Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Ieong Un
(Chairman and Chief Executive Officer)
Mr. Ip Chin Wing
Mr. Ip Ka Lun
Mr. Stephen Graham Prince
Mr. Tong Yiu On

Independent Non-executive Directors

Mr. Chan Wing Yau George
Mr. Simon Luk
Mr. Tong Hing Wah

AUDIT COMMITTEE

Mr. Tong Hing Wah *(Chairman)*
Mr. Chan Wing Yau George
Mr. Simon Luk

REMUNERATION COMMITTEE

Mr. Chan Wing Yau George *(Chairman)*
Mr. Simon Luk
Mr. Tong Hing Wah
Mr. Ip Ka Lun

NOMINATION COMMITTEE

Mr. Simon Luk *(Chairman)*
Mr. Chan Wing Yau George
Mr. Tong Hing Wah
Mr. Ip Ka Lun

COMPANY SECRETARY

Mr. Tong Yiu On

AUTHORISED REPRESENTATIVES

Mr. Ip Chin Wing
Mr. Tong Yiu On

AUDITOR

Lau & Au Yeung C.P.A. Limited
21/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2201–2202, 22/F
Alliance Building
133 Connaught Road Central
Hong Kong

HEAD OFFICE OF THE GROUP

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Macau Finance Centre
No. 202A–246 Rua de Pequim, Macau

LEGAL ADVISOR

Michael Li & Co.
19/F, Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada
Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Banco Tai Fung, S.A.R.L., Macau
The Bank of East Asia, Ltd, Macau
The Hongkong and Shanghai Banking Corporation Limited, Macau
Citibank, N.A., Hong Kong
DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
First Commercial Bank, Macau Branch
Bank Sinopac Company Limited, Macau Branch

CORPORATE WEBSITE

www.infinitychemical.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE: 00640

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to report that the turnover of Infinity Chemical Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the past accounting year ended 30 September 2015 was approximately HK$543,632,000, representing an increase of approximately 8.9% over the corresponding period of last year. Profit attributable to the shareholders (the "Shareholders") amounted to approximately HK$49,183,000, representing an increase of approximately 24.4% as compared to the corresponding period of last year. Earnings per share-basic amounted to HK7.96 cents.

DIVIDENDS

The Board of Directors recommends the payment of a final dividend of HK2.4 cents per share for the year ended 30 September 2015 subject to the approval of the Shareholders at the forthcoming annual general meeting. The Company will pay the final dividend on or about 24 March 2016 to the Shareholders whose names appear on the register of members on 2 March 2016.

BUSINESS REVIEW

Over the year, the global economy has been fluctuating to a certain extent. Factors like European debt crisis and global weak demand for consumables all dealt a blow to the market. In face of the market environment with uncertainties, the staff of the Group remained optimistic and kept improving. They showed great responsibility in their own duties, which saved the Group's sales performance from being affected much and the Group still recorded a slight increase in sales.

PROSPECTS

I am relatively optimistic towards the growth of the Group's results for the coming year. In view of the current situations including continued growth in global demand for footwear, more stringent requirement from the manufacturers for the quality of adhesives, rapid increase in the demand for the use of environmental friendly water-based adhesive products by footwear brands and manufacturers, and ongoing diversion of the footwear manufacturing industry to countries or regions with lower costs, the effect of the previous regional deployments of the Group is becoming prominent under the swift changes in the market. I believe that the abovementioned market changes will positively enhance the sales performance of the Group, and anticipate stable growth in the sales of traditional shoe-making adhesive products for the coming year, with significant growth in the new footwear manufacturing bases in Asia in particular. The Group will continue to devote more resources to expedite/enhance marketing in order to increase its market share.

Leveraging on the Group's solid experience accumulated over the years, premium products recognized by the market and its competence in research and development/improvement of products, the Group will commit itself to a continuous healthy business growth in the industry, and gear up for any opportunity arising from economic recovery. In the meantime, the Group will implement the business strategy of diversified development, including devoting more resources and accelerating the development of its agent business and electronic adhesive related products. In addition, the Group will invest and develop its OEM business in a proactive manner. At present, it has entered into an OEM cooperation agreement with a world renowned enterprise for a term of 6 years and entered into a memorandum of understanding and a cooperation agreement with Chinese renowned enterprises to explore opportunities to participate in photovoltaic system projects. The Group will also explore and identify synergic investment opportunities in order to broaden its revenue sources, improve its competence in response to future changes and development in the market, and maximize the returns for its shareholders and employees.

APPRECIATION

On behalf of the Board, I would like to extend sincere gratitude to all patrons, suppliers, business partners and shareholders for their support and patience during the past year. May I also salute our managers at all levels and dedicated staff for their invaluable contributions and diligent efforts during the year.

Ieong Un
Chairman

Hong Kong, 23 December 2015

Management Discussion and Analysis

RESULTS

The Group's turnover for the year ended 30 September 2015 was approximately HK$543,632,000 (2014: HK$499,148,000), representing an increase of 8.91% over last year. Profit attributable to the owners of the Company amounted to approximately HK$49,183,000 (2014: HK$39,533,000), representing an increase of approximately 24.41% as compared to last year. During the year, the sales of the Group recorded a growth in major regions and the selling prices of our products remained relatively stable.

During the year, the Group recorded a gross profit and profit before taxation of approximately HK$180,703,000 (2014: HK$148,974,000) and approximately HK$53,881,000 (2014: HK$52,806,000) respectively.

Benefiting from the effective implementation of production cost control, a relative stable gross profit margin was maintained. The increase in gross profit of approximately HK$31,729,000 exceeded the increase in the operating costs, including the increase in selling and distribution costs and administrative expenses, totalling of approximately HK$15,236,000.

Excluding the net of tax effects of the increase in fair value of investment properties of approximately HK$7,229,000 (2014: HK$23,637,000), the decrease in other financial assets of approximately HK$5,330,000 (2014: HK$1,170,000) and the increase in share of an associate profit of approximately HK$3,843,000 (2014: loss of HK$64,000) for the year, the profit for the year ended 30 September 2015 was approximately HK$43,441,000, representing an increase of approximately HK$26,311,000 as compared to last year of approximately HK$17,130,000.

During the year, profit attributable to the owners of the Company amounted to approximately HK$49,183,000 (2014: HK$39,533,000). Basic and diluted earnings per Share were HK7.96 cents and HK7.94 cents (2014: HK6.85 cents and HK6.83 cents) respectively.

BUSINESS REVIEW AND PROSPECTS

Businesses

The Group is principally engaged in the manufacturing and sales of adhesives, primers, hardeners, vulcanized shoes adhesive related products used by the footwear manufacturers and acting as the sales agent for adhesives used in the production of electronic products. These products are key production materials used in different phases during the manufacturing process of footwear and electronic products. Adhesives are used for bonding all components of footwear including outsoles, insoles, and uppers, while vulcanized shoes adhesives are used for bonding all components of vulcanized shoes. Primers are used in the pretreatment of footwear components, including outsoles, insoles, and uppers, prior to the application of adhesives. Hardeners, being a curing agent, are used by mixing with adhesives to control or speed up the curing action of adhesives. The electronic adhesive related products are key materials used in bonding components of electronic products.

Segment Information

The principal activities set out above are the single operating segment of the Group. For management purposes, the management of the Group will review and analyze the revenues by products and by locations.

Products

1. *Vulcanized shoes adhesive related products and other shoe adhesives*

During the year, the sales revenue generated from this product category was approximately HK$364,546,000 (2014: HK$303,306,000), representing approximately 67.06% of the Group's total turnover.

2. *Primers*

During the year, the sales revenue generated from this product category was approximately HK$55,435,000 (2014: HK$99,189,000), representing approximately 10.20% of the Group's total turnover.

3. *Hardeners*

During the year, the sales revenue generated from this product category was approximately HK$59,388,000 (2014: HK$50,379,000), representing approximately 10.92% of the Group's total turnover.

4. *Electronic adhesive related products*

During the year, the sales revenue generated from this product category was approximately HK$31,028,000 (2014: HK$32,812,000), representing approximately 5.71% of the Group's total turnover.

Our Group has been appointed by a renowned chemical company in United States of America as its direct trader in the territory of PRC, for the marketing and after-sales support of its electronics material products in the region since 2014. Such product series are mainly applied to the bonding of relevant components of new energy vehicles.

The Directors expect that the agent business, including the electronic adhesives products, will be a contributor to the growth in sales performance and earnings of the Group in the future.

Regional Information

1. *The PRC market*

During the year, by region, the turnover in the PRC market decreased by 8.42% over last year to approximately HK$227,150,000 (2014: HK$248,041,000), representing approximately 41.78% of the Group's total turnover.

The Directors expect that the relevant market would maintain a steady growth in the coming year.

2. *The Vietnam market*

During the year, by region, the turnover in the Vietnam market increased by 16.47% over last year to approximately HK$253,241,000 (2014: HK$217,434,000), representing approximately 46.58% of the Group's total turnover.

The Directors expect that the relevant market would grow at a faster pace in the coming year.

3. The Indonesia market

During the year, by region, the turnover in the Indonesia market increased by 6.28% over last year to approximately HK$27,971,000 (2014: HK$26,317,000), representing approximately 5.14% of the Group's total turnover.

The Directors expect that the relevant market would grow at a steady pace in the coming year.

4. The Bangladesh market

During the year, by region, the turnover in the Bangladesh market increased by 379.47% over last year to approximately HK$35,270,000 (2014: HK$7,356,000), representing approximately 6.49% of the Group's total turnover.

The Directors expect that the relevant market would maintain a steady growth in the coming year.

Production Facilities

1. The Zhuhai Plant:

In light of the Group's sales and the changes in the PRC market, the second phase expansion project in the existing Zhuhai Plant has been executing. The management considered that by executing the second phase expansion project, the Group will be well-prepared to meet the production capacity requirement for the development of its OEM business in the future. At present, the relevant construction of the Zhuhai Plant, including the addition of production equipment, warehousing facilities and extension of plants, has been commenced.

2. The Zhongshan Plant:

In order to alleviate the pressure on the production capacity of the Zhuhai Plant, the Group has installed additional production equipment in the Zhongshan Plant to enhance its production capacity.

3. The Vietnam Plant:

Given the orderly shift of the footwear manufacturing industry to the Southeast Asia as well as the necessity to satisfy the needs for market development in the future, the management had decided to expand the existing scale of the Vietnam Plant. In order to meet the current production capacity requirement, the Group rented additional warehouses in the industrial zone where its existing plant is located so as to make space for the installation of additional production equipment to enhance the production capacity of its existing plant. The new Vietnam plant is now entering into construction stage and it is expected that the completion and commencement of operation will take place in the second half of 2016.

4. The Indonesia Plant:

To ensure the provision of stable services for local customers, the Group's Indonesia Plant has operated normally and the existing bonded warehouses have ceased operation.

Cost Control

The Group will continue to carefully review and extensively investigate into the current situation in relation to costs and resources deployment. The Group will also improve its internal management in a proactive manner for the purposes of effectively controlling and lowering the operating costs.

Research and Development

As always, the Group will continuously develop premium products on an environmental friendly basis to meet the market needs for quality products, and closely observe the development trend in the future to research and develop products pre-emptively in order to meet the future development needs in the industry. In addition to the technology cooperation between the Group and the No-Tape Japan as well as having its own research and development team, the Group also entered into technology cooperation agreements with several sophisticated technology experts in the industry (including those from countries and regions such as Japan, Taiwan and Hong Kong). Hopefully, such measures will enhance the research and development capability of the Group so as to maintain the leading position of its technologies in the industry.

Prospects

The Directors are relatively optimistic towards the growth of the Group's results for the coming year. In view of the current situations including continued growth in global demand for footwear, more stringent requirement from the manufacturers for the quality of adhesives, rapid increase in the demand for the use of environmental friendly water-based adhesive products by footwear brands and manufacturers, and ongoing diversion of the footwear manufacturing industry to countries or regions with lower costs, the effect of the previous regional deployments of the Group is becoming prominent under the swift changes in the market. The Directors believe that the abovementioned market changes will positively enhance the sales performance of the Group, and anticipate stable growth in the sales of traditional shoe-making adhesive products for the coming year, with significant growth in the new footwear manufacturing bases in Asia in particular. The Group will continue to devote more resources to expedite/enhance marketing in order to increase its market share.

Leveraging on the Group's solid experience accumulated over the years, premium products recognized by the market and its competence in research and development/improvement of products, the Group will commit itself to a continuous healthy business growth in the industry, and gear up for any opportunity arising from economic recovery. In the meantime, the Group will implement the business strategy of diversified development, including devoting more resources and accelerating the development of its agent business and electronic adhesive related products. In addition, the Group will invest and develop its OEM business in a proactive manner. At present, it has entered into an OEM cooperation agreement with a world renowned enterprise for a term of 6 years and entered into a memorandum of understanding and a cooperation agreement with Chinese renowned enterprises to explore opportunities to participate in photovoltaic system projects. The Group will also explore and identify synergic investment opportunities in order to broaden its revenue sources, improve its competence in response to future changes and development in the market, and maximize the returns for its shareholders and employees.

Liquidity and Financial Resources and Capital Structure

For the year ended 30 September 2015, the Group's working capital requirement was principally financed by its internal resources and banking facilities and fund raising.

As at 30 September 2015, the Group had cash and bank balances and deposits, net current assets and total assets less current liabilities of approximately HK$116,327,000 (2014: HK$51,470,000), approximately HK$266,860,000 (2014: HK$148,781,000) and approximately HK$441,035,000 (2014: HK$334,597,000) respectively.

As at 30 September 2015, the Group had total bank borrowings except bills payable, on floating interest rates basis, of approximately HK$24,214,000 (2014: HK$54,487,000). All these utilised bank borrowings, both long and short terms, were secured by pledged bank deposits, land use rights, land and buildings and investment properties held under medium-term leases.

The total bank borrowings of the Group, mainly denominated in Hong Kong dollars, United States dollars and Renminbi, were mainly for business expansion, capital expenditure and working capital purposes.

Total equity attributable to owners of the Company as at 30 September 2015 increased by approximately HK$104,920,000 to approximately HK$428,190,000. The gearing ratio (calculated as the ratio of total borrowings: total assets) of the Group as at 30 September 2015 was approximately 0.05 (2014: 0.12).

On 24 April 2015, the Company entered into the conditional placing and subscription agreement with a placing agent and Mr. Ieong Un, the chairman of the Group and the controlling shareholder of the Company (the "Subscriber"), for the placing (the "Placing") of up to an aggregate of 50,000,000 existing Shares of the Subscriber to the placees at the placing price of HK$1.60 per placing Share and the top-up subscription (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 gross proceeds and net proceeds from the subscription were HK$80 million and approximately HK$77 million, respectively. The Company intended to use the net proceeds from the subscription for general working capital purposes of the Group. Details of the transaction were disclosed in the Company's announcement dated 24 April 2015.

The completion of the Placing took place and that all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 4 May 2015 and 7 May 2015, respectively. Details of the completion were disclosed in the Company's announcement dated 7 May 2015.

On 16 June 2015, the Group granted 5,000,000 share options at HK$1.788 per share to an eligible person under the 2010 Scheme and these 5,000,000 share options are outstanding under the 2010 scheme (as defined hereinbelow) as at 30 September 2015.

During the year, the Company repurchased the total of 4,740,000 ordinary Shares, of which 3,740,000 were cancelled during the year ended 30 September 2015 and the remaining 1,000,000 shares had been cancelled in November 2015.

Saved as disclosed elsewhere under the section headed "Management Discussion and Analysis", there were no other changes in the Company's share capital.

