



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

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

Infinity
Development

Interim Report 2017

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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
Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

REGISTERED OFFICE

P.O. Box 10008 Willow House
Cricket Square
Grand Cayman
KY1-1001
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

Tricor Services (Cayman Islands) Limited
P.O. Box 10008 Willow House
Cricket Square
Grand Cayman
KY1-1001
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
Bank of China (Hong Kong) Limited

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 2017 (the "Period") was approximately HK\$252,426,000 (2016: HK\$252,305,000), which was comparable to that of the last period. Profit attributable to the owners of the Company amounted to approximately HK\$21,265,000 (2016: HK\$20,803,000), representing a slight increase of approximately 2.22% 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 gross profit and profit from operations of approximately HK\$88,807,000 (2016: HK\$91,747,000) and approximately HK\$26,366,000 (2016: HK\$23,921,000 (reclassified)) respectively. The Group's gross profit margin decreased slightly from approximately 36.4% for the last period to approximately 35.2% for the Period.

Excluding the non-cash flow items of changes in fair value of investment properties and other financial asset, and the non-recurring item of gain on disposal of assets classified as held for sale recorded in the last period, the profit from operations would be approximately HK\$26,786,000, representing a slight decrease of approximately 1.6% as compared to last period of approximately HK\$27,219,000.

During the Period, profit attributable to the owners of the Company amounted to approximately HK\$21,265,000 (2016: HK\$20,803,000). Basic and diluted earnings per Share were HK3.37 cents and HK3.37 cents (2016: HK3.27 cents and HK3.27 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 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. *Vulcanized shoes adhesive related products and other shoe adhesives*

During the Period, the sales revenue generated from this product category was approximately HK\$181,442,000 (2016: HK\$182,509,000), representing approximately 71.88% of the Group's total revenue.

2. *Primers*

During the Period, the sales revenue generated from this product category was approximately HK\$26,786,000 (2016: HK\$27,879,000), representing approximately 10.61% of the Group's total revenue.

3. *Hardeners*

During the Period, the sales revenue generated from this product category was approximately HK\$27,157,000 (2016: HK\$27,742,000), representing approximately 10.76% 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\$15,230,000 (2016: HK\$11,875,000), representing approximately 6.03% of the Group's total revenue.

Regional Information

1. *The PRC market*

During the Period, by region, the revenue in the PRC market decreased by 7.70% over last period to approximately HK\$84,704,000 (2016: HK\$91,774,000), representing approximately 33.56% 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 2.36% over last period to approximately HK\$132,878,000 (2016: HK\$129,814,000), representing approximately 52.64% 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 6.60% over last period to approximately HK\$18,332,000 (2016: HK\$17,197,000), representing approximately 7.26% of the Group's total revenue.

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

4. *The Bangladesh market*

During the Period, by region, the revenue in the Bangladesh market increased by 22.13% over last period to approximately HK\$16,512,000 (2016: HK\$13,520,000), representing approximately 6.54% of the Group's total revenue.

The Directors expected that the relevant market would grow at 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 gradually executed. 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 respond to the changes in the market condition of footwear manufacturing industry in the PRC, the Zhongshan Plant had completed the process of reorganisation and reallocation of internal resources and the Zhongshan Plant has ceased operation.

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 construction of the first stage of the new Vietnam Plant has been basically completed and it is expected that the commencement of operation will take place in mid-2017.

4. *The Indonesia Plant*

The Indonesia Plant has operated normally during the Period to ensure the provision of stable services for local customers.

Cost Control

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

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 with the completion and the expected commencement of operation of the new Vietnam Plant. 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 which helps to eliminate industry players with less competitiveness, 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 or 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 for improving the 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 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 return for its shareholders and employees.

Liquidity and Financial Resources and Capital Structure

For the six months ended 31 March 2017, the Group's working capital requirement was principally financed by its internal resources and banking facilities and fund raising.

As at 31 March 2017, the Group had cash and bank balances and deposits, net current assets and total assets less current liabilities of approximately HK\$112,169,000 (30 September 2016: HK\$127,069,000), approximately HK\$201,423,000 (30 September 2016: HK\$218,689,000) and approximately HK\$440,212,000 (30 September 2016: HK\$441,200,000) respectively.

