



Infinity Development Holdings Company Limited
星謙發展控股有限公司

Formerly known as "Infinity Chemical Holdings Company Limited"

Incorporated in the Cayman Islands with limited liability
Stock Code : 640

Infinity
Development

Interim Report **2016**

Contents

Corporate Information	2
Management Discussion and Analysis	4
Other Information	13
Independent Review Report	18
Condensed Consolidated Statement of Profit or Loss	20
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
Condensed Consolidated Statement of Financial Position	22
Condensed Consolidated Statement of Changes in Equity	24
Condensed Consolidated Statement of Cash Flows	26
Notes to the Condensed Consolidated Financial Statements	27

Corporate Information

DIRECTORS

Executive Directors

Mr. Jeong 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

RSM Hong Kong
29th Floor, Lee Garden Two
28 Yun Ping Road, Causeway Bay
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

Rua de Pequim No. 202A–246
Macau Finance Centre
16 Andar A–D, 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 KY1-1110
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
First Commercial Bank, Macau Branch
Bank Sinopac Company Limited,
Macau Branch

CORPORATE WEBSITE

www.infinitydevelopment.com.hk

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE: 00640

Management Discussion and Analysis

RESULTS

The Group's revenue for the six months ended 31 March 2016 (the "Period") was approximately HK\$252,305,000 (2015: HK\$268,156,000), representing an decrease of 5.91% over last Period. Profit attributable to the owners of the Company amounted to approximately HK\$20,803,000 (2015: HK\$27,049,000), representing an decrease of approximately 23.09% as compared to last Period. During the Period, except PRC, the sales of the Group recorded a growth in major regions and the selling prices of our products remained relatively stable.

During the Period, the Group recorded a gross profit and profit from operations of approximately HK\$91,747,000 (2015: HK\$79,200,000) and approximately HK\$17,155,000 (2015: HK\$30,475,000) respectively.

Benefiting from the effective implementation of production cost control, the gross profit margin was increased. The increase in gross profit of approximately HK\$12,547,000 exceeded the increase in selling and distribution costs and administrative expenses, totalling of approximately HK\$9,713,000.

Excluding the net of tax effects of the changes in fair value of investment properties and other financial asset of approximately HK\$3,130,000 loss (2015: HK\$6,210,000 gain), and approximately HK\$6,934,000 loss (2015: HK\$2,347,000 loss), the profit from operations would be recorded approximately HK\$27,219,000, representing slightly increase of approximately HK\$607,000 as compared to last Period of approximately HK\$26,612,000.

During the Period, profit attributable to the owners of the Company amounted to approximately HK\$20,803,000 (2015: HK\$27,049,000). Basic and diluted earnings per Share were HK3.27 cents and HK3.27 cents (2015: HK4.54 cents and HK4.53 cents) respectively.

BUSINESS REVIEW AND PROSPECTS

Businesses

The Group is principally engaged in the manufacturing and sales of adhesives, primers, hardeners, vulcanised 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 vulcanised shoes adhesives are used for bonding all components of vulcanised 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. *Vulcanised shoes adhesive related products and other shoe adhesives*

During the Period, the sales revenue generated from this product category was approximately HK\$182,509,000 (2015: HK\$178,773,000), representing approximately 72.34% of the Group's total revenue.

2. *Primers*

During the Period, the sales revenue generated from this product category was approximately HK\$27,879,000 (2015: HK\$25,920,000), representing approximately 11.05% of the Group's total revenue.

3. *Hardeners*

During the Period, the sales revenue generated from this product category was approximately HK\$11,875,000 (2015: HK\$28,832,000), representing approximately 4.71% of the Group's total revenue.

4. *Electronic adhesives related products*

During the Period, the sales revenue generated from this product category was approximately HK\$27,742,000 (2015: HK\$15,629,000), representing approximately 11.00% of the Group's total revenue.

Our Group has been appointed by a renowned chemical company in USA 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 expected 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 Period, by region, the revenue in the PRC market decreased by 21.71% over last Period to approximately HK\$91,774,000 (2015: HK\$117,216,000), representing approximately 36.37% of the Group's total revenue.

The Directors expected that the relevant market would continually drop in the coming year.

2. *The Vietnam market*

During the Period, by region, the revenue in the Vietnam market increased by 5.85% over last Period to approximately HK\$129,814,000 (2015: HK\$122,639,000), representing approximately 51.45% of the Group's total revenue.