Significant Investments

In 2014, the Group acquired 20% equity interests in Blue Sky Energy Efficiency Company Limited which is principally engaged in (i) provision of application and installment of energy-efficiency system for commercial buildings, hotels and residential premises; and (ii) research and development and sales of environmental chemical coating products.

During the year, Blue Sky Group has successfully recorded sales of three energy-efficiency contracts and recorded turnover and result of approximately HK$20,608,000 and HK$19,227,000 respectively and has been progressively diversified to invest in photovoltaics system project.

In view of the positive progress of the Blue Sky Group during the period under review, the Group expects it can bring positive contribution in coming future.

For the best interest of the Company's shareholder as a whole, the Blue Sky Group, which was acquired by the Company in May 2014, contained a profit guarantee that the profits of the Blue Sky Group for the two years after completion of the acquisition would not be less than HK$30 million. In the event that the profit guarantee is not met, the Group will receive a compensation of maximum of HK$21,000,000 which is equal to the consideration of the acquisition. As of 30 September 2015, the fair value of the profit guarantee was measured by an independent professional qualified valuer. Fair value of approximately HK$7,380,000 has been recognised as other financial assets.

On 21 April 2015, a wholly owned subsidiary of the Company entered into a non-legally binding memorandum of understanding with an independent third party, intend to form joint ventures to operate the business of energy management contracting for the provision of energy saving solutions for telecommunications infrastructure and systems in the PRC. The target customers are expected to be the provincial level subsidiaries of the telecommunication operators of the PRC. The parties are in the course of negotiating the terms of the joint venture arrangement. Details of the transaction were disclosed in the Company's announcement dated 21 April 2015. As at 30 September 2015, the negotiation of the terms of the joint venture arrangement was still in progress.

Acquisition and Disposal of Subsidiaries and Associated Companies

Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", the Group had no other material acquisition and disposal of subsidiaries and associated companies during the year.

Employee Information

As at 30 September 2015, the Group employed a total of 414 (2014: 402) employees. It is the policy of the Group to provide and regularly review its employees' pay levels, performance bonus system and other fringe benefits (including social insurance coverage and company sponsored training) to ensure that the remuneration policy is competitive within the relevant industry. During the year, the staff costs (including Directors' emoluments) amounted to approximately HK$54,956,000 (2014: HK$53,649,000).

In order to provide incentive or reward to eligible persons for their contribution to the Group and to enable the Group to recruit and retain human resources that are valuable to the Group, the Company adopted a share option scheme ("2010 Scheme") as detailed in the Company's prospectus dated 29 July 2010 (the "Prospectus"), under which it may grant options to eligible persons, including but not limited to employees, Directors and consultants, with the Group. Save as disclosed above, during the year, no options have been granted. Save for 448,000 Share Options which were exercised by the holders thereof and 336,000 Share Options which were lapsed, no Share Options have been exercised pursuant to the 2010 Scheme during the year. For the year ended 30 September 2014, the Group had granted 5,480,000 share options to the Directors and staff under the 2010 Scheme and there are 4,696,000 share options outstanding which were granted to Directors and employee of the Group under the 2010 Scheme as at 30 September 2015.

Charges on Group Assets

As at 30 September 2015, certain interests in land use rights, land and buildings and investment properties held under medium-term leases of approximately HK$85,826,000 (2014: HK$78,889,000) and bank deposits of HK$21,977,000 (2014: HK$22,067,000) were pledged to banks for bank borrowings totaling approximately HK$24,214,000 (2014: HK$54,487,000) granted to the Group.

Future Plans for Material Investments and Expected Sources of Funding

On 22 September 2015, a subsidiary of the Group entered into an agreement with China Energy Conservation Investments Company Limited and Shiny Meadow Limited (the "Vendors") to acquire additional 20% of the entire issued share capital of Blue Sky at a consideration of HK$40,000,000. The equity interest in Blue Sky held by the Group was increased from 20% to 40% with effect from and upon the completion of acquisition on 5 October 2015 and was settled by cash and was funded by internal resources.

On 30 September 2015, an indirect wholly-owned subsidiary of the Company and an independent purchaser entered into a share sale agreement, pursuant to which the Group has agreed to sell and the purchaser has agreed to purchase the entire issued share capital of You Cheng Developments Limited, which holds 100% interest in Zhong Bu Centresin (Guangzhou) Company Limited ("the disposed subsidiary group"), for a consideration of RMB20,800,000. Upon completion of the disposal on 20 October 2015, the disposed subsidiary group ceased to be subsidiaries of the Company and the financial information of the disposed subsidiary group ceased to be consolidated into the accounts of the Company and this disposal did not constitute a notifiable transaction under the Listing Rules.

Save as discussed elsewhere under the section headed "Management Discussion and Analysis", the Group had no future plans for material investments as at the date of this report.

The management, however, will continue to closely observe the development and operating condition of the industry. It will seek investments in companies/projects that could bring synergy to the Group should the targets/opportunities arise. In addition, the management may also invest in new business projects in situations they consider in favour to the future of the Group. Given the current uncertain market conditions, the management may fund new projects not mentioned in the Prospectus through fund raising or loans while reserve the internal resources for its core businesses.

Exposure to Fluctuations in Exchange Rates

The Group has foreign currency sales and certain financial assets and liabilities are denominated in foreign currency, which expose the Group to risk principally in Renminbi, New Taiwan Dollars, Vietnam Dong, Indonesia Rupiah and United States dollars. The Group does not expect any appreciation or depreciation of the Hong Kong Dollars against foreign currencies which might materially affects the Group's result of operations. The Group did not employ any financial instruments for hedging purposes.

Capital Commitments

As at 30 September 2015, the Group had capital commitments of approximately HK$20,972,000 (2014: HK$12,093,000) in respect of the acquisition of property, plant and equipment.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 September 2015.

Events after the reporting period

On 30 September 2015, an indirect wholly-owned subsidiary of the Company and an independent purchaser entered into a share sale agreement, pursuant to which the Group has agreed to sell and the purchaser has agreed to purchase the entire issued share capital of You Cheng Developments Limited, which holds 100% interest in Zhong Bu Centresin (Guangzhou) Company Limited ("the disposed subsidiary group"), for a consideration of RMB20,800,000. Upon completion of the disposal on 20 October 2015, the disposed subsidiary group ceased to be subsidiaries of the Company and the financial information of the disposed subsidiary group ceased to be consolidated into the accounts of the Company.

On 12 October 2015, the Company entered into a non-legally binding memorandum of understanding with 株洲變流技術國家工程研究中心有限公司 (transliterated as Zhuzhou National Engineering Research Centre of Converters Co., Ltd.#) (the "ZNERCC") and entered into a non-legally binding cooperation agreement with ZNERCC and 湖南城石智能科技有限公司 (transliterated as Hunan Changsha Intelligent Technology Co. Ltd.#) in respect of the possible cooperation in photovoltaics system project(s). Details of the transaction were disclosed in the Company's announcement dated 12 October 2015. A project was concluded with a total investment cost of RMB13,900,000 which will be funded by internal resources.

After the year ended 30 September 2015, the Company repurchased a further 11,860,000 ordinary Shares and cancelled 12,860,000 Shares, of which 1,000,000 Shares were repurchased during the year ended 30 September 2015. Up to the date of this report, a total of 16,600,000 ordinary shares had been repurchased and cancelled.

The English translation of Chinese names or words in this report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

On 25 November 2015, the Company proposed to change the English name of the Company from "Infinity Chemical Holdings Company Limited" to "Infinity Development Holdings Company Limited" and the Chinese name "星謙發展控股有限公司" be adopted as the dual foreign name of the Company in place of its existing Chinese name "星謙化工控股有限公司". Approvals have been obtained from the Shareholders at the extraordinary general meeting held on 23 December 2015 and the new name will be used after the approval from the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong.

Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", there is no material subsequent event undertaken by the Company or by the Group after 30 September 2015 and up to the date of this report.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") during the year contained in Appendix 14 to the Listing Rules, save for the deviation discussed below:

Code Provision A.2.1. provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Ieong Un has been performing both the roles of chairman and chief executive officer. Mr. Ieong is the founder of the Group and has over 21 years of experience in the adhesive related industry. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The Directors will continue to review the effectiveness of the current structure and assess whether change in the separation of the roles of chairman and chief executive officer is necessary.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company during the Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code for the year ended 30 September 2015.

BOARD OF DIRECTORS

Board Composition

As at 30 September 2015 and the date of this annual report, the Board comprised five executive Directors and three independent non-executive Directors.

The following are the members of the Board:

Executive Directors

Mr. Ieong Un *(Chairman and Chief Executive Officer)*
Mr. Ip Chin Wing
Mr. Ip Ka Lun
Mr. Stephen Graham Prince
Mr. Tong Yiu On

Independent Non-executive Directors

Mr. Chan Wing Yau George
Mr. Simon Luk
Mr. Tong Hing Wah

The biographical details of the Directors are set out on pages 25 to 29 of this annual report.

Save as disclosed in the section headed "Directors and Senior Management" to this annual report, the Directors have no other financial, business, family or other material/relevant relationships with one another.

Functions and Duties of the Board

The main functions and duties conferred on the Board include:

— overall management of the business and strategic development;

— deciding business plans and investment plans;

— convening general meetings and reporting to the shareholders of the Company; and

— exercising other powers, functions and duties conferred by shareholders in general meetings.

The Directors may have access to the advice and services of the company secretary of the Company with a view to ensure that the board procedures, and all applicable rules and regulations, are followed.

In addition, the Directors may, upon reasonable request, seek independent professional advice in appropriate circumstance at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

Board Meetings

During the Period, there was 11 board meetings held. Prior notice convening the board meeting was despatched to the Directors setting out the matters to be discussed. At the meeting, the Directors were provided with the relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes for the board meetings. Details of individual attendance of Directors are set out in the table on page 21 of this annual report.

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of the Shareholders.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence. The Board considers that all independent non-executive Directors are being considered to be independent by reference to the factors stated in the Listing Rules.

The term of the appointment for Mr. Chan Wing Yau George is two years from 12 August 2012 and the term of the appointment for each of Mr. Simon Luk and Mr. Tong Hing Wah is two years from 21 November 2013. The Company will pay HK$120,000 per annum to each of the independent non-executive Directors for their services rendered to the Group. The terms of the new appointment for Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tong Hing Wah are two years from 1 January 2016.

Directors' Training

Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the Period, all Directors have participated in a 6-hour in-house workshop on the Listing Rules organized by the Company. The Directors confirmed that they have complied with the Code Provision A.6.5 of the CG Code.

Chairman and Chief Executive Officer

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

During the Period, Mr. Ieong Un acted both as Chairman and Chief Executive Officer of the Company. Mr. Ieong is the founder of the Group and has over 21 years of experience in the adhesive related industry. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group.

The Directors will continue to review the effectiveness of the current structure and assess whether change in the separation of the roles of Chairman and Chief Executive Officer is necessary.

Appointment and Re-election of Directors

Each of the executive Directors except Mr. Tong Yiu On has entered into a service contract with the Company for a term of three years commencing from 12 August 2013.

Mr. Tong Yiu On has entered into a service contract with the Company for a term of three years commencing from 1 January 2016.

In accordance with the articles of association of the Company, one-third of the Directors or, if the number is not three or a multiple of three, then the number nearest to but not less than one-third, will retire from office by rotation and every Directors shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire every year will be those who have been longest in office since their last re-election or appointment.

Board Committees

The Company has established three Board committees (the "Board Committees"), namely the Audit Committee, the Remuneration Committee and the Nomination Committee to assist the Board in discharging its duties and responsibilities. The Board Committees are provided with sufficient resources to discharge their duties and are able to obtain outside independent professional advice in connection with their duties at the Company's expenses.

Audit Committee

The Audit Committee was established on 26 March 2010 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control system.

During the Period, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tong Hing Wah. The chairman of the Audit Committee is Mr. Tong Hing Wah.

During the Period, the Audit Committee has held two meetings and the committee performed the following duties:

— meeting with the chief executive and management of the Company from time to time to review the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group and making recommendations to the Board;

— considering and discussing the reports and presentations of senior management and the external auditor, with a view to ensure that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong;

— meeting with the external auditor to discuss its independent review of the interim financial report and its annual audit of the consolidated financial statements (as the case may be, without the Company's management being present);

— assisting the Board in meeting its responsibilities for maintaining an effective system of internal control; and

— reviewing the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement.

Remuneration Committee

The Remuneration Committee was established on 26 March 2010 with written terms of reference in compliance with the CG Code. The primary responsibilities of the Remuneration Committee are to make recommendations to the Board on the remuneration package of the Directors and senior management and to ensure that no Director or any of his associates is involved in deciding his own remuneration.

During the Period, the Remuneration Committee comprised four members, comprising Mr. Chan Wing Yau George, Mr. Simon Luk, Mr. Tong Hing Wah and Mr. Ip Ka Lun, a majority of whom are independent non-executive Directors. The chairman of the Remuneration Committee is Mr. Chan Wing Yau George.

During the Period, the Remuneration Committee has held one meeting and the committee performed the following duties:

— reviewing and fixing the remuneration of individual Directors and senior management; and

— making recommendations to the Board to establish a more formal and transparent procedure for determining the remuneration packages of individual senior management.

Nomination Committee

The Nomination Committee was established on 26 March 2010 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee is to make recommendations to the Board on the appointment of Directors and senior management.

During the Period, the Nomination Committee comprised four members, comprising Mr. Chan Wing Yau George, Mr. Simon Luk, Mr. Tong Hing Wah and Mr. Ip Ka Lun, a majority of whom are independent non-executive Directors. The chairman of the Nomination Committee is Mr. Simon Luk.

During the Review Period, the Nomination Committee has held one meeting and the committee performed the following duties:

— reviewing the annual confirmation of independence submitted by the independent non-executive Directors and assessing their independence;

— reviewing the structure, size and composition including the skills knowledge and experience of the Board; and

— reviewing the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy.

Corporate Governance Functions

The Board is responsible for the corporate governance functions with the following duties:

— to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;

— to review and monitor the training and continuous professional development of Directors;

— to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

— to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

— to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and

— such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board are responsible.

Attendance of meetings

The attendance of each Director at Board meetings and Board committees meetings during the year ended 30 September 2015 was as follows:

	Attendance out of number of meetings			
	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors				
Mr. Ieong Un				
(Chairman and Chief Executive Officer)	11/11	–	–	–
Mr. Ip Chin Wing	11/11	–	–	–
Mr. Ip Ka Lun	11/11	–	1/1	1/1
Mr. Stephen Graham Prince	11/11	–	–	–
Mr. Tong Yiu On	11/11	–	–	–
Independent Non-executive Directors				
Mr. Chan Wing Yau George	11/11	2/2	1/1	1/1
Mr. Simon Luk	11/11	2/2	1/1	1/1
Mr. Tong Hing Wah	11/11	2/2	1/1	1/1

Directors' and Auditor's responsibilities on the Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statement of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirements under the Listing Rules. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner as required by the Listing Rules.

The external auditor's statement about reporting responsibility is set out on pages 42 and 43.

Company Secretary

As at 30 September 2015, the company secretary of the Company, Mr. Tong Yiu On, who is also an executive Director, fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. As an employee of the Company, the company secretary supports the Board, ensures good information flow within the Board and Board policy and procedures are followed; advises the Board on governance matters, facilitates induction and, monitors the training and continuous professional development of Directors. He has attained not less than 15 hours of relevant professional training during the Period. His biography is set out in the "Directors and Senior Management" section of this annual report.

Internal Control

The internal control system has been designed to safeguard the assets of the Company, maintaining proper accounting records, execution with appropriate authority and compliance with the relevant laws and regulations.