As at 31 March 2017, the Group had total bank borrowings except bills payable, on floating interest rates basis, of approximately HK\$38,751,000 (30 September 2016: HK\$44,913,000). All these utilised bank borrowings, both long and short terms, were secured by pledged bank deposits, 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 2017 decreased by approximately HK\$963,000 to approximately HK\$427,481,000. The gearing ratio (calculated as the ratio of total borrowings: total assets) of the Group as at 31 March 2017 was approximately 0.07 (30 September 2016: 0.08).

The Group granted 5,000,000 and 6,000,000 share options at an exercise price HK\$1.788 and HK\$1.30 per share on 16 June 2015 and 7 June 2016 respectively, to eligible persons under the share option scheme of the Company adopted on 22 July 2010 (the "2010 Scheme") and such 5,000,000 and 6,000,000 share options remained outstanding under the 2010 Scheme as at 31 March 2017.

The Group granted 5,480,000 share options at an exercise price of HK\$0.9 per share on 30 May 2014 to Directors, employees of the Group under the 2010 Scheme. During the Period, no share options have been exercised and 2,064,000 share options remained outstanding under the 2010 Scheme as at 31 March 2017.

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

Significant Investments

As at 31 March 2017, the Group owned 40% 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 the (i) provision of application and installment of energy-efficiency system and photovoltaic system for commercial and industrial buildings and manufacturing premises; and (ii) purchase and sales of above captioned projects and renewable energy related projects.

During the Period and as at 31 March 2017, the Group’s share of the loss and carrying amount of interests of Blue Sky Group were approximately HK\$714,000 and HK\$55,355,000 respectively.

In view of the progress of diversified business of the Blue Sky Group, 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. The 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 was funded by internal resources. In 2016, the construction of the grid-connected photovoltaic power system was completed and the application of connection to the utility grip is in progress. The payment for the investment has been classified as other receivable as the Group is seeking potential investor and considering to dispose the project.

Save as disclosed elsewhere under the section headed “Management Discussion and Analysis”, the Group had no other significant investments during the Period.

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.

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 Period.

Employee Information

As at 31 March 2017, the Group employed a total of 382 (2016: 400) 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\$32,028,000 (2016: HK\$27,633,000).

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. During the Period, no options have been granted to employee. Save for 404,000 Share Options which were lapsed, no Share Options have been exercised pursuant to the 2010 Scheme during the Period. There are 2,064,000 outstanding share options which were granted to Directors and employees of the Group under the 2010 Scheme as at 31 March 2017.

Charges on Group Assets

As at 31 March 2017, certain interests in land and buildings and investment properties held under medium-term leases of approximately HK\$72,940,000 (30 September 2016: HK\$73,204,000) and bank deposits of HK\$21,556,000 (30 September 2016: HK\$21,556,000) were pledged to banks for bank borrowings totaling approximately HK\$38,751,000 (30 September 2016: HK\$44,913,000) 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 when suitable 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 reserving the internal resources for its core businesses.

Management Discussion and Analysis

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, Indonesian 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 affect the Group's operations. The Group did not employ any financial instruments for hedging purposes.

Capital Commitments

As at 31 March 2017, the Group had capital commitments of approximately HK\$2,352,000 (30 September 2016: HK\$24,904,000) 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 2017.

Events after the reporting Period

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 31 March 2017 and up to the date of this report.

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 2017, 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	Number of share options	Total interests	Position	Percentage of shareholding
Mr. Jeong Un (note)	Interest in controlled corporation	342,500,000	–	342,500,000	Long	54.22%
	Beneficial owner	78,874,769	64,000	78,938,769	Long	12.50%
Mr. Ip Ka Lun	Beneficial owner	56,000	64,000	120,000	Long	0.02%
Mr. Ip Chin Wing	Beneficial owner	56,000	64,000	120,000	Long	0.02%
Mr. Stephen Graham Prince	Beneficial owner	56,000	64,000	120,000	Long	0.02%
Mr. Tong Yiu On	Beneficial owner	56,000	64,000	120,000	Long	0.02%
Mr. Chan Wing Yau, George	Beneficial owner	56,000	64,000	120,000	Long	0.02%

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.