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

3. *The Indonesia market*

During the Period, by region, the revenue in the Indonesia market increased by 14.16% over last Period to approximately HK\$17,197,000 (2015: HK\$15,064,000), representing approximately 6.82% of the Group's total revenue.

The Directors expected that the relevant market would grow at a steady growth in the coming year.

4. *The Bangladesh market*

During the Period, by region, the revenue in the Bangladesh market increased by 2.14% over last Period to approximately HK\$13,520,000 (2015: HK\$13,237,000), representing approximately 5.36% of the Group's total revenue.

The Directors expected that the relevant market would maintain a steady pace 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, its existing plant is located to increase capacity for the installation of additional production equipment that to enhance the production capacity. 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 six months ended 31 March 2016, the Group's working capital requirement was principally financed by its internal resources and banking facilities and fund raising.

As at 31 March 2016, the Group had cash and bank balances and deposits, net current assets and total assets less current liabilities of approximately HK\$129,059,000 (30 September 2015: HK\$116,327,000), approximately HK\$213,465,000 (30 September 2015: HK\$266,860,000) and approximately HK\$427,796,000 (30 September 2015: HK\$441,035,000) respectively.

As at 31 March 2016, the Group had total bank borrowings except bills payable, on floating interest rates basis, of approximately HK\$44,441,000 (30 September 2015: HK\$24,214,000). 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, were mainly for business expansion, capital expenditure and working capital purposes.

Total equity attributable to owners of the Company as at 31 March 2016 decreased by approximately HK\$12,811,000 to approximately HK\$415,379,000. The gearing ratio (calculated as the ratio of total borrowings: total assets) of the Group as at 31 March 2016 was approximately 0.08 (30 September 2015: 0.05).

As at 30 September 2015, among the net proceeds of approximately HK\$77,000,000 from the top-up placing (the "Top-up Placing") under general mandate, details of which are disclosed in the announcement of the Company dated 24 April 2015, approximately HK\$42,000,000 was used for general working capital purposes of the Group for the purchase of raw materials; and the remaining balance of approximately HK\$35,000,000 was deposited to interest-bearing accounts with licensed bank(s) in Hong Kong and Macau and is intended to be used for general working capital purposes of the Group.

As at 31 March 2016, the remaining balance of the net proceeds of the Top-up Placing of approximately HK\$35,000,000 was used for general working capital purposes of the Group for the purchase of raw materials.

On 6 June 2015, the Group granted 5,000,000 share options at HK\$1.788 per share to an eligible person under the share option scheme of the Company adopted on 22 July 2010 (the "2010 Scheme") and these 5,000,000 share options are outstanding under the 2010 scheme as at 31 March 2016.

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.

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 (“Blue Sky”, which together with its subsidiaries, the “Blue Sky Group”) 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.

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\$446,000 has been recognised as other financial assets.

In April 2016, Blue Sky Group has successfully recorded sales of two energy-efficiency contracts and recorded revenue of approximately HK\$15,000,000 and has been progressively diversified to invest in photovoltaics system project.

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.

In view of the positive progress of the Blue Sky Group being progressively diversified from energy-efficiency contracts to invest in photovoltaics system project since second half year in 2015, the Group expects it can bring positive contribution in coming future.

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, of which 70% amounting to RMB9,730,000 was contributed by the Company and will be funded by internal resources. As the Company is still in the process of setting up a new subsidiary company in the PRC to run this project, the investment has been classified as other receivable. In April 2016, the construction of the grid-connected photovoltaic power system is completed and the application of connection to the utility grip is in progress.

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 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 31 March 2016, the negotiation of the terms of the joint venture arrangement was still in progress.

Acquisition and Disposal of Subsidiaries and Associated Companies

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 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 Period.

Employee Information

As at 31 March 2016, the Group employed a total of 400 (2015: 367) 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 period, the staff costs (including Directors' emoluments) amounted to approximately HK\$27,633,000 (2015: HK\$21,066,000).

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 the 2010 Scheme, 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 period, no options have been granted. Save for 1,948,000 Share Options which were exercised by the holders thereof and 176,000 Share Options which were lapsed, no Share Options have been exercised pursuant to the 2010 Scheme during the period. 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 2,572,000 share options outstanding which were granted to Directors and employee of the Group under the 2010 Scheme as at 31 March 2016.