The Board is responsible for maintaining and reviewing the effectiveness of the Group's internal control system. They have carried out an annual review of the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions. The internal control system is implemented to minimize the risk to which the Group is exposed and used as a management tool for the day-to-day operation of business. The system can only provide reasonable but not absolute assurance against misstatement or losses.

For the year ended 30 September 2015, the Board considered that the Company's internal control system is adequate and effective and the Company has complied with the code provisions on internal control of the CG Code.

Auditor's Remuneration

For the year ended 30 September 2015, the total fees paid or payable in respect of audit and non-audit services provided by the Group's external auditors, are set out below:

	For the year ended 30 September 2015 HK$
Annual audit services	1,000,000
Non-audit services	500,000

Communication Channels with Shareholders and Investors

The general meetings of the Company provide a forum for communication between the Board and the Shareholders. The chairman of the Board as well as the chairman of the Audit Committee and other members of the respective committees are available to answer questions at the general meeting of the Shareholders.

The Company maintains a website at http://www.infinitychemical.com where extensive information and updates on the Company's financial information, corporate governance practices and other useful information are posted and available for access by the public investors.

A Shareholders' communication policy (the "Policy") was adopted by the Company in March 2012 to maintain an on-going dialogue with Shareholders and encourage them to communicate actively with the Company and also establishing the Policy and reviewing the Policy on a regular basis to ensure its effectiveness.

Shareholders' Rights

Right to convene extraordinary general meeting

In accordance with the Company's Article 58, the Shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

Right to put forward proposals at general meetings

The number of shareholders necessary for putting forward a proposal at a Shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request.

Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Other enquiries or comments raised by any Shareholder can be mailed to the Board at the Company's head office in Macau at 16 Andar A–D, Macau Finance Centre, No. 202A–246 Rua de Pequim, Macau or sent through email to ir@infinitychemical.com.

Investor Relations

There was no significant change in the Company's constitutional documents during the year ended 30 September 2015.

Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Ieong Un, aged 61, being a founder of the Group, is the chairman of the Board and the Chief Executive Officer of the Group. Mr. Ieong is primarily responsible for (i) the Group's strategic planning including geographical and network expansion of the Group's business such as expansion of customers' base and penetration of business in the domestic adhesive industry in the PRC; (ii) product research and development; (iii) enhancement of the Group's capability in marketing and promotion as well as technical assistance to customers; and (iv) positioning the Group in the adhesive industry. Mr. Ieong, being one of the founders of the Group in 1990, has been leading the Group from engaging in adhesive distribution business to adhesive development, sale and production business. Mr. Ieong has approximately 24 years experience in the adhesive related industry. Prior to the establishment of the Group in 1990, Mr. Ieong held a senior management position of Luen Ying Hong Company Limited, a distributor of petroleum related products for more than 6 years in Macau. During such employment, Mr. Ieong was responsible for the management of the business operation, and the marketing and technical services team. Mr. Ieong is the sole shareholder and sole director of All Reach Investments Limited, the Controlling Shareholder.

Mr. Ip Chin Wing, aged 61, is a deputy general manager of the Group. He is responsible for the management and daily operation of the Group and also assists the chairman of the Board in formulating business strategies and implementing corporate and operational decisions. Prior to joining the Group in 2001, Mr. Ip served as a general manager of Dongguan Advanced Coatings Company Limited, a sino-foreign joint venture company registered in the PRC. In 2009, Mr. Ip was awarded by 中國生產力學會 (China Society of Productivity) and 中國企業報社 (China Enterprise Newspapers Office) as China enterprise innovative and outstanding person of 2009 (2009年度中國企業創新優秀人物). Mr. Ip obtained a certificate in industrial trade instruction from The Hong Kong Technical Teachers' College in 1982.

Mr. Ip Ka Lun, aged 61, is a deputy general manager of the Group. He is responsible for overseeing the treasury and administrative functions of the Group and also assists the chairman of the Board in formulating business strategies and implementing corporate and operational decisions. Mr. Ip has 19 years experience of overseeing the operation of accounting and finance departments. Prior to joining the Group in 2000, he was the manager of finance and accounts department of Yaohan Department Store (H.K.) Limited in Hong Kong from 1984 to 1997. He joined Noble City Holdings Limited, a holding company carrying out construction materials related business in the PRC, as a finance manager from 1998 to 2000. Mr. Ip obtained a bachelor degree in business from Tamkang University in 1977.

Mr. Stephen Graham Prince, aged 53, is an executive Director and also the director of business and marketing of the Group. He is responsible for overseeing all sales and marketing functions of the Group. Prior to joining the Group in 2005, Mr. Prince worked as a general manager of Interliance LLC. and was the chief representative of this company in Shanghai, responsible for project management, business intelligence and operational strategy. Mr. Prince graduated from Audrey Cohen College in the U.S. with a bachelor of business administration degree in 1992 and obtained a master degree of business administration from Fordham University in 2001.

Mr. Tong Yiu On, aged 49, is the chief financial officer and company secretary of the Company. He is responsible for the financial management and regulatory compliance of the Company and also assists the chairman of the Board in formulating business strategies and implementing corporate and operational decisions. Mr. Tong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Before joining the Group as chief financial officer in July 2011, he had been the executive director, chief financial officer and company secretary of a company listed on the main board of the Stock Exchange during 2000 to 2008. Prior to that, he had gained 10 years of financial management and accounting and auditing experience from various companies listed in Hong Kong and overseas and an international accounting firm. Mr. Tong is currently the independent non-executive director of Sinoref Holdings Limited (Stock code: 1020) since October 2014, a company listed on the main board of the Stock Exchange.

Independent Non-executive Directors

Mr. Chan Wing Yau, George, aged 60, is an independent non-executive Director. He joined the Group in March 2010. He is the Chairman and Chief Executive Officer of Capital Focus Asset Management Limited and an independent non-executive director of Weiqiao Textile Company Limited (Stock code: 2698), a company listed on the main board of the Stock Exchange. He had been a director of Jardine Fleming Investment Services Limited. After leaving Jardine Fleming Investment Services Limited, he joined HSBC Asset Management Hong Kong Limited as an executive director. He has extensive experience in fund management. Mr. Chan had held several positions of public services, such as a member of the Financial Services Advisory Committee of the Hong Kong Trade Development Council, the chairman of Investment Sub-Committee of and board member of Ocean Park Corporation, and the chairman of the Hong Kong Investment Funds Association China Sub-Committee. Mr. Chan obtained a bachelor of mathematics degree from the University of Waterloo in 1978.

Mr. Simon Luk, aged 50, is an independent non-executive Director. He joined the Group on 21 November 2013. Mr. Luk has been a responsible officer for the regulated activities of asset management (Type 9) under the SFO since 2003. He has over 10 years experience in asset management and investment advising. Mr. Luk worked in various investment advising companies. Since November 2013, Mr. Luk has been the responsible officer of W.Falcon Asset Management (Asia) Limited. During period from 2011 to November 2013, Mr. Luk was a responsible officer of Capital Focus Asset Management Limited. Before that, Mr. Luk was a founder and responsible officer of Money Concepts (Asia) Ltd. During the period of 2000 to 2009, Mr. Luk managed various funds and private equity portfolios. Mr. Luk has been appointed as an independent non-executive director of China Investment and Finance Group Limited (Stock code: 1226) since 2 July 2014. He was a non-executive director of Shaanxi Northwest New Technology Industry (Stock code: 8258) during September 2012 to 12 August 2014.

Mr. Tong Hing Wah, aged 44, is an independent non-executive Director. He joined the Group on 21 November 2013. Mr. Tong graduated from the Hong Kong Polytechnic University in 1993 with a bachelor degree in accountancy. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He has over 20 years of experience in regulatory compliance, financial reporting, auditing and financial management. Mr. Tong is currently the company secretary of China Agrotech Holdings Limited (Stock code: 1073), a company listed on the Main Board of the Stock Exchange. Mr. Tong was an independent non-executive director of China Packaging Group Company Limited ("China Packaging"), a company incorporated in the Cayman Islands, whose issued shares are listed on the Stock Exchange (Stock code: 572), during the period from 2 June 2003 to 31 July 2009. He was also the company secretary of Juda International Holdings Limited (Stock code: 1329) during 2012 to 21 December 2013. Before Mr. Tong ceased to be a director of China Packaging, on 8 July 2009, there was a winding up petition served on China Packaging. As announced by China Packaging on 3 November 2011, the matter was resolved and the trading in its issued shares was resumed. Furthermore, Mr. Tong was an independent non-executive director of Beauty China Holdings Limited, a company incorporated in the Cayman Islands with its shares listed on the main board of the Singapore Exchange Securities Trading Limited, since 25 September 2003, and on 7 September 2009, a winding up order was made by the High Court of Hong Kong against Beauty China Holdings Limited and it has since then been wound up.

SENIOR MANAGEMENT

Mr. Zheng Guo Liang, aged 52, is the regional sales director of the Group in the PRC. Mr. Zheng joined the Group as a sales representative in 1990. Prior to joining the Group, he worked for a mechanical engineering company in Zhuhai and responsible for the mechanical maintenance for more than five years. Mr. Zheng finished his secondary education in 1987. He is currently a regional sales director in the PRC. Mr. Zheng is responsible for planning sales and marketing strategies, achieving sales target and development of the Group. He is also responsible for customer relationship management.

Mr. Liu Feng, aged 41, is the regional sales director of the Group in Southeast Asia region. Mr. Liu joined the Group in 2000 as an assistant sales manager in Vietnam and has been promoted to regional sales director of the Group in Southeast Asia region since 2006. He finished a vocational education with major in physics in 1992. Mr. Liu is responsible for the management and development of the Group's business in Southeast Asia region. Prior to joining the Group, he had seven years of experience in the industry of the shoes manufacturing. He was a supervisor of a footwear manufacturing plant, being responsible for management in Punyu for about a year. Mr. Liu is responsible for devising sales and management strategies, achieving sales target and development of the Group. He is also responsible for customer relationship management.

Mr. Zhong Xuan Feng, aged 45, is the director of human resources and information technology departments of the Group responsible for diverse range of human resources activities of the Group including recruitment, compensation and benefits, staff training and employee relationship management. Apart from human resources, he is also responsible for the development of information technology platform to support the operation of the Group in accordance with development needs. Mr. Zhong joined the Group in 1998. He had 6 years experiences of accounting. He was a head of accounting of an investment company. In 2006, Mr. Zhong was sponsored by the Group to study in Hong Kong, and obtained a master degree in business administration from Hong Kong Baptist University in 2008.

Mr. Wu Xiang Ming, aged 46, is the director of research and development department of the Group responsible for the establishment and implementation of the research and development plan in accordance with the requirements of the customers of the Group and the market. He is also responsible for the general management of the research and development team of the Group, such as resources allocation, staff promotion and the appraisal of the overall team. Prior to joining the Group in 2007, Mr. Wu had more than 12 years research and development working experience. He was a research and development manager of a Hong Kong based chemical science company for seven years. Mr. Wu graduated from 華東理工大學 (East China University of Science and Technology) (formerly known as 華東化工學院 (East China Institute of Science and Technology)) in 1990 with a bachelor degree in engineering and obtained a master of engineering from Zhejiang University in 1996.

Mr. Ke Jia Min, aged 52, is the regional director of commerce of the Group in Southeast Asia. Prior to joining the Group in 2003, Mr. Ke served as a senior management position responsible for the operation of a hotel in Zhuhai. Mr. Ke also served as a representative of Zhuhai's Fourth People's Congress from 1994 to 1999. As a regional director of commerce of the Group in Southeast Asia, he is responsible for promoting the Group's products to footwear suppliers with a view to gaining the recognition of the Group by footwear suppliers as their approved raw material suppliers. He is also responsible for the relationship management with both footwear suppliers and footwear manufacturers. To provide the support to the sales and marketing functions, Mr. Ke organises the regional commercial team to provide all aspects support to the marketing and technical services team of the Group.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in details of the Directors' information subsequent to the date of the annual report of the Company for the year ended 30 September 2015 are set out below:

Name	Details of Changes
Mr. Chan Wing Yau George	the annual remuneration revised from HK$120,000 to HK$144,000 with effect from 1 January 2016
Mr. Simon Luk	the annual remuneration revised from HK$120,000 to HK$144,000 with effect from 1 January 2016
Mr. Tong Hing Wah	the annual remuneration revised from HK$120,000 to HK$144,000 with effect from 1 January 2016

Directors' Report

The Directors hereby present their annual report and the audited consolidated financial statements of the Group for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company of the Group which 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.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2015 are set out in the consolidated statement of profit or loss and other comprehensive income on page 44 of this annual report.

DIVIDEND

The Directors recommend the payment of a final dividend of HK2.4 cents per share for the year ended 30 September 2015 to the shareholders whose names appear on the register of members of the Company at 4:30 p.m. on 2 March 2016. The final dividend is expected to be paid on or about 24 March 2016.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five years are set out on page 116 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 15 December 2009 under the Companies Law of the Cayman Islands. In preparation for the listing of the Shares on the Main Board of the Stock Exchange, the Group underwent a series of corporate reorganisation procedures and the Company became the holding company of the Group since 26 March 2010.

Details of the reorganisation were set out in the paragraph headed "Reorganisation" on pages 4 to 5 of Appendix V (Statutory and General Information) in the prospectus of the Company dated 29 July 2010 (the "Prospectus").

Details of the movements during the year in the issued share capital of the Company are set out in note 30 to the consolidated financial statements of this annual report.

RESERVES

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 47 of this annual report.

BORROWINGS

Details of bank borrowings of the Group as at 30 September 2015 are set out in notes 26 to 28 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 September 2015, sales to the Group's five largest customers accounted for 43.8% of the Group's total turnover for the year. The largest customer was Pou Chen Group which accounted for 28.5% of the total turnover of the Group for the year ended 30 September 2015.

For the year ended 30 September 2015, the Group's purchases attributable to the five largest suppliers and the largest supplier accounted for 30.3% and 9.1% respectively of the Group's total purchases for the year.

For the year ended 30 September 2015, none of the Directors or any of their associates or any shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital, had any interest in the five largest suppliers or customers.

DIRECTORS

The Directors during the year and up to the date of this annual report are as follows:

Executive Directors

Mr. Ieong Un *(Chairman and Chief Executive Officer)*
Mr. Ip Chin Wing
Mr. Ip Ka Lun
Mr. Stephen Graham Prince
Mr. Tong Yiu On

Independent Non-executive Directors

Mr. Chan Wing Yau George
Mr. Simon Luk
Mr. Tong Hing Wah

Directors' Service Contracts

Each of the executive Directors except Mr. Tong Yiu On has entered into a service contract with the Company for a term of three years commencing from 12 August 2013 subject to termination by not less than three months' notice in writing served by either party to the other.

Mr. Tong Yiu On has entered into a service contract with the Company for a term of three years commencing from 20 December 2011 subject to termination by not less than three months' notice in writing served by either party to the other. The new service contract with Mr. Tong Yiu On is a term of three years commencing from 1 January 2016.

On 16 January 2013, Mr. Chan Wing Yau George has entered into a service contract with the Company for a term of two years commencing from 12 August 2012 subject to termination by not less than one month's notice in writing served by either party to the other. On 21 November 2013, each of Mr. Simon Luk and Mr. Tong Hing Wah has entered into a letter of appointment with the Company for a term of two years commencing from 21 November 2013 subject to termination by not less than one month's notice in writing served by either party to the other. The new appointments of Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tong Hing Wah are of terms of two years commencing from 1 January 2016. The appointments are subject to the provisions of retirement by rotation of Directors under the Articles.