Other information

(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. Jeong Un	Beneficial owner	Long	100	100%

Save as disclosed above, as at 31 March 2017, 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 2017, 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	421,438,769	Long	66.71%

Notes:

- 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 78,938,769 Shares. Mrs. Jeong is the spouse of Mr. Jeong and is therefore deemed to be interested in the 421,438,769 Shares held by Mr. Jeong.
- 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 7 June 2016, an independent third party, which acted as the Group’s service provider providing strategic and financial consulting service, was granted 6,000,000 share options at an exercise price of HK\$1.30 per share.

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 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 1.10.2016	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 31.3.2017
Executive Directors								
Mr. Jeong Un	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 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 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 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 3)	HK\$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK\$0.90	36,000	–	–	–	36,000
Independent non-Executive Director								
Mr. Chan Wing Yau, George	30.5.2014	(Note 3)	HK\$0.90	28,000	–	–	–	28,000
	30.5.2014	(Note 4)	HK\$0.90	36,000	–	–	–	36,000

Other information

Name of Grantee/Category	Date of Grant	Exercise Date/Period	Exercise Price per Share	Number of share options				
				Outstanding as at 1.10.2016	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 31.3.2017
Employees and other individuals	30.5.2014	(Note 1)	HK\$0.90	8,000	–	–	(8,000)	–
	30.5.2014	(Note 2)	HK\$0.90	1,012,000	–	–	(192,000)	820,000
	30.5.2014	(Note 3)	HK\$0.90	944,000	–	–	(184,000)	760,000
	30.5.2014	(Note 4)	HK\$0.90	120,000	–	–	(20,000)	100,000
Others	16.6.2015	16.6.2015 to 15.6.2017	HK\$1.788	5,000,000	–	–	–	5,000,000
	7.6.2016	7.6.2016 to 6.12.2017	HK\$1.30	6,000,000	–	–	–	6,000,000
Total				13,468,000	–	–	(404,000)	13,064,000

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.

MATERIAL LITIGATION

As at 31 March 2017, the Group had no material litigation or arbitration pending.

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

During the Period and up to the date of this report, 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 2017 (2016: 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, risk management 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 2017.

The condensed consolidated interim financial information for the six months ended 31 March 2017 has not been audited, but has been reviewed by RSM Hong Kong, the external auditors 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

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 40 which comprises the condensed consolidated statement of financial position of the Company as at 31 March 2017 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, 26 May 2017

Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 March 2017

	NOTE	Six months ended 31 March	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	252,426	252,305
Cost of goods sold		(163,619)	(160,558)
Gross profit		88,807	91,747
Other income		3,001	1,919
Changes in fair value of investment properties		(420)	(3,130)
Changes in fair value of other financial asset		–	(6,934)
Gain on disposal of assets classified as held for sale	17	–	6,766
Other gains/(losses)		3,819	(1,000)
Selling and distribution costs		(25,292)	(28,442)
Administrative expenses		(43,549)	(37,005)
Profit from operations		26,366	23,921
Interest on bank borrowings		(707)	(480)
Share of loss of an associate		(714)	(666)
Profit before tax		24,945	22,775
Income tax expense	5	(3,680)	(1,972)
Profit for the period	4	21,265	20,803
Earnings per share	7		
Basic		HK3.37 cents	HK3.27 cents
Diluted		HK3.37 cents	HK3.27 cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2017

	Six months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Profit for the period	21,265	20,803
Other comprehensive income:		
<i>Items that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(9,735)	(2,015)
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	(9,735)	(4,185)
Total comprehensive income for the period	11,530	16,618

Condensed Consolidated Statement of Financial Position

At 31 March 2017

	NOTE	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Non-current assets			
Investment properties	8	73,500	73,920
Property, plant and equipment	9	88,867	56,549
Land use rights		12,712	13,100
Intangible assets	10	6,973	12,157
Investment in an associate	11	55,355	56,069
Club debentures		1,080	1,080
Deposits for acquisition of property, plant and equipment		302	9,636
Total non-current assets		238,789	222,511
Current assets			
Inventories		72,593	54,633
Trade, bills and other receivables	12	140,292	148,745
Restricted bank deposits		21,556	21,556
Bank and cash balances		90,613	105,513
Total current assets		325,054	330,447
Current liabilities			
Trade, bills and other payables	13	69,852	52,440
Amount due to a related company	14	3,198	4,723
Bank loans	15	38,751	44,913
Current tax liabilities		11,830	9,682
Total current liabilities		123,631	111,758
Net current assets		201,423	218,689
Total assets less current liabilities		440,212	441,200