Charges on Group Assets

As at 31 March 2016, certain interests in land use rights, land and buildings and investment properties held under medium-term leases of approximately HK\$73,478,000 (30 September 2015: HK\$85,826,000) and bank deposits of HK\$22,655,000 (30 September 2015: HK\$21,977,000) were pledged to banks for bank borrowings totaling approximately HK\$44,441,000 (30 September 2015: HK\$24,214,000) granted to the Group.

Future Plans for Material Investments and Expected Sources of Funding

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 Company’s prospectus dated 29 July 2010 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 31 March 2016, the Group had capital commitments of approximately HK\$13,032,000 (30 September 2015: HK\$20,972,000) in respect of the acquisition of property, plant and equipment.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2016.

Events after the reporting Period

Save as disclosed below and elsewhere under the section headed “Management Discussion and Analysis”, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2016 and up to the date of this report:

On 7 June 2016, an eligible participant was granted 6,000,000 share options of an exercise price of HK\$1.30 per share.

Other information

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

As at 31 March 2016, 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 shares of the Company

Name of Director	Capacity	Number of Shares	Position	Percentage of shareholding
Mr. Jeong Un (note)	Interest in controlled corporation	342,500,000	Long	54.22%
	Beneficial owner	78,902,769	Long	12.49%
Mr. Ip Ka Lun	Beneficial owner	56,000	Long	0.009%
Mr. Ip Chin Wing	Beneficial owner	56,000	Long	0.009%
Mr. Stephen Graham Prince	Beneficial owner	56,000	Long	0.009%
Mr. Tong Yiu On	Beneficial owner	56,000	Long	0.009%
Mr. Chan Wing Yau, George	Beneficial owner	56,000	Long	0.009%

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. Jeong. By virtue of the SFO, Mr. Jeong is deemed to be interested in 342,500,000 Shares held by All Reach.

(ii) Interests in share options of the Company

Name of Director	Number of options directly beneficially owned
Mr. Jeong Un	64,000
Mr. Ip Ka Lun	64,000
Mr. Ip Chin Wing	64,000
Mr. Stephen Graham Prince	64,000
Mr. Tong Yiu On	64,000
Mr. Chan Wing Yau, George	64,000

Other information

(iii) 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. Jeong Un	Beneficial owner	Long	100	100%

Save as disclosed above, as at 31 March 2016, 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 31 March 2016, 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	54.22%
Chan Sut Kuan (“Mrs. Jeong”) (notes 1 and 2)	Interest of spouse	421,402,769	Long	66.71%

Notes:

1. All Reach Investments Limited is directly, wholly and beneficially owned by Mr. Jeong. By virtue of the SFO, Mr. Jeong, an executive Director, is deemed to be interested in the entire 342,500,000 Shares held by All Reach Investments Limited. Mr. Jeong is in person beneficially owns 78,902,769 Shares. Mrs. Jeong is the spouse of Mr. Jeong and is therefore deemed to be interested in the 421,402,769 Shares held by Mr. Jeong.
2. According to the laws of Macau, the regime of matrimonial property of Mr. Jeong and Mrs. Jeong is community (共同財產制).

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 of the Company dated 29 July 2010.

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 Period are set out as follows:

Name of Grantee/Category	Date of Grant	Exercise Date/Period	Exercise Price per Share	Number of share options				
				Outstanding as at 1.10.2015	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 31.3.2016
Executive Directors								
Mr. Leong 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	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	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	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	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	36,000	–	–	–	36,000
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	36,000	–	–	–	36,000
Others								
Employees and other individuals	30.5.2014	(Note 4)	HK\$0.90	1,204,000	–	(1,172,000)	(20,000)	12,000
	30.5.2014	(Note 1)	HK\$0.90	1,744,000	–	(608,000)	(84,000)	1,052,000
	30.5.2014	(Note 2)	HK\$0.90	1,064,000	–	–	(68,000)	996,000
	30.5.2014	(Note 3)	HK\$0.90	132,000	–	–	(4,000)	128,000
Others	16.6.2015	16.6.2015 to 15.6.2017	HK\$1.788	5,000,000	–	–	–	5,000,000
Total				9,696,000	–	(1,948,000)	(176,000)	7,572,000

Other information

Notes:

1. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2016 to 31 December 2018.
2. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2017 to 31 December 2018.
3. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2018 to 31 December 2018.
4. Subject to fulfillment of the pre-determined vesting conditions, the options shall be exercisable from 1 January 2015 to 31 December 2018.

MATERIAL LITIGATION

As at 31 March 2016, the Group had no material litigation or arbitration pending (as at 31 March 2015: Nil).