Save for the above, none of the Directors proposed for re-election of the forthcoming annual general meeting has a service contract which is not determinable by the Company or any of the subsidiaries within one year without payment of compensation, other than normal statuary compensation.

Remuneration of the Directors

The remuneration of each Director is approved at general meetings. Other emoluments will be determined by the members of the remuneration committee with reference to the duties, responsibilities, performance of the Directors and the results of the Group.

Details of the remuneration of the Directors are set out in note 10 to the consolidated financial statements of this annual report.

Remuneration Policy

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to all employees of the Group including social insurance coverage, provident funds, bonus, share option schemes and company sponsored training. The Group mainly determines staff remuneration in accordance with the performance of individual employee and the salary trends in Hong Kong and PRC and will be reviewed regularly.

Retirement Benefits Scheme

Particulars of the retirement benefits scheme of the Group are set out in note 35 to the consolidated financial statements of this annual report.

Share Option Scheme

The Company has conditionally adopted a Share Option Scheme on 22 July 2010. Details of the Share Option Scheme are set out in the paragraph headed "Share Option Scheme" on pages 22 to 33 of Appendix V (Statutory and General Information) in the Prospectus.

Share options

On 16 June 2015, an independent third party, which acted as the Group's subscription and placing agent, was granted 5,000,000 share options of an exercise price of HK$1.788 per share.

On 30 May 2014, the directors, employees of the Group and other individuals were granted 5,480,000 share options at an exercise price of HK$0.9 per share.

Summary details of the movement of the share options of the Company during the year are set out as follows:

				Number of share options				
Name of Grantee/ Category	Date of Grant	Exercise Date/ Period	Exercise Price per Share	Outstanding as at 1.10.2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30.9.2015
Executive Directors								
Mr. Ieong Un	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Mr. Ip Ka Lun	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Mr. Ip Chin Wing	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Mr. Stephen Graham Prince	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Mr. Tong Yiu On	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000

Name of Grantee/ Category	Date of Grant	Exercise Date/ Period	Exercise Price per Share	Number of share options Outstanding as at 1.10.2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30.9.2015
Independent non-Executive Director								
Mr. Chan Wing Yau, George	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Employees and other individuals	30.5.2014	(Note 1)	HK$0.90	1,552,000	–	(280,000)	(68,000)	1,204,000
	30.5.2014	(Note 2)	HK$0.90	1,912,000	–	–	(168,000)	1,744,000
	30.5.2014	(Note 3)	HK$0.90	1,152,000	–	–	(88,000)	1,064,000
	30.5.2014	(Note 4)	HK$0.90	144,000	–	–	(12,000)	132,000
Others	16.6.2015	16.6.2015 to 15.6.2017	HK$1.788	–	5,000,000	–	–	5,000,000
Total				5,480,000	5,000,000	(448,000)	(336,000)	9,696,000

Notes:

1. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2015 to 31 December 2018.

2. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2016 to 31 December 2018.

3. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2017 to 31 December 2018.

4. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2018 to 31 December 2018.

Independence of Independent Non-executive Directors

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 30 September 2015, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

(i) Interests in the Company

Name of Director	Capacity	Number of Shares	Position	Percentage of shareholding
Mr. Ieong Un (note)	Interest in controlled corporation	342,500,000	Long	53.30%
	Beneficial owner	70,154,769	Long	10.92%
Mr. Ip Ka Lun	Beneficial owner	28,000	Long	0.004%
Mr. Ip Chin Wing	Beneficial owner	28,000	Long	0.004%
Mr. Stephen Graham Prince	Beneficial owner	28,000	Long	0.004%
Mr. Tong Yiu On	Beneficial owner	28,000	Long	0.004%
Mr. Chan Wing Yau, George	Beneficial owner	28,000	Long	0.004%

Note: The 342,500,000 Shares are held by All Reach Investments Limited ("All Reach"), the entire issued share capital of which is wholly and beneficially owned by Mr. Ieong. By virtue of the SFO, Mr. Ieong is deemed to be interested in 342,500,000 Shares held by All Reach.

(ii) Interests in associated corporation

Number of Associated corporation	Name of Director	Capacity	Position	Number of shares in the associated corporation	Percentage of shareholding in the associated corporation
All Reach	Mr. Ieong Un	Beneficial owner	Long	100	100%

Save as disclosed above, as at 30 September 2015, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Company, as at 30 September 2015, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than any Director or the Chief Executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests in the shares and underlying shares of the Company:

Name of shareholder	Capacity	Number of Shares	Position	Percentage of shareholding
All Reach Investments Limited (note 1)	Beneficial owner	342,500,000	Long	53.30%
Chan Sut Kuan ("Mrs. Ieong") (notes 1 and 2)	Interest of spouse	412,654,769	Long	64.22%

Notes:

1. All Reach Investments Limited is directly, wholly and beneficially owned by Mr. Ieong. By virtue of the SFO, Mr. Ieong, an executive Director, is deemed to be interested in the entire 342,500,000 Shares held by All Reach Investments Limited. Mr. Ieong is in person beneficially owns 70,154,769 Shares. Mrs. Ieong is the spouse of Mr. Ieong and is therefore deemed to be interested in the 412,654,769 Shares held by Mr. Ieong.

2. According to the laws of Macau, the regime of matrimonial property of Mr. Ieong and Mrs. Ieong is community (共同財產制).

ARRANGEMENTS TO PURCHASE SHARES AND DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACT

The Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Directors' Service Contracts" in this annual report, no contracts of significance in relation to the business of the Group, to which the Company, its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

No contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, save as disclosed in the section headed "Continuing Connected Transactions" and the related party transactions as disclosed in note 36 to the consolidated financial statements of this annual report, none of the Directors has interests in any business which directly or indirectly competes, or is likely to compete with the business of the Group.

AUDIT COMMITTEE

The Company established the audit committee on 26 March 2010 which comprises three independent non-executive Directors, namely, Mr. Chan Wing Yau George, Mr. Tong Hing Wah (chairman) and Mr. Simon Luk.

The audit committee is primarily responsible for the review and supervision of the Group's financial reporting process and internal control system. It has met with the external auditors of the Group to review the accounting principles and practices adopted by the Company and the audited annual financial statements of the Group for the year ended 30 September 2015.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the Companies Law of the Cayman Islands where the Company is incorporated.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 30 September 2015.

CHANGE OF COMPANY NAME

On 25 November 2015, the Company proposed to change the English name of the Company from "Infinity Chemical Holdings Company Limited" to "Infinity Development Holdings Company Limited" and the Chinese name "星謙發展控股有限公司" be adopted as the dual foreign name of the Company in place of its existing Chinese name "星謙化工控股有限公司".

Approvals have been obtained from the Shareholders at the extraordinary general meeting held on 23 December 2015 and the new name will be used after the approval from the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong. As the registration procedures are under processing, further announcement will be made by the Company in relation to the effective date of the change of Company name.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") during the Period contained in Appendix 14 to the Listing Rules, save for the deviation discussed below:

Code Provision A.2.1 provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Ieong Un has been performing both the roles of Chairman and Chief Executive Officer. Mr. Ieong is the founder of the Group and has over 21 years of experience in the adhesive related industry. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The Directors will continue to review the effectiveness of the current structure and assess whether change in the separation of the roles of Chairman and Chief Executive Officer is necessary.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 30 September 2015, the Company repurchased a total of 4,740,000 ordinary Shares on the Stock Exchange, of which 3,740,000 Shares were cancelled during the year ended 30 September 2015 and 1,000,000 Shares were cancelled on 9 November 2015. Particulars of the Shares repurchased during the year ended 30 September 2015 are as follows:

	No. of ordinary Shares	**Price per Share**		**Aggregate consideration and other costs paid**
		Highest	**Lowest**	
	'000	HK$	HK$	HK$'000
August 2015	4,740	1.10	0.57	3,699

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CONTINUING CONNECTED TRANSACTION

On 27 February 2013, the Board approved the entering into of a lease agreement between Mr. Ieong Un ("Mr. Ieong") and Guangzhou Branch, Centresin Chemical Products Ltd., Zhuhai ("Zhuhai Centresin"), a wholly owned subsidiary of the Company, pursuant to which Mr. Ieong has agreed to grant the leasing of the office premises of gross floor area of approximately 2,000 square metres and located at House nos. 201 to 210 on Level 2, Nos. 79 to 111, Yiju Street, Nanzhou Road, Haizhu District, Guangzhou City, Guangdong Province, the PRC to Zhuhai Centresin for a term of three years commencing from 1 March 2013 to 29 February 2016 at a monthly rent of RMB97,000 for the first twelve months and annual increment of 5% for the subsequent two years, i.e. the annual consideration for the year ending 28 February 2014 will be RMB1,164,000, for the year ending 28 February 2015 will be RMB1,222,200 and for the year ending 29 February 2016 will be RMB1,283,310. The Directors consider that it is in the commercial interest of the Company if Zhuhai Centresin continues to use the office premises as it is not easy to identify other appropriate premises and Zhuhai Centresin will bear unnecessary relocation costs and expenses if it has to move to other premises. Mr. Ieong, an executive Director and chairman of the Board and the controlling Shareholder, is a connected person to the Company as defined under the Listing Rules and the transaction contemplated under the lease agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The detail of the above continuing connected transaction is set out in the Company's announcements dated 27 February 2013 and 6 March 2013.

CONNECTED TRANSACTION

Save as disclosed above and in note 36 to the consolidated financial statements of this annual report, there was no significant connected party transaction entered into by the Group for the year ended 30 September 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules up to the date of this report.

AUDITOR

At the extraordinary general meeting of the Company held on 2 December 2013, Deloitte Touche Tohmatsu was removed as auditor of the Company and Lau & Au Yeung C.P.A. Limited was appointed to act as the auditor of the Company. Save as aforesaid, there have been no other changes of auditors in the past three years.

The consolidated financial statements for the Year ended 30 September 2015 have been audited by Lau & Au Yeung C.P.A. Limited.

A resolution will be proposed for approval by shareholders at the forthcoming annual general meeting of the Company to re-appoint Lau & Au Yeung C.P.A. Limited as auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events subsequent to the balance sheet date are set out in Note 39 to the financial statement.

CLOSURE OF THE REGISTER OF MEMBERS

The Company's register of members will be closed from Thursday, 3 March 2016 to Friday, 4 March 2016, both dates inclusive, during which no transfer of share will be registered, for the purposes of the Shareholders to qualify for entitlement of the final dividend. In order to qualify for entitlement of the final dividend, all transfers of shares accompanied by the relevant share certificates and instruments of transfers must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by not later than 4:30 p.m. on Wednesday, 2 March 2016.

On behalf of the Board
TONG YIU ON
EXECUTIVE DIRECTOR

Hong Kong, 23 December 2015

Independent Auditor's Report

劉歐陽會計師事務所有限公司
LAU & AU YEUNG C.P.A. LIMITED

LAU & AU YEUNG C.P.A. LIMITED
21/F, Tai Yau Building
181 Johnston Road, Wanchai
Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFINITY CHEMICAL HOLDINGS COMPANY LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Infinity Chemical Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 44 to 115, which comprise the consolidated statement of financial position as at 30 September 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

AUDITOR'S RESPONSIBILITY *(Continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Lau & Au Yeung C.P.A. Limited
Certified Public Accountants

Hong Kong, 23 December 2015

Franklin Lau Shiu Wai
Practising Certificate Number P01886

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2015

	NOTES	2015 HK$'000	2014 HK$'000
Turnover	7	**543,632**	499,148
Cost of goods sold		**(362,929)**	(350,174)
Gross profit		**180,703**	148,974
Other income		**3,731**	2,948
Changes in fair value of investment properties		**8,180**	26,880
Changes in fair value of other financial asset	19	**(5,330)**	(1,170)
Other gains/(losses)	8	**1,915**	(4,961)
Research and development costs		**(1,890)**	(1,598)
Selling and distribution costs		**(54,488)**	(40,022)
Administrative expenses		**(77,350)**	(76,580)
Interest on bank borrowings wholly repayable within five years		**(1,590)**	(1,665)
Profit before taxation	9	**53,881**	52,806
Share of profit/(loss) of an associate		**3,843**	(64)
Taxation	11	**(8,541)**	(13,209)
Net profit for the year		**49,183**	39,533
Other comprehensive income — exchange differences arising on translation of foreign operations		**(10,687)**	(1,247)
Total comprehensive income for the year		**38,496**	38,286
Earnings per share — Basic	13	**HK7.96 cents**	HK6.85 cents
Earnings per share — Diluted	13	**HK7.94 cents**	HK6.83 cents

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 30 September 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Investment properties	14	**72,660**	64,480
Property, plant and equipment	15	**42,944**	44,800
Land use rights	16	**13,744**	17,579
Intangible assets	17	**30,488**	34,871
Interest in an associate	18	**10,899**	7,056
Other financial asset	19	**–**	12,710
Club debentures		**1,080**	1,080
Deposits for acquisition of property, plant and equipment		**2,360**	3,240
		174,175	185,816
Current assets			
Inventories	20	**70,855**	68,956
Trade, bills and other receivables	21	**147,230**	140,752
Other financial asset	19	**7,380**	–
Pledged bank deposits	22	**21,977**	22,067
Bank balances and cash	22	**94,350**	29,403
		341,792	261,178
Assets classified as held for sale	23	**20,732**	–
		362,524	261,178
Current liabilities			
Trade, bills and other payables	24	**60,327**	46,191
Amount due to a related company	25	**761**	3,659
Secured short-term bank loans	27	**–**	5,982
Current portion of secured long-term bank loans	26	**24,214**	44,047
Bank overdrafts — secured	28	**–**	4,458
Tax payable		**10,362**	8,060
		95,664	112,397
Net current assets		**266,860**	148,781

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

	NOTES	2015 HK$'000	2014 HK$'000
Total assets less current liabilities		**441,035**	334,597
Non-current liabilities			
Deferred taxation	29	**12,845**	11,327
Net assets		**428,190**	323,270
Capital and reserves			
Share capital	30	**6,426**	5,959
Reserves		**421,764**	317,311
Total equity		**428,190**	323,270

The consolidated financial statements on pages 44 to 50 were approved and authorised for issue by the Board of Directors on 23 December 2015 and are signed on its behalf by:

TONG YIU ON
EXECUTIVE DIRECTOR

IP KA LUN
EXECUTIVE DIRECTOR

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 September 2015

	Share capital HK$'000	Share premium HK$'000	Treasury shares HK$'000	Capital redemption reserve HK$'000	Special reserve HK$'000 Note (a)	Share option reserve HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Legal reserve HK$'000 Note (b)	Statutory surplus reserve fund HK$'000 Note (c)	Retained profits HK$'000	Total HK$'000
At 1 October 2014	5,959	120,884	–	–	1,097	541	–	11,947	459	2,123	180,260	323,270
Profit for the year	–	–	–	–	–	–	–	–	–	–	49,183	49,183
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(10,687)	–	–	–	(10,687)
Total comprehensive income for the year	–	–	–	–	–	–	–	(10,687)	–	–	49,183	38,496
Transfer	–	–	–	–	–	–	–	–	49	546	(595)	–
Dividends recognised as distribution	–	–	–	–	–	–	–	–	–	–	(10,131)	(10,131)
Issue of shares by subscription	500	76,613	–	–	–	–	–	–	–	–	–	77,113
Repurchase of shares	–	–	(3,699)	–	–	–	–	–	–	–	–	(3,699)
Cancellation of shares	(37)	(2,926)	2,926	37	–	–	–	–	–	–	–	–
Issue of shares upon exercise of share options	4	530	–	–	–	(149)	–	–	–	–	–	385
Grant of share options	–	–	–	–	–	1,890	–	–	–	–	–	1,890
Recognition of share-based payments	–	–	–	–	–	866	–	–	–	–	–	866
At 30 September 2015	6,426	195,101	(773)	37	1,097	3,148	–	1,260	508	2,669	218,717	428,190
At 1 October 2013	5,692	98,854	–	–	1,097	–	–	13,194	459	2,123	149,835	271,254
Profit for the year	–	–	–	–	–	–	–	–	–	–	39,533	39,533
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(1,247)	–	–	–	(1,247)
Total comprehensive income for the year	–	–	–	–	–	–	–	(1,247)	–	–	39,533	38,286
Dividends recognised as distribution	–	–	–	–	–	–	–	–	–	–	(9,108)	(9,108)
Issue of convertible bonds	–	–	–	–	–	–	124	–	–	–	–	124
Issue of shares upon conversion of convertible bonds	210	16,590	–	–	–	–	(124)	–	–	–	–	16,676
Issue of warrants	–	–	–	–	–	–	943	–	–	–	–	943
Issue of shares upon exercise of warrants	57	5,440	–	–	–	–	(943)	–	–	–	–	4,554
Grant of share options	–	–	–	–	–	541	–	–	–	–	–	541
At 30 September 2014	5,959	120,884	–	–	1,097	541	–	11,947	459	2,123	180,260	323,270

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

Notes:

(a) The special reserve represents the aggregate of:

(i) the differences between the nominal amount of the shares issued by the Company and the Group's former holding company and the aggregate amount of paid-in capital of the subsidiaries acquired pursuant to the group reorganisation in June 2009 and March 2010 in preparation for the listing of the Company's shares in 2010; and

(ii) the difference between the consideration paid by Keen Castle Limited, a wholly-owned subsidiary of the Company, for the acquisition of the entire equity interest in Rank Best Investment Limited and its subsidiaries ("the Rank Best Group") under common control and the aggregate carrying amount of assets and liabilities acquired in the Rank Best Group in March 2013.

