



Infinity Development Hldgs Ltd.

(ZBA.SI / 640 HK)

Amass war chest to expand regional footprint

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- **Dual listing on SGX Catalyst.** Infinity Development Holdings launched an all-placement IPO of 35.1mn shares at S\$0.39, raising S\$13.7mn to list its existing and new shares on the Singapore Exchange Catalyst Board, enabling dual trading on HKEX and SGX-ST. Trading on SGX-ST will commence on 3 December 2025.
- **One of the top Asia's footwear adhesive producers.** Infinity ranks among the top three adhesive producers in Asia with a market share of approximately 6.6%-9.0% in 2023.
- **Established client base of global brands.** Serves over 200 footwear manufacturers supplying to Nike, Adidas, and Puma, and is recognized by over 15 global brands as an approved supplier.
- **Integrated product portfolio.** Produces solvent- and water-based adhesives, primers, hardeners, and treatment agents under its Zhong Bu, Guarandure, and Centresin brands. Also manufactures electronic and industrial adhesives, broadening end-market reach.
- **Strong R&D and ESG Alignment.** Holds eight patents; collaborates with No-Tape Japan and German partners to develop eco-friendly, high-performance adhesives aligned with global ESG standards.
- **Financial resilience and dividend track record.** FY24 net profit S\$17.2mn, rose 48% YoY and gross margin was 37.7%. It maintained approximately 10% dividend yield and consistent payouts since 2012.
- **Capacity expansion in Indonesia and India.** New Java plant, with expected completion in 4Q25, adds 9 production lines and 14,000 tons capacity and it also has a 35,000 sqm Tamil Nadu site secured for future expansion.

Financials & Key Operating Statistics						
YE Sep (HK\$ 'mn)	FY20	FY21	FY22	FY23	FY24	1H25
Revenue	544.0	643.4	862.1	671.8	736.3	409.3
Gross profit	190.7	196.7	223.2	209.1	277.4	153.4
Net Profit	56.0	41.5	110.8	67.1	100.4	56.6
EPS (cents)	9.79	7.36	17.99	11.90	17.82	10.05
EPS growth (%)	-	-24.8%	144.4%	-33.9%	49.7%	38.0%
DPS (HK cents)	5.20	5.50	6.20	6.50	9.00	5.10
Div Yield (Y%)	7.8%	8.3%	9.3%	10.3%	12.3%	5.4%
Net Profit Margin (%)	10.3%	6.4%	12.9%	10.0%	13.6%	13.8%
Net Gearing (x)	0.4	0.4	0.4	0.5	0.4	0.4
Price P/B (x)	0.91	0.87	0.77	0.69	0.70	0.90
ROE (%)	13.3%	9.7%	22.7%	13.1%	17.2%	9.6%

Source: Company data, KGI Research

Company Background. Infinity Development Holdings Limited is a Hong Kong-based investment holding company engaged in the manufacture and trading of adhesives. Its main products include vulcanised shoe adhesives, electronic adhesives, primers, and hardeners, distributed across China, Vietnam, Indonesia, and Bangladesh.

Headquartered in Macau with subsidiaries in Zhuhai, Vietnam, and Indonesia, the Group supplies major footwear manufacturers producing for leading global brands. It also serves industrial and electronic adhesive markets, enhancing diversification and earnings stability.

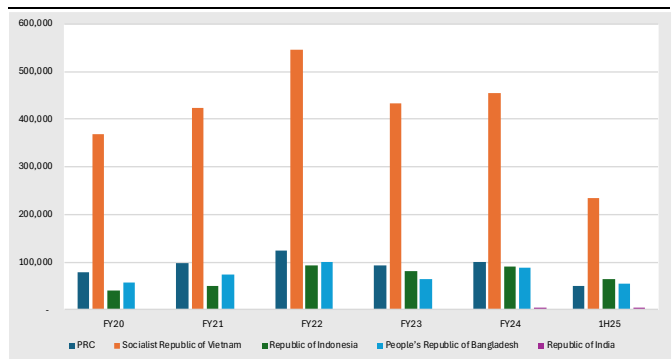
Infinity's business model centres on long-term client integration, offering on-site support and custom formulation services that promote customer retention and technical collaboration. The company's business model emphasizes regional proximity to clients, providing on-site technical support, real-time troubleshooting, and joint R&D development. This model creates "sticky" customer relationships and positions Infinity as a technical partner rather than a commodity supplier.