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

During the six months ended 31 March 2016, the Company repurchased a total of 11,860,000 ordinary Shares on the Stock Exchange, all of which were cancelled during the Period. Particulars of the Shares repurchased during the Period are as follows:

	No. of ordinary Shares '000	Price per Share Highest HK\$	Lowest HK\$	Aggregate consideration and other costs paid HK\$'000
October 2015	4,208	1.45	1.38	5,962
November 2015	7,652	1.40	1.30	10,269

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 March 2016 (2015: Nil).

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 Period.

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. Jeong Un has been performing both the roles of Chairman and Chief Executive Officer. Mr. Jeong is the founder of the Group and has over 20 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.

AUDIT COMMITTEE

The Company established the audit committee which comprises three independent non-executive Directors, namely, Mr. Tong Hing Wah (chairman of the audit committee), Mr. Chan Wing Yau George 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 unaudited interim results of the Group for the six months ended 31 March 2016.

The condensed consolidated interim financial information for the six months ended 31 March 2016 has not been audited, but has been reviewed by RSM Hong Kong, the external auditor of the Company and the audit committee of the Company.

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.

Independent Review Report



**TO THE BOARD OF DIRECTORS OF
INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED**
(FORMERLY KNOWN AS INFINITY CHEMICAL HOLDINGS COMPANY LIMITED)
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 44 which comprises the condensed consolidated statement of financial position of the Company as at 31 March 2016 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

RSM Hong Kong

Certified Public Accountants

Hong Kong, 27 May 2016

Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 March 2016

	NOTE	Six months ended 31 March	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	4	252,305	268,156
Cost of goods sold		(160,558)	(188,956)
Gross profit		91,747	79,200
Other income		1,919	3,146
Changes in fair value of investments properties	9	(3,130)	6,210
Changes in fair value of other financial asset	14	(6,934)	(2,347)
Other losses		(1,000)	–
Selling and distribution costs		(28,442)	(21,288)
Administrative expenses		(37,005)	(34,446)
Profit from operations		17,155	30,475
Interest on bank borrowings		(480)	(954)
Share of (loss)/profit of an associate		(666)	584
Gain on disposal of assets classified as held for sale	20	6,766	–
Profit before tax	5	22,775	30,105
Income tax expense	6	(1,972)	(3,056)
Profit for the period		20,803	27,049
Earnings per share	8		
Basic		HK3.27 cents	HK4.54 cents
Diluted		HK3.27 cents	HK4.53 cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2016

	Six months ended 31 March	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Profit for the period	20,803	27,049
Other comprehensive income:		
<i>Items that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(2,015)	(1,764)
Share of other comprehensive income of an associate	(13)	–
Exchange differences reclassified to profit or loss on disposal of subsidiaries	(2,157)	–
Other comprehensive income for the period, net of tax	(4,185)	(1,764)
Total comprehensive income for the period	16,618	25,285

Condensed Consolidated Statement of Financial Position

At 31 March 2016

	NOTE	31 March 2016 HK\$'000 (Unaudited)	30 September 2015 HK\$'000 (Audited)
Non-current assets			
Investment properties	9	69,530	72,660
Property, plant and equipment	10	52,521	42,944
Land use rights	11	13,468	13,744
Intangible assets	12	27,325	30,488
Investment in an associate	13	50,220	10,899
Club debentures		1,080	1,080
Deposits for acquisition of property, plant and equipment		187	2,360
Total non-current assets		214,331	174,175
Current assets			
Inventories		59,077	70,855
Trade, bills and other receivables	15	126,798	147,230
Other financial asset	14	446	7,380
Pledged bank deposits		22,655	21,977
Bank balances and cash		106,404	94,350
		315,380	341,792
Assets classified as held for sale		–	20,732
Total current assets		315,380	362,524
TOTAL ASSETS		529,711	536,699

Condensed Consolidated Statement of Financial Position
At 31 March 2016

	NOTE	31 March 2016 HK\$'000 (Unaudited)	30 September 2015 HK\$'000 (Audited)
Current liabilities			
Trade, bills and other payables	16	47,627	60,327
Amount due to a related company	17	263	761
Bank loans	18	44,441	24,214
Current tax liabilities		9,584	10,362
Total current liabilities		101,915	95,664
Net current assets		213,465	266,860
Total assets less current liabilities		427,796	441,035
Non-current liabilities			
Deferred tax liabilities		12,417	12,845
Net assets		415,379	428,190
Capital and reserves			
Share capital	19	6,317	6,426
Reserves		409,062	421,764
Total equity		415,379	428,190