(b) In accordance with the provisions of the Macau Commercial Code issued by the government of Macau Special Administrative Region, the People's Republic of China ("Macau"), the Macau subsidiaries of the Company are required to transfer from their annual net profit at a minimum rate of 25% to a legal reserve before the appropriation of profits to dividend until the legal reserve reaches 50% of the respective subsidiaries' registered capital. For the years ended 30 September 2015 and 30 September 2014, no amount was transferred from annual net retained profits as the minimum legal reserve requirement was met. The legal reserve is not distributable to shareholders.

(c) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the Company's subsidiaries in the PRC are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries in accordance with relevant laws and regulations applicable to PRC enterprises. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 September 2015

	2015 HK$'000	2014 HK$'000
Operating activities		
Profit before taxation	**53,881**	52,806
Adjustments for:		
Interest income	**(355)**	(122)
Interest expenses	**1,590**	1,665
Amortisation of intangible assets	**4,338**	4,325
Amortisation of prepaid lease payments on land use rights	**646**	514
Depreciation	**7,434**	7,839
Loss on disposal of property, plant and equipment	**2**	208
Share based payment transaction	**2,756**	1,484
Changes in fair value of investment properties	**(8,180)**	(26,880)
Changes in fair value of other financial asset	**5,330**	1,170
Operating cash flows before movements in working capital	**67,442**	43,009
(Increase)/decrease in inventories	**(4,263)**	11,386
Increase in trade, bills and other receivables	**(10,883)**	(8,730)
Increase in trade, bills and other payables	**15,196**	8,126
Cash from operations	**67,492**	53,791
Tax paid	**(4,473)**	(4,835)
Net cash from operating activities	**63,019**	48,956
Investing activities		
Interest received	**355**	122
Purchase of property, plant and equipment	**(12,316)**	(11,394)
Purchase of land use rights	**(12,790)**	–
Proceeds from disposal of property, plant and equipment	**–**	876
Deposits paid on acquisition of property, plant and equipment	**880**	(174)
Acquisition of intangible assets	**–**	(2,396)
Cash paid for acquisition of interest in an associate	**–**	(4,200)
Placement of pledged bank deposits	**–**	(6,535)
Withdrawal of pledged bank deposits	**90**	1,138
Net cash used in investing activities	**(23,781)**	(22,563)

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

	2015 HK$'000	2014 HK$'000
Financing activities		
Net proceeds from issuance of shares by subscription	**77,113**	–
Net proceeds from exercise of share options	**385**	–
Repurchase of shares	**(3,699)**	–
Interest paid	**(1,590)**	(1,665)
Dividends paid	**(10,131)**	(9,108)
Repayment of borrowings from a related company	**(2,898)**	(9,947)
Bank loans raised	**28,012**	79,928
Repayment of bank loans	**(53,827)**	(64,277)
Net cash from/(used in) financing activities	**33,365**	(5,069)
Net increase in cash and cash equivalents	**72,603**	21,324
Cash and cash equivalents at 1 October	**24,945**	4,663
Effect of foreign exchange rate changes	**(2,812)**	(1,042)
Cash and cash equivalents at 30 September	**94,736**	24,945
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**94,350**	29,403
Bank balances and cash included in assets classified as held for sale (note 23)	**386**	–
Bank overdrafts	**–**	(4,458)
	94,736	24,945

The notes on pages 51 to 115 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and registered as an exempted company under the Companies Law of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is All Reach Investments Limited, a company incorporated in the British Virgin Islands. Mr. Ieong Un is the ultimate controlling shareholder and a director of the Company.

The Company is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in the manufacture and sales of adhesives and related products used in footwear manufacturing and the trading of adhesives used in the production of electronic products. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The addresses of the principal places of business in Hong Kong and Macau Special Administrative Regions, the People's Republic of China are Unit 2201–2202, 22/F, Alliance Building, 133 Connaught Road Central, Hong Kong and 16 Andar A–D, Macau Finance Centre, No. 202A–246 Rua de Pequim, Macau, respectively.

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied a number of revised standard and amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's accounting period beginning on 1 October 2014.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the amendments to HKFRSs and the new Interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

* IFRIC represents the IFRS Interpretations Committee.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 9	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of the new and revised standards, amendments or interpretation will have no material impact on the results and financial position of the Group.

In addition, the disclosure requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) will be applicable for the first time to the Company's financial year ending 30 September 2016 in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. MERGER ACCOUNTING

Through a group reorganisation by set up certain newly incorporated companies in the second half of 2012, Rank Best Investments Limited, a limited liability company incorporated in the British Virgin Islands, became the holding company of the target group including 廣州市雅威貿易有限公司 (Guangzhou Shi Yawei Trading Company Limited). The Group acquired Rank Best Group from Mr. Ieong Un, the ultimate controlling shareholder of the Company, on 22 March 2013, which is considered as business combination involving entities under common control and has been accounted for using the merger accounting method, based on the guidance set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost convention, except for investment properties and other financial asset that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Non-current assets and disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combination under common control

The consolidated financial statements incorporate the financial statement items of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

Associated companies

An associated company is a company other than a subsidiary and a joint venture, in which the Group has significant influence, but not control, exercised through representatives on the board of directors.

Investments in associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investments in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired associated companies at the date of acquisition. The interests in associated companies also include long-term interest that, in substance, form part of the Group's net investment in the associated companies.

The Group's share of its associated companies' post acquisition profits or losses is recognised in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses in an associated company equals or exceeds its interests in the associated company, including any other unsecured receivable, the Group does not recognise further losses, unless it has incurred legal and constructive obligations or made payments on behalf of the associated company.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associated companies *(Continued)*

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interests in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For equity accounting purpose, accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company's investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend income received and receivable.

Gains or losses on deemed disposal on dilution arising from investments in associated companies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO and the executive directors that make strategic decisions.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and service provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are provided.

Rental income, including rentals invoiced in advance from investment properties let under operating leases, is recognised on a straight line basis over the relevant lease terms.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

For land and buildings where the cost of land use right cannot be reliably separated from the cost of land and buildings, the cost of land and buildings is depreciated and amortised on a straight line basis over the lease terms or 20 years, whichever is shorter.

The cost of buildings in the PRC is depreciated over 20 years using the straight line method.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost, less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised to allocate the cost of other property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Furniture, fixtures and equipment	20%–25%
Leasehold improvements	20%
Motor vehicles	$16^2/_3$%–20%
Plant and machinery	10%–20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Intangible assets

An intangible asset with a finite useful life is carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible asset is recognised on a straight-line basis over their estimated useful lives. Intangible asset with indefinite useful life is not amortised.

Management reviews the expected useful life at the end of each reporting period based on the estimated period over which future economic benefits will be received by the Group and takes into account the level of future competition, the risk of technological or functional obsolescence of its products, and the expected changes in the market and social environment.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets *(Continued)*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

(a) Customers relationship

Intangible asset of customers relationship is subject to impairment review annually, based on the fair value of customers relationship. The fair value of customers relationship is determined by professional valuers annually, using a combination of income approach and the multi-period excess earnings method, under which the asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Customers relationship recognized as an asset is amortised over its estimated useful life of 10 years. The useful life of the asset and its amortization method are reviewed annually.

(b) Club memberships

Club memberships with both definite or indefinite useful lives are stated at cost less impairment losses, if any. For club membership with an indefinite useful life, no amortisation is charged because the Company has the contractual right to control over the asset and legal rights with no definite period. For club membership with a definite useful life, amortisation is calculated using the straight-line method to allocate the cost of club membership over their estimated useful lives of 44 years.

(c) Formula and know-how

Formula and know-how acquired is recognised at fair value at the date of acquisition. Formula and know-how has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of formula and know-how over their estimated useful lives of 5 years.

Club debenture

Club debenture is stated at historical cost. Club debenture has an indefinite useful life and is carried at cost less accumulated impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Share issued in exchange for intangible assets are measured at the fair values of the intangible assets acquired, unless that fair value cannot be reliably measured, in which case the intangible assets acquired are measured by reference to the fair value of the shares issued.

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from directors and employees as consideration for equity instruments (options) of the Group.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed over the relevant vesting periods to the statement of profit or loss and other comprehensive income, with the corresponding amount credited to share based employee option reserve within equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown in current liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

— the technical feasibility of completing the intangible asset so that it will be available for use or sale;

— the intention to complete the intangible asset and use or sell it;

— the ability to use or sell the intangible asset;

— how the intangible asset will generate probable future economic benefits;

— the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

— the ability to measure reliably the expenditure attributable to the intangible asset during its development.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Research and development costs *(Continued)*

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are mainly classified into financial assets at fair value through profit or loss and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade, bills and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimate future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade and bills receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 15 to 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or bills receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date of the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the fair value of liability component of the convertible bonds is determined using a market interest rate for an equivalent non-convertible bond. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Convertible bonds (Continued)

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion, redemption or maturity. The equity component is recognised in equity, net of any tax effects. The equity component is not remeasured subsequent to initial recognition except on conversion or expiry.

When the bond is converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued. When the bond is redeemed, the relevant equity component is transferred to retained profits.

Warrants

Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are equity instruments. Otherwise, they would be classified as derivative financial instruments, which are recognised at their fair values at the date of issue. Changes in fair values in subsequent periods are recognised in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade, bills and other payables, amount due to a related company, bank loans, trust receipt loans and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable and cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment of non-current assets other than financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-current assets other than financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of non-current assets other than financial assets *(Continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Current and deferred income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income or expense items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Current and deferred income tax *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purpose of preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the functional currency of the Company and the presentation currency of the Group (i.e. Hong Kong dollar) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Land use rights

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the prepaid lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated statement of financial position and is amortised over the lease term on a straight line basis, except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Retirement benefits costs

Payments to retirement benefits plans and government-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match with the costs that they are intended to compensate.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the noncurrent asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Related parties

A related party is a person or entity that is related to the Group that is preparing its financial statements.

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control of the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

  (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities are joint ventures of the same third party.

  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

  (vi) The entity is controlled or jointly controlled by a person identified in (a).

  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank loans and amount due to a related company, net of pledged bank deposits and cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital, retained profits and other reserves as disclosed in the consolidated financial statements.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new shares issue of the Company as well as the raising of bank loans and borrowings from a related company.

6. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 4.

Categories of financial instruments

	2015	2014
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**259,363**	189,140
Other financial assets	**7,380**	12,710
	266,743	201,850
Financial liabilities		
Amortised cost	**85,302**	104,337

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies

The Group's major financial instruments include trade, bills and other receivables, pledged bank deposits, bank balances and cash, other financial assets, trade, bills and other payables, amount due to a related company, bank loans, trust receipt loans and bank overdrafts. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade, bills and other receivables. In order to minimise the credit risk, the management of the Group continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances is minimal as such amounts are placed in banks with good reputation.

Credit risk is concentrated in one customer, which accounted for HK$29,643,000 or 25% (2014: HK$9,430,000 or 8%) of the Group's total trade receivables. However, management considers, based on the good credit history and the long-term business relationship with that customer, there are no significant credit risks.

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to risk in Euro, New Taiwan dollar, Renminbi, United States dollar, Vietnam Dong and Indonesia Rupiah. During the year ended 30 September 2015, approximately 90% (2014: 85%) of the Group's sales are denominated in currency other than the functional currency of the group entity. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are as follows:

	Assets		Liabilities	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Euro	**325**	1,583	**–**	373
New Taiwan dollar	**2,658**	3,318	**–**	207
Renminbi	**65,292**	69,519	**33,004**	29,595
United States dollar	**87,065**	91,200	**17,292**	14,598
Vietnam Dong	**2,842**	3,142	**1,638**	683
Indonesia Rupiah	**11,390**	8,767	**1,643**	95
	169,572	177,529	**53,577**	45,551

Under the pegged exchange rate system, the financial exposure on exchange rate fluctuation between HK$ and United States dollar is considered as insignificant by the directors. The sensitivity analysis below includes only outstanding foreign currency denominated monetary items at the end of the reporting period and has been determined based on the exposure to exchange rates of Euro, New Taiwan dollar, Renminbi, Vietnam Dong and Indonesia Rupiah against HK$. For a 5% weakening of these currencies against HK$ and all other variables being held constant, the Group's profit for the year is as follows:

	2015	2014
	HK$'000	HK$'000
Decrease in profit for the year		
— Euro	**(16)**	(60)
— New Taiwan dollar	**(133)**	(156)
— Renminbi	**(1,614)**	(1,996)
— Vietnam Dong	**(60)**	(123)
— Indonesia Rupiah	**(487)**	(434)
	(2,310)	(2,759)

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

There would be an equal and opposite impact on the profit for the year where the Euro, New Taiwan dollar, Renminbi, Vietnam Dong and Indonesia Rupiah strengthens against HK$ by 5%.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest bearing pledged bank deposits, bank balances, bank overdrafts, bank loans and trust receipt loans at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing pledged bank deposits, bank balances, bank overdrafts, bank loans and trust receipt loans at the end of the reporting period and assumed that the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points (2014: 50 basis points) were used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The management does not anticipate a decrease in interest rate in the next financial year having regard to the trends in market interest rates and global economic environment. Accordingly, sensitivity analysis on a decrease in interest rates is not presented.

