

**INFINITY CHEMICAL HOLDINGS COMPANY LTD:
ONE CANNOT BE OVERJOYED WITH THESE APPLES**

While there is no definitive suggestion in the Placing and Public Offer Prospectus of Infinity Chemical Holdings Company Ltd () (Code: 640, Main Board, The Stock Exchange of Hongkong Ltd) that the Company has come to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to put the touch of prospective investors, it does appear to this medium that that was the underlying reason for going public, at this time.

Infinity Chemical Holdings Company Ltd is an enterprise, engaged in the production, sale and development of adhesives and primers, widely used in the process of manufacturing footwear.

Its Placing and Public Offer Prospectus was disseminated, last Thursday, and it is scheduled that its shares will start trading, next Thursday-week.

The Company Offered a total of 125 million, one-cent Shares at the Share Price Offer Range of between 58.50 cents and 75 cents.

HKSAR investors were Offered 12.50 million Shares, the remainder of the Shares, being reserved for International Investors by Placement.

At Page 240 of the Placing and Public Offer Prospectus, it is stated that, at the midway point of the Share Price Offer Range, being about 66.75 cents, the Company expects to net about \$HK62.30 million.

That amount of money shall be utilised as follows:

- About \$HK46 million to expand the Group's production capacity, *'including the construction of factory and procurement of the relevant equipment ... to allocate approximately HK\$35 million, HK\$5.5 million and HK\$5.5 million for the expansion of production facilities, located in the PRC, Vietnam and Bangladesh, respectively ...'*;
- About \$HK5.00 million for research and development;
- About \$HK5.00 million for marketing; and,
- About \$HK6.30 million for Working Capital.

At Page 223 of the Placing and Public Offer Prospectus, it is stated that, as at May 31, 2010, the Group had outstanding indebtedness of approximately HK\$68.00 million, comprising:

Bills Payable	\$HK 7.80 million
Bank Loans	\$HK42.80 million
Bank Overdrafts	<u>\$HK17.40 million</u>

TOTAL : \$HK68.00 MILLION

On scanning the Consolidated Balance Sheets, located at Appendix I-7 of the Placing and Public Offer

Prospectus, it is shown that, as at January 31, 2010, the indebtedness of the Company stood at about \$HK37.45 million, of which, \$HK31.27 million was 'Current' – due within one Financial Year.

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