Approved by the Board of Directors on 27 May 2016 and are signed on its behalf by:

IP KA LUN
DIRECTOR

TONG YIU ON
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2016

	(Unaudited)										
	Attributable to owners of the Company										
	Share capital	Share premium	Treasury shares	Capital redemption reserve	Special reserve	Share-based payment reserve	Foreign currency translation reserve	Legal reserve	Statutory surplus reserve fund	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 19)				(note (a))			(note (b))	(note (c))		
At 1 October 2014	5,959	120,884	-	-	1,097	541	11,947	459	2,123	180,260	323,270
Total comprehensive income for the period	-	-	-	-	-	-	(1,764)	-	-	27,049	25,285
Dividends paid (note 7)	-	-	-	-	-	-	-	-	-	(10,130)	(10,130)
Transfer	-	-	-	-	-	-	-	-	555	(555)	-
Share-based payments	-	-	-	-	-	561	-	-	-	-	561
Changes in equity for the period	-	-	-	-	-	561	(1,764)	-	555	16,364	15,716
At 31 March 2015 (unaudited)	5,959	120,884	-	-	1,097	1,102	10,183	459	2,678	196,624	338,986
At 1 October 2015	6,426	195,101	(773)	37	1,097	3,148	1,260	508	2,669	218,717	428,190
Total comprehensive income for the period	-	-	-	-	-	-	(4,185)	-	-	20,803	16,618
Dividends paid (note 7)	-	-	-	-	-	-	-	-	-	(15,161)	(15,161)
Repurchase of shares	-	-	(16,231)	-	-	-	-	-	-	-	(16,231)
Cancellation of shares	(128)	(17,004)	17,004	128	-	-	-	-	-	-	-
Issue of shares upon exercise of share options	19	2,278	-	-	-	(544)	-	-	-	-	1,753
Transfer	-	-	-	-	-	-	-	-	67	(67)	-
Share-based payments	-	-	-	-	-	210	-	-	-	-	210
Changes in equity for the period	(109)	(14,726)	773	128	-	(334)	(4,185)	-	67	5,575	(12,811)
At 31 March 2016 (unaudited)	6,317	180,375	-	165	1,097	2,814	(2,925)	508	2,736	224,292	415,379

Note:

- (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 ("Rank Best Group") under common control and the aggregate carrying amount of assets and liabilities acquired in Rank Best Group.
- (b) In accordance with the provisions of the Macau Commercial Code issued by the government of Macau Special Administrative Region, Mainland 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 until the legal reserve reaches 50% of the respective subsidiaries' registered capital. For the six months ended 31 March 2016 and 31 March 2015, no amount was transferred from annual net profits as the minimum legal reserve requirement was met. The legal reserve is not distributable to equity holders.
- (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 PRC subsidiaries 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.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2016

	NOTE	Six months ended 31 March	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES		49,909	29,502
Purchases of property, plant and equipment		(10,876)	(2,080)
Acquisition of interest in an associate		(40,000)	–
Interest received		338	97
Net proceeds from disposal of assets classified as held for sale		25,341	–
(Placement)/withdrawal of pledged bank deposits		(678)	96
NET CASH USED IN INVESTING ACTIVITIES		(25,875)	(1,887)
Repurchase of shares		(16,231)	–
Inception of bank loans	18	30,000	25,012
Repayment of bank loans	18	(9,773)	(30,896)
Changes of current account with a related company		(498)	(1,749)
Dividends paid	7	(15,161)	(10,130)
Finance costs paid		(480)	(954)
Net proceeds from exercise of share options		1,753	–
NET CASH USED IN FINANCING ACTIVITIES		(10,390)	(18,717)
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,644	8,898
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		94,350	24,945
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(1,590)	94
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY		106,404	33,937
Bank and cash balances		106,404	35,716
Bank overdrafts		–	(1,779)
		106,404	33,937

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2016

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2015. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2015.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 October 2015. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the condensed financial statements.