If interest rates on pledged bank deposits, bank balances, bank overdrafts, bank loans and trust receipt loans had been 50 basis points (2014: 50 basis points) higher and all other variables were held constant, the potential effect on profit for the year is as follows:

	2015	2014
	HK$'000	HK$'000
Increase/(decrease) in profit for the year	**462**	(15)

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk management

The management of the Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	On demand	Less than 3 months	Over 3 months but not more than 6 months	Over 6 months but not more than 1 year	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial liabilities							
At 30 September 2015							
Trade, bills and other payables	N/A	–	60,327	–	–	60,327	60,327
Amount due to a related company	N/A	761	–	–	–	761	761
Bank loans	3.59	24,214	–	–	–	24,214	24,214
Bank overdrafts	5.5	–	–	–	–	–	–
		24,975	60,327	–	–	85,302	85,302
Financial liabilities							
At 30 September 2014							
Trade, bills and other payables	N/A	–	46,191	–	–	46,191	46,191
Amount due to a related company	N/A	3,659	–	–	–	3,659	3,659
Bank loans	3.59	44,047	3,000	3,053	–	50,100	50,029
Bank overdrafts	5.5	4,458	–	–	–	4,458	4,458
		52,164	49,191	3,053	–	104,408	104,337

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk management *(Continued)*

Bank loans with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 30 September 2015 and 30 September 2014, the aggregate carrying amounts of these bank loans amounted to HK$24,214,000 and HK$44,047,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within one to four years after 30 September 2015 in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$24,994,000, of which approximately HK$15,440,000 will be due within one year, and the remaining will be due within two to four years.

The amounts included above for variable rate bank loans are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

Fair value measurements of financial assets and financial liabilities

The directors consider the carrying amounts of majority of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 and 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements of financial assets and financial liabilities *(Continued)*

Financial asset	Fair value as at 30 September 2015	Fair value hierarchy	Valuation techniques and key inputs
Other financial asset (note)	HK$7,380,000	Level 3	Black-Scholes Model with details of key inputs disclosed in note 19

Note: The major unobservable input to the valuation is the expected volatility. A slight increase in the expected volatility used in isolation would result in an increase in the fair value measurement of the other financial asset.

There were no transfers among Level 1, 2 and 3 during both years.

Reconciliation of Level 3 fair value measurement:

	Other financial asset HK$'000
At 1 October 2013	–
Additions	13,880
Loss on fair value changes	(1,170)
At 30 September 2014	12,710
Loss on fair value changes	(5,330)
As at 30 September 2015	7,380

7. TURNOVER AND SEGMENT INFORMATION

The executive Directors of the Company regularly review revenue analysis by products, including vulcanized shoes adhesive related products, electronic adhesive related products, other shoe adhesives, primers, hardeners and others, and by locations. The executive Directors of Company considered that the operating activities of manufacture, sales and trading of adhesives as a single operation segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Hong Kong Financial Reporting Standards, that are regularly reviewed by the executive Directors of the Company. The executive Directors of the Company review the overall result of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

Turnover represents the fair value of the consideration received or receivable for goods sold to outside customers during the year.

Entity-wide information

An analysis of the Group's turnover by products is as follows:

	2015	2014
	HK$'000	HK$'000
Sales of		
— vulcanized shoes adhesive related products and other shoe adhesives	**364,546**	303,306
— primers	**55,435**	99,189
— hardeners	**59,388**	50,379
— electronic adhesive related products	**31,028**	32,812
— others	**33,235**	13,462
	543,632	499,148

7. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Entity-wide information *(Continued)*

Turnover from external customers, based on geographical locations of customers, attributed to the Group is as follows:

	2015 HK$'000	2014 HK$'000
Turnover		
— PRC	**227,150**	248,041
— Vietnam	**253,241**	217,434
— Indonesia	**27,971**	26,317
— Bangladesh	**35,270**	7,356
	543,632	499,148

During the year, there was a customer contributing revenue of HK$154,931,000 (2014: HK$154,474,000) which accounted for more than 28.5% of the Group's total revenue.

The intangible assets are allocated based on the location of the operation of the entity which uses the intangible assets.

An analysis of the Group's non-current assets by their geographical location is as follows:

	2015 HK$'000	2014 HK$'000
Hong Kong	**728**	947
PRC	**30,667**	71,337
Macau	**120,479**	104,788
Vietnam	**20,018**	5,395
Indonesia	**2,269**	3,320
Others	**14**	29
	174,175	185,816

8. OTHER GAINS/(LOSSES)

	2015 **HK$'000**	2014 HK$'000
Exchange gain/(loss), net	**1,969**	(4,490)
Loss on disposal of property, plant and equipment	**(2)**	(208)
Others	**(52)**	(263)
	1,915	(4,961)

9. PROFIT BEFORE TAXATION

	2015 **HK$'000**	2014 HK$'000
Profit before taxation has been arrived at after charging:		
Directors' remuneration	**11,336**	10,712
Other staff's retirement benefits scheme contributions	**4,022**	3,430
Other staff costs	**39,598**	39,507
	54,956	53,649
Less: Staff costs included in research and development costs	**(1,890)**	(1,598)
	53,066	52,051
Auditor's remuneration		
— audit service	**1,000**	900
— non-audit services	**500**	905
Amortisation of		
— intangible assets	**4,338**	4,325
— prepaid lease payments on land use rights	**646**	514
Depreciation	**7,434**	7,817
Loss of fair value change of other financial asset	**5,330**	1,170
Operating lease rentals in respect of		
— motor vehicles	**3,252**	3,004
— rented premises and leasehold land	**4,813**	4,881
Royalty fees included in cost of goods sold	**3,280**	2,588
and after crediting:		
Gross property rental income before deduction of outgoings	**1,444**	1,507
Less: Outgoings	**(355)**	(346)
	1,089	1,161
Gain of fair value change of investment properties	**8,180**	26,880
Government grants included in other income	**1,044**	408
Interest income	**336**	141

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

	2015 HK$'000	2014 HK$'000
Directors' fees	–	–
Other emoluments to executive directors		
— basic salaries and allowances	8,568	7,921
— bonus	1,623	1,631
— retirement benefits scheme contributions	685	633
— employee share option benefits	84	141
	10,960	10,326
Other emoluments to independent non-executive directors		
— basic salaries and allowances	360	360
— employee share option benefits	16	26
	11,336	10,712
Other staff costs		
— basic salaries and allowances	38,832	39,133
— retirement benefits scheme contributions	4,022	3,430
— employee share option benefits	766	374
Less: staff costs included in research and development costs	(1,890)	(1,598)
	41,730	41,339
	53,066	52,051

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Details of emoluments paid by the Group to the directors of the Company during the year are as follows:

	2015 HK$'000	2014 HK$'000
Executive directors		
Mr. Ieong Un		
— basic salaries and allowances	**2,808**	2,161
— bonus	**886**	803
— retirement benefits scheme contributions	**225**	173
— employee share option benefits	**17**	38
	3,936	3,175
Mr. Ip Chin Wing		
— basic salaries and allowances	**1,440**	1,440
— bonus	**164**	178
— retirement benefits scheme contributions	**115**	115
— employee share option benefits	**17**	26
	1,736	1,759
Mr. Ip Ka Lun		
— basic salaries and allowances	**1,440**	1,440
— bonus	**164**	208
— retirement benefits scheme contributions	**115**	115
— employee share option benefits	**17**	25
	1,736	1,788
Mr. Stephen Graham Prince		
— basic salaries and allowances	**1,440**	1,440
— bonus	**203**	183
— retirement benefits scheme contributions	**115**	115
— employee share option benefits	**16**	26
	1,774	1,764
Mr. Tong Yiu On		
— basic salaries and allowances	**1,440**	1,440
— bonus	**206**	259
— retirement benefits scheme contributions	**115**	115
— employee share option benefits	**17**	26
	1,778	1,840
Independent non-executive directors		
Mr. Chan Wing Yau, George		
— basic salaries and allowances	**120**	120
— employee share option benefits	**16**	26
Mr. Simon Luk		
— basic salaries and allowances	**120**	120
Mr. Tong Hing Wah		
— basic salaries and allowances	**120**	120
	376	386
Total	**11,336**	10,712

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

The five highest paid individuals included five (2014: five) directors of the Company for the year ended 30 September 2015, details of whose emoluments are included above.

During the year, no emoluments were paid by the Group to the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during the year.

11. TAXATION

	2015 **HK$'000**	2014 HK$'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	**(3,378)**	(5,857)
Macau complementary tax	**(2,182)**	(880)
Vietnam income tax	**(211)**	(75)
Indonesian income tax	**(1,126)**	–
	(6,897)	(6,812)
Underprovision in prior years	**–**	(2,120)
Deferred taxation (note 29)	**(1,644)**	(4,277)
	(8,541)	(13,209)

The PRC EIT, Macau complementary tax and Vietnam income tax are calculated at the applicable rates in accordance with the relevant laws and regulations in the respective jurisdictions.

11. TAXATION *(Continued)*

Pursuant to the relevant laws and regulations in Macau, the Macau subsidiaries are subject to Macau complementary tax at a maximum rate of 12%.

Pursuant to the relevant laws and regulations in the PRC, 珠海市澤濤黏合製品有限公司 (Centresin Chemical Products Ltd., Zhuhai) ("Zhuhai Centresin") was entitled to exemption from PRC income tax for the two years commencing from its first profit-making year in 2008, followed by a 50% reduction from 2010 to 2012. The applicable income tax rate after the tax reduction period is 25%.

According to a joint circular of Ministry of Finance and the State Administration of Taxation, Cai Shui (2008) No. 1, only the profits earned by Zhuhai Centresin and 中山信諾黏合製品有限公司 (Zhongshan Macson Adhesive Products Co., Ltd.) ("Zhongshan Macson") prior to 1 January 2008, when distributed to foreign investors, can be grandfathered with the exemption from withholding tax. Whereas, dividend distributed out of the profit generated thereafter, shall be subject to EIT at 10% and withheld by the PRC entities aforementioned, where appropriate, pursuant to Articles 3 and 27 of the Law of the People's Republic of China on Enterprise Income Tax and Article 91 of its Detailed Implementation Rules. Deferred tax liability on the undistributed profits earned since 1 January 2008 have been accrued at the tax rate of 10%.

Pursuant to the relevant laws and regulations in Vietnam, Zhong Bu Adhesive (Vietnam) Co., Ltd. ("Vietnam Centresin") was entitled to exemption from Vietnam income tax for three years commencing from its first profit-making year in 2006, followed by a 50% reduction from 2009 to 2015.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Underprovision in prior years represents provision of income tax of Macau and the PRC made in respect of prior years.

11. TAXATION *(Continued)*

Tax charge for the year is reconciled to profit before taxation as follows:

	2015 HK$'000	2014 HK$'000
Profit before taxation	**53,881**	52,806
Tax at the applicable income tax rate*	**(13,470)**	(13,202)
Tax effect of expenses not deductible for tax purposes	**(3,491)**	(1,299)
Tax effect of income not taxable for tax purposes	**6**	–
Tax effect of tax exemption and tax concession granted to certain subsidiaries	**13,183**	7,160
Tax effect of tax losses not recognised	**(3,145)**	(2,964)
Withholding tax on undistributed earnings	**(693)**	(1,034)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(931)**	250
Underprovision in prior years	**–**	(2,120)
Tax charge and effective tax rate for the year	**(8,541)**	(13,209)

* The rate applied is the applicable tax rate in the PRC of 25% (2014: 25%) where the operation of the Group is substantially based.

12. DIVIDENDS

During the year, the final dividend for 2014 of HK1.7 cents (2013: HK1.6 cents) per share, totalling approximately HK$10,131,000 (2013: HK$9,108,000) was declared and paid to the shareholders.

The final dividend for 2015 of HK2.4 cents per share has been proposed by the Directors and is subject to approval by the shareholders at the annual general meeting. The proposed final dividend of approximately HK$15,115,000 is calculated on the basis of 629,771,076 shares in issue at the date of this report.

13. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to the owners of the Company and on the weighted average number of approximately 617,909,509 (2014: 576,845,732) shares in issue during the year.

	2015	2014
Profit attributable to equity holders of the Company (HK$'000)	**49,183**	39,533
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	**617,909**	576,846
Basic earnings per share	**HK7.96 cents**	HK6.85 cents

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing diluted earnings per share). No adjustment is made to earnings (numerator).

	2015	2014
Profit attributable to equity holders of the Company (HK$'000)	**49,183**	39,533
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	**617,909**	576,846
Effect of dilutive potential ordinary shares upon the exercise of share options (thousand shares)	**1,249**	1,772
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	**619,158**	578,618
Diluted earnings per share	**HK7.94 cents**	HK6.83 cents

14. INVESTMENT PROPERTIES

	HK$'000
Fair value	
At 1 October 2013	37,600
Net increase in fair value recognised in profit or loss during the year	26,880
At 30 September 2014	64,480
Net increase in fair value recognised in profit or loss during the year	8,180
At 30 September 2015	72,660

	2015	2014
	HK$'000	HK$'000
Investment properties held under medium-term leases are situated in		
— Macau	**68,370**	60,450
— PRC	**4,290**	4,030
	72,660	64,480

The fair value of the Group's investment properties at the end of the reporting period has been arrived at on the basis of a valuation carried out on that date by LCH (Asia-Pacific) Surveyors Limited, an independent qualified professional surveyor not connected with the Group. The professional surveyors of LCH (Asia-Pacific) Surveyors Limited are members of The Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar locations and conditions and taking into account the current rent receivables from the existing tenancy agreements.

14. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy

	Fair value measurements at 30 September 2015 using		
Description	**Quoted prices in active markets for identical assets (Level 1) HK$'000**	**Significant other observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**
Recurring fair value measurements			
Investment properties:			
— Office units — Macau	–	68,370	–
— Office units — PRC	–	4,290	–
	–	72,660	–

The Group's policy is to recognise transfers into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

Valuation techniques

For Macau and PRC office units, the valuation was determined using the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interests and the rate of return are market-derived) by taking into account the current rent receivables from the existing tenancy agreements and the reversionary potential of the property interests. The most significant inputs into this valuation approach are existing tenancy agreements and market values of the investment properties.

There were no changes to the valuation techniques during the year.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

At 30 September 2015 and 30 September 2014, the Group pledged all of its investment properties to certain banks to secure the credit facilities granted to the Group (note 26 to 28).

15. PROPERTY, PLANT AND EQUIPMENT

	The Group						
	2015						
	Land and buildings HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Plant and machinery HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1 October 2014	29,645	9,223	8,181	4,404	30,668	5,801	87,922
Currency realignment	(817)	(241)	(107)	(61)	(1,747)	(407)	(3,380)
Additions	–	170	–	506	3,034	8,606	12,316
Disposals	–	(29)	–	–	–	–	(29)
Transfer to assets classified as held for sale (note 23)	–	–	–	–	–	(5,051)	(5,051)
At 30 September 2015	28,828	9,123	8,074	4,849	31,955	8,949	91,778
ACCUMULATED DEPRECIATION							
At 1 October 2014	10,642	4,442	7,197	3,485	17,356	–	43,122
Currency realignment	(364)	(215)	(172)	(44)	(900)	–	(1,695)
Charges for the year	1,463	1,271	454	333	3,913	–	7,434
Disposals	–	(27)	–	–	–	–	(27)
At 30 September 2015	11,741	5,471	7,479	3,774	20,369	–	48,834
CARRYING VALUES							
At 30 September 2015	17,087	3,652	595	1,075	11,586	8,949	42,944
At 30 September 2014	19,003	4,781	984	919	13,312	5,801	44,800

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	The Group						
	2014						
	Land and buildings HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Plant and machinery HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1 October 2013	26,534	10,189	7,841	4,720	30,376	5,122	84,782
Currency realignment	(69)	(12)	5	(4)	(126)	(17)	(223)
Additions	3,402	3,629	892	140	2,635	696	11,394
Disposals	(222)	(4,583)	(557)	(452)	(2,217)	–	(8,031)
At 30 September 2014	29,645	9,223	8,181	4,404	30,668	5,801	87,922
ACCUMULATED DEPRECIATION							
At 1 October 2013	9,519	6,979	7,015	3,628	15,172	–	42,313
Currency realignment	(29)	2	5	(3)	(56)	–	(81)
Charges for the year	1,368	1,491	689	312	3,979	–	7,839
Disposals	(216)	(4,030)	(512)	(452)	(1,739)	–	(6,949)
At 30 September 2014	10,642	4,442	7,197	3,485	17,356	–	43,122
CARRYING VALUES							
At 30 September 2014	19,003	4,781	984	919	13,312	5,801	44,800
At 30 September 2013	17,015	3,210	826	1,092	15,204	5,122	42,469

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	2015 HK$'000	2014 HK$'000
Land and buildings held under medium-term leases are situated in		
— Macau	**5,304**	5,444
— PRC	**11,698**	13,427
— Vietnam	**85**	132
	17,087	19,003

At 30 September 2015, the Group pledged certain of its land and buildings with an aggregate carrying value of HK$12,860,000 (2014: HK$14,061,000) to certain banks to secure the credit facilities granted to the Group (note 26 to 28).