The dual listing aims to enhance visibility, broaden investor access in Singapore, and fund regional expansion in Indonesia and India.

Financial highlights and analysis. For FY24 ended 30 September, Infinity reported revenue of S\$126.4 million, up 9% YoY, with a gross margin of 37.7% and net margin of 13.6%. For 1H25, revenue reached S\$71.2 million, maintaining a strong gross margin of 37.5% and net margin of 13.8%. Net profit rose to S\$17.2 million in FY24 from S\$11.6 million in FY23, reflecting improved cost control and operational efficiency. EBIT margin expanded to 16.9% from 12.5% over the same period.

The Group maintained a current ratio of 2.9 and gearing of 7.4%, demonstrating strong liquidity and low leverage. Infinity has declared annual dividends for twelve consecutive years since 2012, reflecting stable cash generation and shareholder commitment. Adhesives remain the largest revenue contributor making up 67% of FY24 sales, followed by 11% from primers, 13% from hardeners, and 8.7% from others.

Figure 1: Revenue by geographical segment



Source: Company, KGI Research

Business Overview and Competitive Landscape. Infinity operates in Asia’s footwear adhesive market, a sector benefiting from rising demand for high-performance and environmentally sustainable materials. Infinity operates in Asia’s footwear adhesive market, supported by demand for sustainable and high-performance materials. Asia accounts for more than 90% of global footwear output, with Vietnam, Indonesia, and China leading exports. The Group’s presence in these countries positions it strategically close to key manufacturers.

Product Diversity. Infinity’s range of adhesives (cementing, primers, hardeners, treatment agents) caters to a wide variety of shoe materials and brands. The company provides application support and customized adhesive solutions for different production lines, enhancing customer stickiness and brand trust. The Group manufactures a wide range of adhesives (solvent and water-based), primers, hardeners, and treatment agents, serving both footwear and industrial sectors.

Sustainability Leadership. Infinity was the first in its segment to develop and commercialize environmentally friendly water-based adhesives for vulcanized and skate shoes, attaining ZDHC MRL Level 3 certification and ISO 9001/14001 standards in 2023. This positions the Group favourably with global brands moving toward low-VOC supply chains.

Use of proceeds from SGX dual listing. Proceeds from new share issuance will be directed toward:

- Construction and equipment for Indonesia plant.
- Preparation and groundwork for India factory (Tamil Nadu).
- Working capital and operational liquidity.
- Short-term money market placements pending project deployment

Outlook

Global footwear export and production trends support industry expansion. The global footwear industry demonstrated steady recovery and expansion in 2024, supported by renewed export growth and rising production volumes. According to the World Footwear Yearbook, worldwide footwear production rose 6.9% YoY to reach 23.9 billion pairs, with Asia accounting for 88% of total output. China remained the world’s largest producer with 13 billion pairs, 54% of global production, followed by 12.5% from India and 6.5% from Vietnam, highlighting Asia’s continued dominance in the global supply chain.

Exports also strengthened, with total footwear export volumes rising 4.6% in 2024 versus 2023, signalling a gradual trade recovery. The top ten exporters accounted for 88.1% of total shipments, led by China, Vietnam and Indonesia. In aggregate, Asia’s share of global exports reached 85.1%, underscoring the region’s structural importance. Despite a slight decline in average export prices to US\$11.47 per pair, the first drop in a decade, the shift towards higher-value and sustainable products continues.

The company’s geographic alignment with these production hubs allows it to directly benefit from rising output and growing sustainability standards in global footwear supply chains.