3. FAIR VALUE MEASUREMENTS

Except as disclosed below, the carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

3. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 March 2016:

Description	Fair value measurements as at 31 March 2016 Level 3 HK\$'000	Total 2016 HK\$'000 (Unaudited)
Recurring fair value measurements:		
Financial assets		
— Other financial assets	446	446
Total recurring fair value measurements	446	446

Description	Fair value measurements as at 30 September 2015 Level 3 HK\$'000	Total 2015 HK\$'000 (Audited)
Recurring fair value measurements:		
Financial assets		
— Other financial assets	7,380	7,380
Total recurring fair value measurements	7,380	7,380

During the period, there were no transfers among Level 1, 2 and 3 (year ended 30 September 2015: HK\$Nil).

3. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of financial assets measured at fair value based on level 3:

Description	Other financial assets Profit guarantee HK\$'000	2016 Total HK\$'000 (Unaudited)
At 1 October 2015	7,380	7,380
Total gains or losses recognised in profit or loss ^(#)	(6,934)	(6,934)
At 31 March 2016	446	446
^(#) Include gains or losses for assets held at end of reporting period	(6,934)	(6,934)

Description	Other financial assets Profit guarantee HK\$'000	2015 Total HK\$'000 (Unaudited)
At 1 October 2014	12,710	12,710
Total gains or losses recognised in profit or loss ^(#)	(2,347)	(2,347)
At 31 March 2015	10,363	10,363
^(#) Include gains or losses for assets held at end of reporting period	(2,347)	(2,347)

3. FAIR VALUE MEASUREMENTS (Continued)

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in the statement of profit or loss.

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2016:

The Group's financial controller is responsible for the fair value measurements of financial assets and financial liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

- Volatilities of the market comparable
- Risk free interest rate (determined with reference to the HKMA Exchange Fund Indicative Pricing)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 March 2016 HK\$'000 (Unaudited)
Other financial asset	Black-Scholes model	Volatilities of the market comparable	68%	Increase	446
		Risk free interest rate	0.01%	Decrease	

3. FAIR VALUE MEASUREMENTS (Continued)

Level 3 fair value measurements (Continued)

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 September 2015 HK\$'000 (Audited)
Other financial asset	Black-Scholes model	Volatilities of the market comparable	70%	Increase	7,380
		Risk free interest rate	0.06%	Decrease	

There were no change in the valuation techniques used.

4. REVENUE AND SEGMENT INFORMATION

The executive directors of Company considered that the operating activities of trading of electronic adhesives are in the same operating segment as the manufacture and sales of adhesives and related products used in footwear manufacturing which constitute 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 HKFRSs, that are regularly reviewed by the executive directors of the Company. The executive directors of the Company regularly review revenue analysis by products, including vulcanized shoes adhesive related products, electronic adhesives, other adhesives, primers, hardeners and others, and by locations. 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 single operation segment by product is presented.

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

4. REVENUE AND SEGMENT INFORMATION (Continued)

Entity-wide information

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

	Six months ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of:		
— vulcanised shoes adhesive related products and other adhesives	182,509	178,773
— electronic adhesives and other products	27,742	15,629
— primers	27,879	25,920
— hardeners	11,875	28,832
— others	2,300	19,002
	252,305	268,156

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

	Six months ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
— PRC	91,774	117,216
— Vietnam	129,814	122,639
— Indonesia	17,197	15,064
— Bangladesh	13,520	13,237
	252,305	268,156

4. REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's non-current assets by their geographical location is as follows. The intangible assets are allocated based on the location of the operation of the entity which utilizes the assets.

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
PRC	30,727	30,667
Macau	153,349	120,479
Vietnam	27,508	20,018
Indonesia	2,114	2,269
Hong Kong	618	728
Others	15	14
	214,331	174,175

5. PROFIT BEFORE TAX

	Six months ended 31 March	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Amortisation of		
— intangible assets	2,167	2,176
— prepaid lease payments on land use rights	224	213
Depreciation	2,951	3,956
Impairment of intangible assets (included in other losses)	1,000	—
and after crediting:		
Gross property rental income before deduction of outgoings	934	895
Less: Outgoings	(110)	(77)
	824	818
Interest income	338	97

6. INCOME TAX EXPENSE

	Six months ended 31 March	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	(983)	(2,129)
Macau complementary tax	(1,333)	(99)
Vietnam income tax	(84)	(108)
	(2,400)	(2,336)
Deferred taxation	428	(720)
	(1,972)	(3,056)

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

PRC Enterprise Income Tax has been provided at a rate of 25% (2015: 25%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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

7. DIVIDENDS

During the six months ended 31 March 2016, a final dividend of HK2.4 cents per share in respect of the year ended 30 September 2015 (six months ended 31 March 2015: HK1.7 cents per share in respect of the year ended 30 September 2014), totalling approximately HK\$15,161,000 (six months ended 31 March 2015: HK\$10,130,000) was declared and paid to the shareholders of the Company.