Condensed Consolidated Statement of Financial Position
At 31 March 2017

	NOTE	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		12,731	12,756
Net assets		427,481	428,444
Capital and reserves			
Share capital	16	6,317	6,317
Reserves		421,164	422,127
Total equity		427,481	428,444

Approved by the Board of Directors on 26 May 2017 and signed on its behalf by:

TONG YIU ON
EXECUTIVE DIRECTOR

IP KA LUN
EXECUTIVE DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2017

	(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 (a))			(note (b))	(note (c))		
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 6)	-	-	-	-	-	-	-	-	-	(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	6,317	180,375	-	165	1,097	2,814	(2,925)	508	2,736	224,292	415,379
At 1 October 2016	6,317	180,375	-	165	1,097	3,368	(6,770)	600	2,880	240,412	428,444
Total comprehensive income for the period	-	-	-	-	-	-	(9,735)	-	-	21,265	11,530
Dividends paid (note 6)	-	-	-	-	-	-	-	-	-	(13,266)	(13,266)
Share-based payments	-	-	-	-	-	773	-	-	-	-	773
Changes in equity for the period	-	-	-	-	-	773	(9,735)	-	-	7,999	(963)
At 31 March 2017	6,317	180,375	-	165	1,097	4,141	(16,505)	600	2,880	248,411	427,481

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.
- (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 until the legal reserve reaches 50% of the respective subsidiaries' registered capital. 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.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2017

	NOTE	Six months ended 31 March	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES		42,383	49,909
Purchases of property, plant and equipment		(28,204)	(10,876)
Acquisition of interest in an associate		–	(40,000)
Interest received		396	338
Net proceeds from disposal of assets classified as held for sale		–	25,341
Placement of restricted bank deposits		–	(678)
Proceeds from disposal of property, plant and equipment		79	–
NET CASH USED IN INVESTING ACTIVITIES		(27,729)	(25,875)
Repurchase of shares		–	(16,231)
Inception of bank loans	15	8,000	30,000
Repayment of bank loans	15	(14,162)	(9,773)
Changes in amount due to a related company		(1,525)	(498)
Dividends paid	6	(13,266)	(15,161)
Finance costs paid		(707)	(480)
Net proceeds from exercise of share options		–	1,753
NET CASH USED IN FINANCING ACTIVITIES		(21,660)	(10,390)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,006)	13,644
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		105,513	94,350
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(7,894)	(1,590)
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY		90,613	106,404
Bank and cash balances		90,613	106,404

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2017

1. BASIS OF PREPARATION

These condensed consolidated 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 consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 September 2016. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 September 2016.

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 2016. 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 consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company regularly review revenue analysis by products, including vulcanized shoes adhesive related products and other shoe adhesives, electronic adhesive related products, primers, hardeners and others, and by locations. The executive directors of the Company considered that the operating activities of manufacturing, 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 single operation segment is presented.

3. 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	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of:		
— vulcanized shoes adhesive related products and other shoe adhesives	181,442	182,509
— hardeners	27,157	27,742
— primers	26,786	27,879
— electronic adhesives related products	15,230	11,875
— others	1,811	2,300
	252,426	252,305

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

	Six months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
— PRC	84,704	91,774
— Vietnam	132,878	129,814
— Indonesia	18,332	17,197
— Bangladesh	16,512	13,520
	252,426	252,305

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Hong Kong	403	509
PRC	91,898	91,698
Macau	82,281	87,551
Vietnam	62,457	40,745
Indonesia	1,635	1,901
Others	115	107
	238,789	222,511

