction cost of the production facilities has not been determined as at the date of this announcement. The construction plan will comply with the applicable laws in Indonesia pursuant to the Sale and Purchase Agreement. In the event the construction of a manufacturing plant would constitute a notifiable transaction of the Company, the Company will further comply with the applicable requirements under the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is 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:

“Acquisition”	the acquisition of the Land pursuant to the terms and conditions of the Sale and Purchase Agreement;
“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;
“Consideration”	Rp49,834,785,000 (equivalent to approximately HK\$27,195,000), being the aggregate consideration for the Acquisition;
“Director(s)”	the director(s) of the Company from time to time;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules;
“Purchaser”	PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company;
“Rp”	Indonesian Rupiahs, the lawful currency of Indonesia;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 April 2022 and entered into between the Vendor and the Purchaser for the sale and purchase of the Land;

“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);
“Singapore”	Republic of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	PT Kawasan Industri Kendal, a company incorporated in Indonesia; 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 HK\$1 to approximately Rp1,832.51. Such conversion should not be construed as a representation that any amount has 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, 13 April 2022

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 three independent non-executive Directors, namely Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tong Hing Wah.