The directors do not recommend the payment of an interim dividend.

8. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share for the period is based on the condensed consolidated profit attributable to the owners of the Company and on the weighted average number of approximately 635,622,857 (six months ended 31 March 2015: 595,923,076) shares in issue during the period.

	Six months ended 31 March	
	2016	2015
Profit attributable to equity holders of the Company (HK\$'000) (Unaudited)	20,803	27,049
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	635,623	595,923
Basic earnings per share	HK3.27 cents	HK4.54 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).

	Six months ended 31 March	
	2016	2015
Profit attributable to equity holders of the Company (HK\$'000) (Unaudited)	20,803	27,049
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	635,623	595,923
Effect of dilutive potential ordinary shares upon the exercise of share options (thousand shares)	526	548
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	636,149	596,471
Diluted earnings per share	HK3.27 cents	HK4.53 cents

9. INVESTMENT PROPERTIES

	HK\$'000
Fair value	
At 1 October 2014	64,480
Net increase in fair value recognised in profit or loss during the year	8,180
At 30 September 2015 (audited)	72,660
Net decrease in fair value recognised in profit or loss during the period	(3,130)
At 31 March 2016 (unaudited)	69,530

The fair values of the Group's investment properties at 31 March 2016 and 30 September 2015 have been arrived at on the basis of a valuation carried out on those dates by an independent qualified professional surveyor.

The valuations was determined by using the Income Approach by taking into account the current rent receivables from the existing tenancy agreements and the reversionary potential of the property interests.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2016, the Group recognized additions of property, plant and equipment of approximately HK\$13,049,000 (six months ended 31 March 2015: HK\$3,443,000) to expand and upgrade its production facilities.

Depreciation charge of property, plant and equipment for the six months ended 31 March 2016 was totaling approximately HK\$2,951,000 (six months ended 31 March 2015: HK\$3,956,000).

11. LAND USE RIGHTS

	HK\$'000	
Carrying amount		
At 1 October 2014		18,093
Additions		12,790
Exchange differences		(1,017)
Amortisation for the year		(646)
Transferred to assets classified as held for sales		(15,172)
At 30 September 2015 (audited)		14,048
Exchange differences		92
Amortisation for the period		(224)
At 31 March 2016 (unaudited)		13,916
	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Analysed for reporting purposes as:		
Current asset (included in trade and other receivables)	448	304
Non-current asset	13,468	13,744
	13,916	14,048

12. INTANGIBLE ASSETS

	Club membership HK\$'000	Formula rights HK\$'000	Customers relationship HK\$'000	Total HK\$'000
Cost				
At 1 October 2014	1,596	1,600	40,000	43,196
Exchange differences	(46)	–	–	(46)
At 30 September 2015 (audited)	1,550	1,600	40,000	43,150
Exchange differences	5	–	–	5
At 31 March 2016 (unaudited)	1,555	1,600	40,000	43,155
Accumulated amortisation and impairment				
At 1 October 2014	5	320	8,000	8,325
Amortisation for the year	18	320	4,000	4,338
Exchange differences	(1)	–	–	(1)
At 30 September 2015 (audited)	22	640	12,000	12,662
Amortisation for the period	7	160	2,000	2,167
Impairment loss	–	–	1,000	1,000
Exchange differences	1	–	–	1
At 31 March 2016 (unaudited)	30	800	15,000	15,830
Carrying amount				
At 31 March 2016 (unaudited)	1,525	800	25,000	27,325
At 30 September 2015 (audited)	1,528	960	28,000	30,488

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 31 March 2016 and 30 September 2015 represents the cost less accumulated amortization and impairment, if any.

13. INVESTMENT IN AN ASSOCIATE

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Share of net assets	7,007	3,843
Goodwill	43,213	7,056
	50,220	10,899

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

Name	Place of incorporation	Particular of issued share capital	Group's interest	
			At 31 March 2016	At 30 September 2015
Blue Sky Energy Efficiency Company Limited	British Virgin Islands	50,000 ordinary shares of US\$1 each	40%	20%

14. OTHER FINANCIAL ASSET

	HK\$'000
At 1 October 2014	12,710
Fair value changes charged to profit or loss	(5,330)
At 30 September 2015 (audited)	7,380
Fair value changes charged to profit or loss	(6,934)
At 31 March 2016 (unaudited)	446

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").