4. PROFIT FOR THE PERIOD

	Six months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
The Group's profit for the period is arrived at after charging the following:		
Amortisation of		
— intangible assets	5,170	2,167
— prepaid lease payments on land use rights	206	224
Depreciation	3,096	2,951
Impairment of intangible assets (included in other losses)	—	1,000
Written off of inventories	210	375
Written off of trade receivables	200	—
And after crediting:		
Gross property rental income before deduction of outgoings	988	934
Less: Outgoings	(117)	(110)
	871	824

5. INCOME TAX EXPENSES

	Six months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period:		
PRC Enterprise Income Tax (“PRC EIT”)	813	983
Macau complementary tax	1,168	1,333
Vietnam Enterprise Income Tax (“Vietnam EIT”)	697	84
Indonesian Corporate Income Tax (“Indonesian CIT”)	1,027	–
	3,705	2,400
Deferred taxation	(25)	(428)
	3,680	1,972

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

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, a subsidiary in the PRC, 珠海市澤濤黏合製品有限公司 (Centresin Chemical Products Ltd., Zhuhai) (“Zhuhai Centresin”), is recognised as a High and New Technology Enterprise by the relevant PRC government authorities and Zhuhai Centresin was therefore entitled to enjoy a concessionary Enterprise Income Tax rate of 15% for the period ended 31 March 2017.

5. INCOME TAX EXPENSES (Continued)

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 PRC 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 EIT for three years commencing from its first profit-making year in 2006, followed by a 50% reduction from 2009 to 2015.

Pursuant to the relevant laws and regulations in Indonesia, P.T. Zhong Bu Adhesive Indonesia, is subject to Indonesian Corporate Income Tax at 25%.

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

6. DIVIDENDS

During the six months ended 31 March 2017, a final dividend of HK2.1 cents per ordinary share in respect of the year ended 30 September 2016 (six months ended 31 March 2016: a final dividend of HK2.4 cents per ordinary share in respect of the year ended 30 September 2015), totalling approximately HK\$13,266,000 (six months ended 31 March 2016: HK\$15,161,000) was declared and paid to the shareholders of the Company.

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

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Six months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	21,265	20,803
Number of shares		
Weighted average number of ordinary shares used in basic earnings per share calculation (thousand shares)	631,719	635,623
Effect of dilutive potential ordinary shares arising from share options (thousand shares)	216	526
Weighted average number of ordinary shares used in diluted earnings per share calculation (thousand shares)	631,935	636,149

8. INVESTMENT PROPERTIES

	HK\$'000
Fair value	
At 1 October 2015	72,660
Net increase in fair value recognised in profit or loss during the year	1,260
At 30 September 2016 (audited)	73,920
Net decrease in fair value recognised in profit or loss during the period	(420)
At 31 March 2017 (unaudited)	73,500

Investment properties were revalued at 31 March 2017 by Ascents Partners Valuations Service Limited, an independent firm of chartered surveyors.

Valuation for Macau and PRC office units was derived 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.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2017, the Group recognized additions of property, plant and equipment of approximately HK\$37,538,000 (six months ended 31 March 2016: HK\$13,049,000) to expand and upgrade its production facilities.

Depreciation charge of property, plant and equipment for the six months ended 31 March 2017 was totalling approximately HK\$3,096,000 (six months ended 31 March 2016: HK\$2,951,000).

10. INTANGIBLE ASSETS

	Club membership HK\$'000	Formula rights HK\$'000	Customers relationship HK\$'000	Total HK\$'000
Cost				
At 1 October 2015	1,550	1,600	40,000	43,150
Exchange differences	6	–	–	6
At 30 September 2016 (audited)	1,556	1,600	40,000	43,156
Exchange differences	(15)	–	–	(15)
At 31 March 2017 (unaudited)	1,541	1,600	40,000	43,141
Accumulated amortisation and impairment losses				
At 1 October 2015	22	640	12,000	12,662
Amortisation for the year	17	320	10,400	10,737
Impairment loss	–	–	7,600	7,600
At 30 September 2016 (audited)	39	960	30,000	30,999
Amortisation for the period	10	160	5,000	5,170
Exchange differences	(1)	–	–	(1)
At 31 March 2017 (unaudited)	48	1,120	35,000	36,168
Carrying amount				
At 31 March 2017 (unaudited)	1,493	480	5,000	6,973
At 30 September 2016 (audited)	1,517	640	10,000	12,157