Figure 2: Top five footwear exporters by volumes in 2024

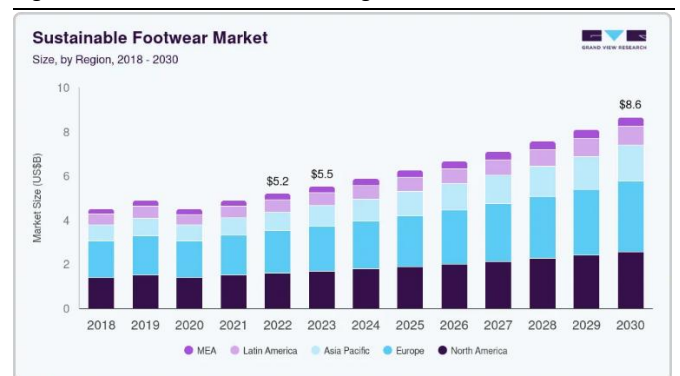
Rank	Country	Pairs (Millions)	World share
1	China	9,203	62.20%
2	Vietnam	1,583	10.70%
3	Indonesia	601	4.10%
4	Germany	351	2.40%
5	India	266	1.80%

Source: [World Footwear](#), KGI Research

Sustainable footwear remains a growing segment driving demand for eco-adhesives. The global sustainable footwear market reached an estimated US\$8.46 billion in 2023 and is projected to expand to US\$12.96 billion by 2030, reflecting a compound annual growth rate (CAGR) of 6.4% from 2024 to 2030. The trend is driven by growing consumer awareness of environmental issues and increased demand for eco-friendly materials across the apparel and footwear supply chain. The Asia-Pacific region accounted for over 36% of global revenue in 2023, led by China, which is expected to grow at a 7.5% CAGR through 2030.

Sustainability has become a central pillar in product design and manufacturing decisions, particularly as major global brands commit to reducing carbon footprints and incorporating recyclable or biodegradable materials. This shift directly benefits adhesive manufacturers whose formulations align with these emerging requirements. The company’s continued investment in green R&D and partnerships with international chemical firms position it to capture rising demand from both athletic and non-athletic footwear producers seeking certified, environmentally responsible adhesives.

Figure 3: Sustainable footwear market growth



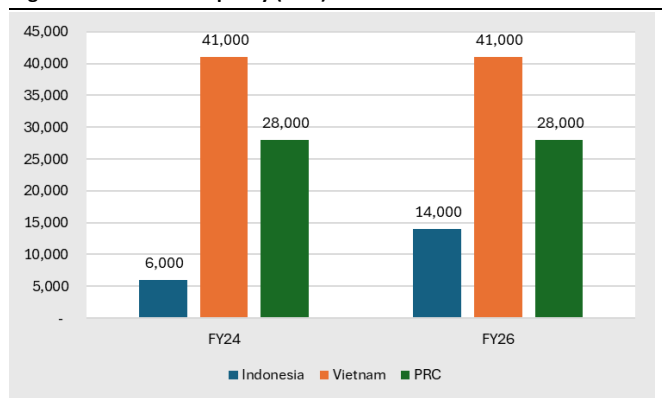
Source: [Grand View Research](#)

Expansion Plans. Infinity is constructing a new manufacturing facility in Indonesia, scheduled for completion in 4Q FY2025. This plant will increase total production capacity by 14,000 tons (+50%) with nine newly-added production lines. The new site is centrally located in Java, offering better accessibility to key customers and lower logistics costs than the existing rented facility. It is expected to commence full production by 4Q26.

The Group intends to commence planning for its India factory once the Indonesia facility is fully operational, though no timeline has been finalized. The 35,000 sqm facility will be under a long-term lease in Tamil Nadu. It is expected to serve South Asian export manufacturers.

This overall regional integration with a combined footprint across China, Vietnam, Indonesia, and future India site enhances network stability and customer servicing flexibility.

Figure 4: Production capacity (tons) – FY24 vs FY26



Source: Company, KGI Research

Growth strategy

- **Regional Manufacturing Expansion.** Continued growth through facility investments in Indonesia and India to enhance production efficiency and customer proximity.
- **Customer Integration.** Reinforcing long-term partnerships with existing prestige customers, some spanning over 30 years.
- **R&D Innovation.** Collaborations with global chemical leaders to develop next-generation water-based and low-VOC adhesives.
- **ESG Leadership.** Focus on sustainable product lines that align with global footwear brands’ environmental requirements.
- **OEM Diversification.** Expansion of custom formulation and contract manufacturing services to broaden revenue base.