16. LAND USE RIGHTS

	2015 HK$'000	2014 HK$'000
Carrying amount		
At 1 October	**18,093**	18,672
Additions	**12,790**	–
Currency realignment	**(1,017)**	(65)
Charged to profit or loss during the year	**(646)**	(514)
Transferred to assets classified as held for sale (note 23)	**(15,172)**	–
At 30 September	**14,048**	18,093
Analysed for reporting purposes as:		
Current asset (included in trade and other receivables)	**304**	514
Non-current asset	**13,744**	17,579
	14,048	18,093
Land use rights held under medium-term leases are situated in		
— PRC	**306**	16,426
— Vietnam	**13,742**	1,667
	14,048	18,093

At 30 September 2015, the Group pledged certain of its PRC land use rights amounting to HK$306,000 (2014: HK$348,000) to banks to secure the credit facilities granted to the Group (note 26 to 28).

17. INTANGIBLE ASSETS

	Club membership HK$'000	Formula rights HK$'000	Customers relationship HK$'000	Total HK$'000
Cost				
At 1 October 2013	–	–	40,000	40,000
Acquisitions	1,596	1,600	–	3,196
At 1 October 2014	1,596	1,600	40,000	43,196
Exchange alignment	(46)	–	–	(46)
At 30 September 2015	1,550	1,600	40,000	43,150
Amortisation				
At 1 October 2013	–	–	4,000	4,000
Amortisation	5	320	4,000	4,325
At 1 October 2014	5	320	8,000	8,325
Amortisation	18	320	4,000	4,338
Exchange alignment	(1)	–	–	(1)
At 30 September 2015	22	640	12,000	12,662
Net book value at 30 September 2015	1,528	960	28,000	30,488
Net book value at 30 September 2014	1,591	1,280	32,000	34,871

Intangible assets represent (i) the established customers relationship, including current and potential customers network, key men, administrative, operational and sales team, acquired and is estimated to have an useful life of 10 years, (ii) club memberships acquired with both finite and indefinite useful lives, and (iii) Formula and know-how acquired for an estimated useful life of 5 years. The carrying amount as at 30 September 2015 represents the cost less accumulated amortization and impairment, if any.

17. INTANGIBLE ASSETS *(Continued)*

Customers relationship is reviewed for impairment by management annually by considering the fair value of the intangible asset and changes in market conditions. The fair value of customers relationship at the end of the reporting period has been arrived at on the basis of a valuation carried out on that date by International Valuation Limited ("IVL"), a professional member of the National Association of Certified Valuators and Analysts and independent professional valuer not connected with the Group. The valuation was determined by adopting a combination of income approach and the multi-period excess earnings method, under which the asset was valued after deducting a fair return on all other assets that are part of creating the related cash flows.

In the opinion of the directors, after taking into consideration of the above, no provision for impairment of the intangible asset of customers relationship and other intangible assets as at 30 September 2015 is considered necessary (2014: Nil).

18. INTEREST IN AN ASSOCIATE

	2015 **HK$'000**	2014 HK$'000
Goodwill acquired on acquisition	**7,056**	7,056
Share of net assets of associate:		
Beginning of the year	**–**	–
Addition	**–**	64
Share of profit/(loss), net of tax	**3,843**	(64)
End of the year	**3,843**	–
	10,899	7,056

The Group's interests in its principal associate, which is unlisted, are as follows:

Name	**Place of incorporation**	**Registered capital**	**Group's interest**
Blue Sky Energy Efficiency Company Limited	British Virgin Islands	Shares US$50,000	20%

18. INTEREST IN AN ASSOCIATE *(Continued)*

The summarised financial information of the associate for the year ended 30 September 2015 is as follows:

Summarised balance sheet (unaudited)	**2015** **HK$'000**	2014 HK$'000
Current assets	**20,798**	91
Non-current assets	**8**	10
Current liabilities	**(1,593)**	(115)

Summarised statement of comprehensive income (unaudited)	**2015** **HK$'000**	2014 HK$'000
Revenue	**20,608**	–
Profit/loss for the year	**19,227**	(334)
Other comprehensive income	**–**	–
Total comprehensive income	**19,227**	(334)

19. OTHER FINANCIAL ASSET

	2015	2014
	HK$'000	HK$'000
At 1 October	**12,710**	–
Additions through acquisition of an associate	**–**	13,880
Fair value changes	**(5,330)**	(1,170)
Profit guarantee, at fair value	**7,380**	12,710

The fair value of other financial assets represents profit guarantee arising from acquisition of an associate, Blue Sky Energy Efficiency Company Limited and its subsidiaries (the "Blue Sky Group").

On 2 May 2014, the Group acquired 20% equity interest of the Blue Sky Group. The total consideration was satisfied by way of cash settlement of HK$4,200,000 and the issue of convertible bonds with an aggregate nominal value of HK$16,800,000. Pursuant to the sale and purchase agreement, the profit guarantee for Blue Sky Group's total net profit after tax for the period of 24 months commencing from the date of completion, shall not be less than HK$30,000,000. In the event of guaranteed profit cannot be met, the shortfall amount will be compensated by vendor.

The fair value of profit guarantee of Blue Sky Group as at date of acquisition was approximately HK$13,880,000.

The fair values of the aforementioned profit guarantee are based on valuation performed by an independent professional qualified valuer, IVL, using a Black-Scholes model. Key inputs of the valuation as of 30 September 2015 were: (i) expected volatility of 70%, (ii) risk free rate of 0.06% and (iii) the value of the underlying asset representing the estimated actual profits of Blue Sky Group. The fair value of the other financial asset was determined by the probability and potential shortfall in guaranteed profits.

The other financial asset has been classified as current asset at the end of the reporting period accordingly to its maturity.

20. INVENTORIES

	2015 HK$'000	2014 HK$'000
Raw materials	**33,045**	30,999
Finished goods	**37,810**	37,957
	70,855	68,956

21. TRADE, BILLS AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000
Trade receivables	**118,857**	117,398
Bills receivables	**16,272**	9,213
	135,129	126,611
Value-added tax recoverable	**1,869**	1,428
Other receivables	**7,907**	11,059
Prepayments	**2,021**	1,140
Land use rights	**304**	514
	147,230	140,752

21. TRADE, BILLS AND OTHER RECEIVABLES *(Continued)*

Payment terms with customers are mainly on credit. Invoices are normally payable in 15 to 120 days (2014: 15 to 120 days) by the customers from date of issuance. The following is an aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period:

Age

	2015 **HK$'000**	2014 HK$'000
0 to 30 days	**66,649**	116,185
31 to 60 days	**35,773**	5,073
61 to 90 days	**22,112**	3,639
91 to 180 days	**9,383**	1,235
181 to 365 days	**955**	479
Over 1 year	**257**	–
	135,129	126,611

At 30 September 2015, included in the Group's trade receivable balances are balances with aggregate carrying amount of HK$3,469,000 (2014: HK$3,740,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired is as follows:

Age

	2015 **HK$'000**	2014 HK$'000
0 to 30 days	**1,163**	1,351
31 to 60 days	**438**	1,177
61 to 90 days	**1,214**	790
91 to 180 days	**384**	422
181 to 365 days	**270**	–
Over 1 year	**–**	–
	3,469	3,740

21. TRADE, BILLS AND OTHER RECEIVABLES *(Continued)*

In determining the recoverability of the trade receivables, the Group monitors change in the credit quality of the trade receivables since the credit was granted and up to the end of the reporting period.

Included in trade and other receivables are the following amounts denominated in currencies other than the functional currency of the relevant group companies.

	2015	2014
	HK$'000	HK$'000
United States dollar	**61,047**	58,035
Renminbi	**51,789**	50,545
New Taiwan dollar	**2,658**	3,318
Indonesia Rupiah	**7,789**	–
	123,283	111,898

22. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. Bank balances carry interest at the prevailing market interest rate ranging from 0.01% to 1.5% per annum at 30 September 2015 (2014: 0.01% to 1.5%). The pledged bank deposits carry interest at the prevailing market interest rate ranging from 0.01% to 0.85% per annum at 30 September 2015 (2014: 0.01% to 0.85%). Pledged bank deposits are used to secure certain bills payables, bank overdrafts, short-term bank loans and current portion of secured long-term bank loans and are therefore classified as current assets.

Included in pledged bank deposits and bank balances and cash are the following amounts denominated in currency other than the functional currency of the relevant group companies.

	2015	2014
	HK$'000	HK$'000
United States dollar	**25,135**	26,787
Renminbi	**9,204**	7,890
Indonesia Rupiah	**3,332**	1,150
	37,671	35,827

23. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

As disclosed in note 39, the Group conditionally agreed to dispose of its entire interest in Zhong Bu Centresin (Guangzhou) Company Limited through the disposal of You Cheng Development Limited. The directors determine the disposal is highly probable and thus, the relevant assets and liabilities of You Cheng Development Limited and Zhong Bu Centresin (Guangzhou) Company Ltd. are classified to assets classified as held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations". Details of the relevant assets and liabilities of You Cheng Development Limited and Zhong Bu Centresin (Guangzhou) Company Limited as at 30 September 2015 are as follow:

	HK$'000
Property, plant and equipment (note 15)	**5,051**
Land use right (note 16)	**15,172**
Other receivables	**123**
Bank balances and cash	**386**
Total assets classified as held for sale	**20,732**

24. TRADE, BILLS AND OTHER PAYABLES

	2015 **HK$'000**	2014 HK$'000
Trade payables	**32,559**	32,661
Bills payables — secured	**294**	2,133
	32,853	34,794
Customers' deposits received	**1,246**	1,485
Accruals	**23,265**	9,184
Others	**2,963**	728
	60,327	46,191

24. TRADE, BILLS AND OTHER PAYABLES *(Continued)*

The Group normally receives credit terms of 30 to 60 days from its suppliers. The following is an aged analysis of trade and bills payables based on the invoice date at the end of the reporting period:

Age

	2015 HK$'000	2014 HK$'000
0 to 30 days	**26,185**	30,970
31 to 60 days	**6,138**	3,647
61 to 90 days	**184**	130
91 to 180 days	**346**	47
	32,853	34,794

Included in trade and other payables are the following amounts denominated in currency other than the functional currency of the relevant group companies.

	2015 HK$'000	2014 HK$'000
Euro	**–**	375
New Taiwan dollar	**–**	207
Renminbi	**33,004**	28,538
United States dollar	**17,292**	14,598
Indonesia Rupiah	**1,643**	95
Vietnam Dong	**1,638**	683
	53,577	44,496

25. AMOUNT DUE TO A RELATED COMPANY

The amount due to Easy Ray Holdings Limited, a company which is controlled by Mr. Ieong Un, is unsecured, interest-free and is repayable on demand.

26. SECURED LONG-TERM BANK LOANS

The bank loans are repayable as follows:

	2015	2014
	HK$'000	HK$'000
Carrying amount that contains a repayment on demand clause		
— repayable within one year*	**14,812**	18,561
— repayable after one year from the end of the reporting period*	**9,402**	25,486
	24,214	44,047
Less: Amounts shown under current liabilities	**(24,214)**	(44,047)
	–	–

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The long-term bank loans carry variable interests at the best lending rate in Macau or Hong Kong Interbank Borrowing Rate ("HIBOR"). At 30 September 2015, the Group had variable rate bank loans which carry effective interest at 3.59% (2014: 3.59%) per annum.

At 30 September 2015, the Group had available credit facilities amounting to HK$90,656,000 (2014: HK$58,658,000).

All long-term bank loans are denominated in HK$.

27. SECURED SHORT-TERM BANK LOANS

	2015 HK$'000	2014 HK$'000
Short-term bank loans	–	3,000
Trust receipt loans	–	2,982
	–	5,982

The short-term bank loans and trust receipt loans carry variable interests at the best lending rate in Macau, or HIBOR, or at rates offered by the People's Bank of China.

Included in short-term bank loans and trust receipt loans are the following amounts denominated in currency other than the functional currency of the relevant group companies.

	2015 HK$'000	2014 HK$'000
United States dollar	–	2,982

28. BANK OVERDRAFTS — SECURED

At 30 September 2015, there was no bank overdraft adopted by the Group (2014: bank overdrafts carrying interest at the prevailing market rates ranging from 2.75% to 5.5% per annum).

29. DEFERRED TAXATION

The following is the deferred taxation recognised and movements thereon during the year:

	Withholding tax on undistributed earnings HK$'000	**Revaluation surplus of investment properties** HK$'000	**Total** HK$'000
At 1 October 2014	3,197	8,130	11,327
Currency realignment	(126)	–	(126)
Charged to profit or loss during the year (note 11)	693	951	1,644
At 30 September 2015	3,764	9,081	12,845

	Withholding tax on undistributed earnings HK$'000	**Revaluation surplus of investment properties** HK$'000	**Total** HK$'000
At 1 October 2013	2,155	4,887	7,042
Currency realignment	8	–	8
Charged to profit or loss during the year (note 11)	1,034	3,243	4,277
At 30 September 2014	3,197	8,130	11,327

Also, at 30 September 2015, the Group had tax losses of HK$28,632,000 (2014: HK$19,412,000) not recognised as deferred tax asset as it is not probable that taxable profit will be available against which the tax losses can be utilised.

30. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 October 2013, 30 September 2014 and 30 September 2015	5,000,000,000	50,000
Issued and fully paid:		
At 1 October 2013	569,230,769	5,692
Issue of shares upon conversion of convertible bonds	21,000,000	210
Issue of shares upon exercise of warrants	5,692,307	57
At 30 September 2014	595,923,076	5,959
Issue of shares by subscription	50,000,000	500
Issue of shares upon exercise of share options	448,000	4
Repurchase of shares and cancelled	(3,740,000)	(37)
At 30 September 2015	642,631,076	6,426

On 7 May 2015, 50,000,000 ordinary shares of HK$1.6 each were issued and allotted to a subscriber upon the completion of subscription of new shares. All these shares rank pari passu with the existing shares in all respects.