Intangible assets represent (i) the established customers relationship acquired and was estimated to have an useful life of 10 years. During the year ended 30 September 2016, the Group changed the estimated useful life of the customer relationship from 10 years to approximately 5 years. As a result of this change in accounting estimate, the amortisation charge increased by HK\$6,400,000 for the year ended 30 September 2016. Under this new estimate the amortisation charge will be increased by HK\$6,000,000 for the year ending 30 September 2017, and the customer relationship will be fully amortised then; (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 amounts as at 31 March 2017 and 30 September 2016 represents the cost less accumulated amortisation and impairment, if any.

11. INVESTMENT IN AN ASSOCIATE

	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Share of net assets	12,142	12,856
Goodwill	43,213	43,213
	55,355	56,069

Details of the Group's associate at 31 March 2017 are as follows:

Name	Place of incorporation	Particular of issued share capital	Percentage of ownership interest	
			At 31 March 2017	At 30 September 2016
Blue Sky Energy Efficiency Company Limited	British Virgin Islands	50,000 ordinary shares of US\$1 each	40%	40%

12. TRADE, BILLS AND OTHER RECEIVABLES

The aging analysis of trade and bills receivables, based on the invoice date is as follow:

	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
0 to 30 days	66,547	62,940
31 to 60 days	29,658	34,657
61 to 90 days	15,472	17,539
91 to 180 days	8,651	9,376
181 to 365 days	1,252	3,461
Over 1 year	339	145
	121,919	128,118

13. TRADE, BILLS AND OTHER PAYABLES

The Group normally 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 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
0 to 30 days	37,702	24,901
31 to 60 days	100	1,830
61 to 90 days	17	66
91 to 180 days	55	101
181 to 365 days	202	23
Over 1 year	104	16
	38,180	26,937

14. AMOUNT DUE TO A RELATED COMPANY

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

15. BANK LOANS

During the six months ended 31 March 2017, the Group obtained new bank loans of approximately HK\$8,000,000 (six months ended 31 March 2016: HK\$30,000,000) and repaid bank loans of approximately HK\$14,162,000 (six months ended 31 March 2016: HK\$9,773,000).

The bank loans are arranged at variable interest rates at the best lending rate in Macau or the Hong Kong Interbank Borrowing Rate.

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2015, 30 September 2016, 1 October 2016 and 31 March 2017	5,000,000,000	50,000
Issued and fully paid:		
At 1 October 2015	642,631,076	6,426
Issue of shares upon exercise of share options	1,948,000	19
Repurchase of shares and cancelled (note)	(12,860,000)	(128)
At 30 September 2016 (audited) and 31 March 2017 (unaudited)	631,719,076	6,317

Note:

During the year ended 30 September 2016, the Company repurchased a total of 11,860,000 ordinary shares of the Company on the Stock Exchange and cancelled 12,860,000 ordinary shares, of which 1,000,000 ordinary shares were related to repurchase of ordinary shares during the year ended 30 September 2015.

17. 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 for the six months ended 31 March 2016.

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.

18. 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 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Within one year	2,960	3,219
In the second to fifth year inclusive	2,683	3,020
After five years	–	53
	5,643	6,292

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

	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Within one year	1,421	1,440
In the second to fifth year inclusive	1,362	1,254
	2,783	2,694

18. LEASE COMMITMENTS (Continued)

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 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Within one year	1,533	1,760
In the second to fifth year inclusive	655	924
	2,188	2,684

19. CAPITAL COMMITMENTS

	At 31 March 2017 HK\$'000 (Unaudited)	At 30 September 2016 HK\$'000 (Audited)
Capital commitments contracted for at the end of the reporting period but not yet incurred in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	2,352	24,904

20. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 14 and 18, during the period, the Group had the following significant transactions with its related parties during the period:

	Six months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Property rental expenses paid to a director	680	761
Property rental income received from a related company	17	18

A director, Mr. Jeong Un, has significant influence over the related company.

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

	Six months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Salaries and other benefits	5,225	5,401
Retirement benefits scheme contributions	401	369
	5,626	5,770

21. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2017 (At 30 September 2016: HK\$Nil).

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 May 2017.