The fair value of profit guarantee of Blue Sky Group as at 31 March 2016 and 30 September 2015 were approximately HK\$446,000 and HK\$7,380,000 respectively. The fair values of profit guarantee are based on valuation performed by an independent professional qualified valuer, using a Black-Scholes model.

15. TRADE, BILLS AND OTHER RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally ranged from 15 to 120 days by the customers from date of issuance of invoices. The following is an aging analysis of trade and bills receivables based on the invoice date at the end of the reporting period:

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
0 to 30 days	54,491	66,649
31 to 60 days	21,527	35,773
61 to 90 days	21,369	22,112
91 to 180 days	10,704	9,383
181 to 365 days	338	955
Over 1 year	774	257
	109,203	135,129

16. TRADE, BILLS AND OTHER PAYABLES

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

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
0 to 30 days	24,013	26,185
31 to 60 days	–	6,138
61 to 90 days	–	184
91 to 180 days	33	346
181 to 365 days	20	–
	24,066	32,853

17. AMOUNT DUE TO A RELATED COMPANY

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

18. BANK LOANS

During the six months ended 31 March 2016, the Group obtained new bank loans of approximately HK\$30,000,000 (six months ended 31 March 2015: HK\$25,012,000) and repaid bank loans of approximately HK\$9,773,000 (six months ended 31 March 2015: HK\$30,896,000).

The long-term bank loans carried variable interests at the best lending rate in Macau or Hong Kong Interbank Borrowing Rate (“HIBOR”). At 31 March 2016 and 30 September 2015, the Group had available credit facilities amounting to approximately HK\$126,209,000 and HK\$90,656,000 respectively.

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2014, 30 September 2015, 1 October 2015 and 31 March 2016	5,000,000,000	50,000
Issued and fully paid:		
At 1 October 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 (audited)	642,631,076	6,426
Issue of shares upon exercise of share options	1,948,000	19
Repurchase of share and cancelled	(12,860,000)	(128)
At 31 March 2016 (unaudited)	631,719,076	6,317

19. SHARE CAPITAL (Continued)

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 six months period ended 31 March 2016, the Company repurchased 11,860,000 ordinary shares and cancelled 12,860,000 ordinary shares, of which 1,000,000 ordinary shares were repurchased during the year ended 30 September 2015.

20. DISPOSAL OF ASSETS CLASSIFIED AS HELD FOR SALE

Pursuant to an agreement dated 30 September 2015 entered into between a subsidiary of the Company, Zhong Bu (Centresin) Adhesive & Chemical Co., Ltd. (“Zhong Bu (Centresin)”) and an independent third party (the “Purchaser”). Zhong Bu (Centresin) disposed of 100% interest in two wholly-owned subsidiaries, You Cheng Development Limited (“You Cheng”) and 中部樹脂(廣州)有限公司 (Zhong Bu Centresin (Guangzhou) Company Limited) (“Zhong Bu Centresin (Guangzhou)”) for a total cash consideration of RMB20,800,000 resulting in a gain on disposal of subsidiaries of HK\$6,766,000.

You Cheng was an investment holding company and Zhong Bu Centresin (Guangzhou) was a factory construction in progress. The disposal was completed on 20 October 2015.

21. LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Within one year	3,772	2,142
In the second to fifth year inclusive	3,763	325
	7,535	2,467

21. LEASE COMMITMENTS (Continued)

The Group as lessee (Continued)

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

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Within one year	1,422	649
In the second to fifth year inclusive	2,924	–
	4,346	649

The Group as lessor

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Within one year	383	619
In the second to fifth year inclusive	–	34
	383	653

22. CAPITAL COMMITMENTS

	At 31 March 2016 HK\$'000 (Unaudited)	At 30 September 2015 HK\$'000 (Audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	13,032	20,972

23. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 17 and 21, during the period, the Group had the following transactions with its related parties during the period:

	Six months ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Property rental expenses paid to Mr. Jeong Un	761	627
Property rental income received from related companies, which is controlled by Mr. Jeong Un	18	17

During the period, the remuneration of directors and other members of key management personnel was as follows:

	Six months ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and other benefits	5,401	4,614
Retirement benefits scheme contributions	369	369
	5,770	4,983

24. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2016 (At 30 September 2015: HK\$Nil).

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27 May 2016.