During the year ended 30 September 2015, the Company repurchased a total of 4,740,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited of which 3,740,000 shares were cancelled during the year and 1,000,000 shares were cancelled on 9 November 2015. Particulars of the shares repurchased during the year are as follows:

	No. of ordinary shares	Price per share Highest	Price per share Lowest	Aggregate consideration and other costs paid
	(thousand shares)	HK$	HK$	HK$'000
August 2015	4,740	1.10	0.57	3,699

31. SHARE OPTION SCHEME AND SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to a resolution passed on 22 July 2010, the Company adopted a share option scheme (the "Option Scheme"), which will expire on 21 July 2020, for the purpose of providing incentives or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest. Under the Option Scheme, the directors of the Company may grant options to any employees (including any executive directors), non-executive directors, suppliers of goods or services and customers of the Group; and consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Group.

Options granted must be accepted by an eligible person within 21 business days from the date of grant, provided that such date shall not be more than 10 years after the date of adoption of the Option Scheme. A consideration of HK$1 is payable on acceptance. An option may be exercised in whole or in part by the grantee (or his legal personal representatives) at any time before the expiry of the period to be determined and notified by the Board of Directors to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such ten-year period subject to the provisions for early termination as contained in the Option Scheme. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant. The maximum number of shares in respect of which options may be granted under the Option Scheme may not exceed in nominal amount of 10% of issued share capital of the Company at any point of time without prior approval from the Company's shareholders. Besides, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point of time.

31. SHARE OPTION SCHEME AND SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share options

On 16 June 2015, an independent third party, which acted as the Group's subscription and placing agent, was granted 5,000,000 share options at an exercise price of HK$1.788 per share.

On 30 May 2014, the directors, employees of the Group and other individuals were granted 5,480,000 share options at an exercise price of HK$0.9 per share.

Summary details of the movement of the share options of the Company during the year ended 30 September 2015 are set out as follows:

				Number of share options				
Category	Date of Grant	Exercise Date/ Period	Exercise Price per Share	Balance as at 1.10.2014	Granted during the Year	Exercised during the Year (Note 5)	Lapsed during the Year	Balance as at 30.9.2015
Executive Directors	30.5.2014	(Note 1)	HK$0.90	140,000	–	(140,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	140,000	–	–	–	140,000
	30.5.2014	(Note 3)	HK$0.90	140,000	–	–	–	140,000
	30.5.2014	(Note 4)	HK$0.90	180,000	–	–	–	180,000
Sub-total				600,000	–	–	–	460,000
Independent Non-executive Directors	30.5.2014	(Note 1)	HK$0.90	28,000	–	(28,000)	–	–
	30.5.2014	(Note 2)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 3)	HK$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK$0.90	36,000	–	–	–	36,000
Sub-total				120,000	–	–	–	92,000
Employees and other individuals	30.5.2014	(Note 1)	HK$0.90	1,552,000	–	(280,000)	(68,000)	1,204,000
	30.5.2014	(Note 2)	HK$0.90	1,912,000	–	–	(168,000)	1,744,000
	30.5.2014	(Note 3)	HK$0.90	1,152,000	–	–	(88,000)	1,064,000
	30.5.2014	(Note 4)	HK$0.90	144,000	–	–	(12,000)	132,000
Others	16.6.2015	16.6.2015 to 15.6.2017	HK$1.788	–	5,000,000	–	–	5,000,000
Sub-total				4,760,000	5,000,000	(280,000)	(336,000)	9,144,000
Total				5,480,000	5,000,000	(448,000)	(336,000)	9,696,000

31. SHARE OPTION SCHEME AND SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share options *(Continued)*

Notes:

1. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2015 to 31 December 2018.

2. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2016 to 31 December 2018.

3. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2017 to 31 December 2018.

4. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2018 to 31 December 2018.

5. The weighted average closing price of the Company's shares on the dates when the share options were exercised was HK$1.78 (2014: Nil).

The fair value of the options granted on 16 June 2015 to an independent subscription and placing agent was determined by an independent valuer, LCH (Asia-Pacific) Surveyors Limited, using the Monte Carlo method. The following principal assumptions were adopted in the valuation.

Spot price	HK$1.690
Exercise price	HK$1.788
Annual risk-free interest rate	0.45%
Expected option life	2 years
Expected dividend yield	2.5%
Expected volatility	49%
Fair value at grant date	HK$1,890,000

The expected volatility was determined based on the historical volatility of the share price of the Company.

Share-based payments recognised to profit and loss

In total, approximately HK$866,000 (2014: HK$541,000) of share-based payment expense has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2015, representing remunerations to directors, employees and individuals for their services rendered to the Group, the corresponding amount of which has been credited to share option reserve.

Besides, approximately HK$1,890,000 (2014: Nil) of share based payment expense has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2015, representing remuneration to an independent subscription and placing agent for its professional services rendered to the Group, the corresponding amount of which has been credited to share option reserve.

32. CONVERTIBLE BONDS AND WARRANTS

On 11 April 2014, a subsidiary of the Group entered into an agreement with Shiny Meadow Limited (the "Vendor") to acquire 20% of the entire issued share capital of Blue Sky Energy Efficiency Company Limited at a consideration of HK$21,000,000 (the "Acquisition"). Pursuant to the Acquisition agreement, the Group agreed to pay HK$4,200,000 in cash and the remaining balance HK$16,800,000 by procuring the Company to issue convertible bonds to the Vendor or its nominees (the "Convertible Bonds"). The Convertible Bonds with a maturity of 2 years will entitle the holders thereof to convert into 21,000,000 Conversion Shares at the Conversion Price of HK$0.80 per share.

On the same date, the Group entered into another agreement with Gu Guoying (the "Arranger") to procure for the services in connection with the Acquisition. Pursuant and subject to the fulfillment of the conditions under the Arranger agreement, the Group procures the Company to allot and issue 5,692,307 Warrants to subscribe for up to 5,692,307 Warrant Shares at the Exercise Price of HK$0.80 per share.

The Acquisition was completed on 2 May 2014. Details regarding the Acquisition and the Arranger's transactions are disclosed in the Company's announcements dated 11 April 2014 and 2 May 2014 respectively.

On 22 May 2014, convertible bonds in the principal amount of approximately HK$16,800,000 were converted into 21,000,000 ordinary shares of the Company of HK$0.8 each.

On 25 September 2014, warrants in the principal amount of approximately HK$4,554,000 were exercised by the Arranger to subscribe for 5,692,307 ordinary shares of the Company of HK$0.8 each.

As at 30 September 2014 and 30 September 2015, all outstanding convertible bonds have been converted and all outstanding warrants have been exercised.

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Rented premises and leasehold land	
	2015	2014
	HK$'000	HK$'000
Within one year	**2,142**	3,998
In the second to fifth year inclusive	**325**	2,891
After five years	**–**	–
	2,467	6,889

Commitment for operating lease rentals for rented premises in the above included commitment with Mr. Ieong Un as follows:

	2015	2014
	HK$'000	HK$'000
Within one year	**649**	1,581
In the second to fifth year inclusive	**–**	672
	649	2,253

33. OPERATING LEASE ARRANGEMENTS *(Continued)*

The Group as lessor

	Rented premises	
	2015	2014
	HK$'000	HK$'000
Within one year	**619**	1,074
In the second to fifth year inclusive	**34**	119
	653	1,193

34. CAPITAL COMMITMENTS

	2015	2014
	HK$'000	HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	**20,972**	12,093

35. RETIREMENT BENEFITS SCHEME

The employees employed by the operations in Macau are members of the government-managed retirement benefits schemes operated by the Macau government. The Macau operations are required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the Macau government is to make the required contributions under the schemes.

The employees of the Group's PRC and Vietnam subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC and Vietnam government respectively. The PRC and Vietnam subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

The total cost charged to profit or loss of HK$4,707,000 (2014: HK$4,063,000) represents contributions paid or payable to these schemes by the Group in respect of the current accounting period.

36. RELATED PARTY TRANSACTIONS

Save as the amount due to a related company disclosed in note 25, during the year, the Group had the following significant transactions with related parties:

	2015 HK$'000	2014 HK$'000
Property rental expenses paid to Mr. Ieong Un	1,556	1,508
Property rental income received from a related company, which is controlled by Mr. Ieong Un	46	45

The details of remuneration of key management personnel of the Group include the directors whose emoluments during the year are set out in note 10.

37. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

As at 30 September 2015, the carrying amounts of the Company's investments in subsidiaries, share capital and reserves amounted to approximately HK$119,019,000, HK$6,426,000 and HK$266,699,000 (2014: approximately HK$119,019,000, HK$5,959,000 and HK$212,787,000) respectively.

38. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are wholly-owned by the Company, at the end of both reporting periods are as follows:

Name of subsidiary	Place of incorporation/ establishment/operations	Nominal value of issued and fully paid share capital/ registered capital/ charter capital/ quota capital	Principal activities
Keen Castle Limited*	British Virgin Islands	Shares — US$2,000	Investment holding
Companhia De Comercial Desenvolvimento Grace Power Polymer Limitada	Macau	Quota capital — MOP100,000	Trading of electronic adhesive products
Great Oasis International Limited	British Virgin Islands/ Macau	Shares — US$100	Trading of raw materials and adhesive products
Iao Son Hong Tinta e Vernizes Limitada	Macau	Quota capital — MOP900,000	Provision of agency services for the Group's raw materials procurement and distribution of adhesive products
Infinity Quimica Commercial Offshore de Macau Limitada	Macau	Quota capital — MOP100,000	Provision of promotion, marketing, R&D, technical assistance and administrative support services
PT. Zhong Bu Adhesive Indonesia	Republic of Indonesia	Paid up capital — US$300,000	Processing and packaging of adhesive products
Zhong Bu (Centresin) Adhesive & Chemical Co., Ltd	Socialist Republic of Vietnam	Charter capital — US$2,869,000	Processing and packaging of adhesive products
珠海市澤濤黏合製品有限公司 (Zhuhai Centresin Chemical Product Company Ltd)	PRC for a term of 30 years commencing 29 July 1999 as a wholly foreign owned enterprise	Registered capital — HK$31,000,000	Manufacture of adhesive products
中山信諾黏合製品有限公司 (Zhongshan Macson Chemical Product Company Ltd)	PRC for a term of 35 years commencing 22 September 1998 as a wholly foreign owned enterprise	Registered capital — HK$7,000,000	Manufacture of adhesive products
中部樹脂(廣州)有限公司 (Zhong Bu Centresin (Guangzhou) Company Limited)	PRC for a term of 50 years commencing 10 December 2009 as a wholly foreign owned enterprise	Registered capital — US$3,360,000	Note**
廣州市雅威貿易有限公司 (Guangzhou Shi Yawei Trading Company Limited)	PRC for a term of 38 years commencing 15 August 2004 as a wholly foreign owned enterprise	Registered capital — RMB1,500,000	Trading of electronic adhesive products

* Directly held by the Company.

** The subsidiary will be disposed of after year 2015.

38. PRINCIPAL SUBSIDIARIES *(Continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the reporting period or at any time during the year.

39. EVENTS AFTER THE REPORTING PERIOD

On 30 September 2015, an indirect wholly-owned subsidiary of the Company and an independent purchaser entered into a share sale agreement, pursuant to which the Group has agreed to sell and the purchaser has agreed to purchase the entire issued share capital of You Cheng Developments Limited, which holds 100% interest in Zhong Bu Centresin (Guangzhou) Company Limited ("the disposed subsidiary group"), for a consideration of RMB20,800,000. Upon completion of the disposal on 20 October 2015, the disposed subsidiary group ceased to be subsidiaries of the Company and the financial information of the disposed subsidiary group ceased to be consolidated into the accounts of the Company.

On 12 October 2015, the Company entered into a non-legally binding memorandum of understanding with 株洲變流技術國家工程研究中心有限公司 (transliterated as Zhuzhou National Engineering Research Centre of Converters Co., Ltd.#) (the "ZNERCC") and entered into a non-legally binding cooperation agreement with ZNERCC and 湖南城石智能科技有限公司 (transliterated as Hunan Changsha Intelligent Technology Co. Ltd.#) in respect of the possible cooperation in photovoltaics system project(s). Details of the transaction were disclosed in the Company's announcement dated 12 October 2015. A project was concluded with a total investment cost of RMB13,900,000 which will be funded by internal resources.

After the year ended 30 September 2015, the Company repurchased a further 11,860,000 ordinary Shares and cancelled 12,860,000 Shares, of which 1,000,000 Shares were repurchased during the year ended 30 September 2015. Up to the date of this report, a total of 16,600,000 ordinary shares had been repurchased and cancelled.

On 25 November 2015, the Company proposed to change the English name of the Company from "Infinity Chemical Holdings Company Limited" to "Infinity Development Holdings Company Limited" and the Chinese name "星謙發展控股有限公司" be adopted as the dual foreign name of the Company in place of its existing Chinese name "星謙化工控股有限公司". Approvals have been obtained from the Shareholders at the extraordinary general meeting held on 23 December 2015 and the new name will be used after the approval from the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong.

The English translation of Chinese names or words in this report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

40. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are discussed below:

Estimate of fair value of investment properties

The Group carries its investment properties at fair value with changes in the fair value recognised in profit or loss. It obtains bi-annual valuation. At the end of each reporting period, the management updated their assessment of the fair value of each property, taking into account the most recent independent valuations. The key assumptions used in this determination and the sensitivity of the Directors' estimates of these assumptions to the carrying amount of the investment property are set out in Note 14.

Useful lives of property, plant and equipment

The Directors determine the estimated useful lives and residual values for its property, plant and equipment. The Directors revise the depreciation charge when useful lives are different from previous estimates. Obsolete or non-strategic assets, that have been abandoned or sold, shall be written off or written down.

Impairment of intangible and non-financial assets

Included in the consolidated statement of financial position as at 30 September 2015 are intangible assets in relation to club membership, formula and know-how and customers relationship.

The Group tests annually whether other non-financial assets have suffered any impairment in accordance with the accounting policy stated in Note 4. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, which has been prepared on the basis of management's assumptions and estimates.

Estimated provision for doubtful debts

The Group makes provision for doubtful debts based on an assessment of the recoverability of trade and other receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgment and estimate. Where the expectation is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

40. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

Share-based payments

The fair value of option granted is measured using the Trinomial model based on various assumptions on volatility, option life and nature, dividend yield and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair values of the share options at date of grant.

Valuation of other financial assets

As part of the identifiable asset acquired in business combinations as set out in notes 19 of the consolidated financial statements, profit guarantee is valued at fair value at the acquisition date with the best estimates of the future outcome of the future events. Where the profit guarantee meets the definition of a financial asset, it is subsequently re-measured to fair value at the end of each reporting period. The determination of the fair value is based on the expected potential shortfall in profit as an equivalent to the value of a put option under the Black-Scholes model.

Financial Summary

	Year ended 30 September				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Restated)	(Restated)			
RESULTS					
Turnover	373,554	402,925	452,395	499,148	**543,632**
Profit before taxation	26,231	26,890	39,975	52,806	**53,881**
Share of (loss)/profit of an associate	–	–	–	(64)	**3,843**
Taxation	(2,722)	(2,409)	(5,867)	(13,209)	**(8,541)**
Profit for the year	23,509	24,481	34,108	39,533	**49,183**

	As at 30 September				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Restated)	(Restated)			
ASSETS AND LIABILITIES					
Total assets	313,023	316,845	381,307	446,994	**536,699**
Total liabilities	(126,957)	(109,361)	(110,053)	(123,724)	**(108,509)**
Net assets	186,066	207,484	271,254	323,270	**428,190**

The results and summary of assets and liabilities for each of the two years ended 30 September 2011 and 30 September 2012 have been restated as a result of the adoption of HKAS 12 (Amendment) in 2013.

The results and summary of assets and liabilities for the year ended 30 September 2012 have been further restated as result of the adoption of Merger Accounting to reflect the acquisition of subsidiaries under common control which took place in 2013. There is no impact on the financial results of prior years.