Company outlook

- **Short-term:** Focused on executing Indonesia plant and dual listing amid softening footwear demand and pricing competition.
- **Medium-term:** Expected revenue growth driven by new capacity in Indonesia and potential India operations, supported by increasing demand for environmental adhesives from global footwear brands.
- **Long-term:** Sustained expansion through regional integration, continued innovation and supply chain resilience across key Asian footwear hubs.

Key Risks

1. Customer concentration risk with top five customers contributing about 44% of revenue
2. Raw material cost fluctuations and currency risks
3. Project execution delays in Indonesia or India
4. Regulatory and ESG compliance costs.

Analyst’s View

Infinity Development Holdings combines strong financial performance, consistent dividends, and sustainable product innovation with a clear regional expansion roadmap. The Indonesia plant and proposed SGX Catalist dual listing are strategic milestones that enhance visibility, access to capital, and growth prospects. With established brand relationships and R&D partnerships, Infinity is well positioned to capture rising demand for eco-friendly, high-performance adhesives across Asia.

Peer comparison

Infinity differentiates itself through R&D collaborations, on-site technical service, and multi-country manufacturing presence, providing consistency and brand assurance across regions.

Figure 5: Peer comparison

Bloomberg Ticker	Company Name	Last Price (Local \$)	Currency Adj. Market Cap (US\$ m)	Dividend Yield (%)		Net Gearing (%)*	P/E (X)		P/B (x)		YTD Price Performance (%)	1YR Price Performance (%)	1YR Total Returns (%)
				FY24	FY25F		12M	Forward	FY24	FY25F			
640 HK	INFINITY DEVELOPMENT HOLDING	HKD 2.55	92	12.3	-	-46.4	6.2	N/A	0.7	-	28.8	53.6	71.1
Healthcare services													
9904 TT	POU CHEN	TWD 29.85	2,797	4.6	3.9	4.4	7.9	7.8	0.8	0.6	-9.1	-31.5	-27.8
9802 TT	FULGENT SUN INTERNATIONAL	TWD 110.50	706	4.3	4.0	-0.5	15.1	14.9	1.6	1.5	-6.8	-2.2	2.2
8436 TT	TCI CO LTD	TWD 116.50	436	8.1	6.4	-40.5	13.7	15.1	1.7	1.7	-3.1	-6.4	1.3
4766 TT	NAN PAO RESINS CHEMICAL COL	TWD 321.50	1,233	6.1	5.6	-11.8	15.3	13.9	2.6	-	2.4	-4.5	1.2
Average			1,293	-	5.0	(12.1)	13.0	12.9	1.7	1.3	(6.6)	(11.2)	(5.8)
Median			969	-	4.8	(6.2)	14.4	14.4	1.6	1.5	(4.9)	(5.4)	1.3

Source: Bloomberg

Appendix

Figure 6: Map of headquarters



Source: Company

Figure 7: List of key entities

No	Company name	Date of incorporation	Country of incorporation and principal place of business	Principal activities	Effective equity interest
1	Iao Son Hong Paint Company Limited	20 Jul 1990	Macau	Provision of administrative support to the Group and sale of adhesive products	100%
2	Zhong Bu Adhesive (Vietnam) Co., Ltd	27 Jan 2005	Vietnam	Processing of adhesive products	100%
3	PT Zhong Bu Adhesive Indonesia	25 Oct 2010	Indonesia	Processing and sale of adhesive products	100%
4	PT Zhongbu Resins Indonesia	30 Dec 2021	Indonesia	Manufacture and sale of adhesive products (manufacturing plant under construction)	100%
5	Zhuhai Centresin Chemical Product Company Ltd	29 Jul 1999	China	Manufacture and sale of adhesive products	100%
6	Zhong Bu Development Singapore Pte. Ltd.	9 Dec 2019	Singapore	Investment holding and the provision of administrative support to the Group	100%

Source: Company

KGI's Ratings

Rating	Definition
Outperform (OP)	We take a positive view on the stock. The stock is expected to outperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Neutral (N)	We take a neutral view on the stock. The stock is expected to perform in line with the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Underperform (U)	We take a negative view on the stock. The stock is expected to underperform the expected total return of the KGI coverage universe in the related market over a 12-month investment horizon.
Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.

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