INFINITY CHEMICAL HOLDINGS COMPANY LIMITED
星謙化工控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2013

The board (the "Board") of directors (the "Directors") of Infinity Chemical Holdings Company Limited (the "Company") is pleased to announce its audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 September 2013 together with the comparative figures for the corresponding year in 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2013

	Notes	**2013** ***HK$'000***	2012 *HK$'000* (As Restated) *(Note 3)*
Turnover	5	**452,395**	402,925
Cost of goods sold		**(325,706)**	(300,618)
Gross profit		**126,689**	102,307
Other income		**2,632**	3,228
Changes in fair value of investment properties		**15,440**	2,680
Other losses		**(5,494)**	(3,413)
Research and development costs		**(1,885)**	(1,856)
Selling and distribution costs		**(19,180)**	(16,305)
Administrative expenses		**(77,214)**	(57,380)
Interest on bank borrowings wholly repayable within five years		**(1,013)**	(2,371)
Profit before taxation	6	**39,975**	26,890
Taxation	7	**(5,867)**	(2,409)
Profit for the year		**34,108**	24,481
Other comprehensive income			
— exchange differences arising on translation of foreign operations		**3,160**	(274)
Total comprehensive income for the year		**37,268**	24,207
Earnings per share — Basic	9	**HK6.4 cents**	HK4.9 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000* (As Restated) *(Note 3)*
Non-current assets			
Investment properties		**37,600**	23,430
Property, plant and equipment		**42,469**	47,745
Land use rights		**18,235**	18,364
Intangible assets	10	**36,000**	—
Deposits for acquisition of property, plant and equipment		**3,866**	2,800
Club debentures		**1,080**	1,080
		139,250	93,419
Current assets			
Inventories		**80,342**	59,424
Trade, bills and other receivables	11	**127,391**	125,917
Pledged bank deposits		**16,670**	22,709
Bank balances and cash		**17,654**	15,376
		242,057	223,426
Current liabilities			
Trade, bills and other payables	12	**38,065**	34,822
Amount due to a related company		**13,606**	10,000
Tax payable		**3,971**	2,107
Current portion of secured long-term bank loans		**10,037**	7,171
Secured short-term bank loans		**24,341**	28,676
Bank overdrafts — secured		**12,991**	22,128
		103,011	104,904
Net current assets		**139,046**	118,522
Total assets less current liabilities		**278,296**	211,941
Non-current liabilities			
Deferred taxation		**7,042**	4,457
Net assets		**271,254**	207,484
Capital and reserves			
Share capital		**5,692**	5,000
Reserves		**265,562**	202,484
Total equity		**271,254**	207,484

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2013

1. GENERAL INFORMATION

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

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and sales of adhesives and related products used in footwear manufacturing and the trading of adhesives used in the production of electronic products. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business in Hong Kong and Macau Special Administrative Region, Mainland China ("Macau") are 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong and Rua de Pequim, Nos. 202A–246, Macau Finance Centre, 16 Andar A-D, Macau, respectively.

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

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

In the current year, the Group has applied a number of revised standard and amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's accounting period beginning on 1 October 2012.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

Except as described below, the application of those revised standard and amendments in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income" ("HKAS 1") introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income'. In addition, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The Group has applied the new terminology to rename 'statement of comprehensive income' as 'statement of profit or loss and other comprehensive income' and made additional disclosures in the other comprehensive income section such that items of other comprehensive income may be reclassified subsequently to profit or loss is disclosed.

Amendments to HKAS 12 "Deferred tax: Recovery of underlying assets"

Under the amendments to HKAS 12 "Deferred tax: Recovery of underlying assets" ("HKAS 12"), investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group's investment properties are situated in Mainland China (the "PRC") and Macau, which are measured using the fair value model. For the purpose of application of the amendments to HKAS 12, the directors reviewed the Group's investment properties portfolios and concluded that the Group's investment properties situated in the PRC and Macau amounting to HK$37,600,000 (2012: HK$23,430,000) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, the Group has recognised additional deferred taxes on changes in fair value of the investment properties in PRC as investment properties in the PRC are subjected to land appreciation tax in addition to income tax on disposal. Application of the amendments to HKAS 12 has no impact on deferred taxes on changes in fair value of the investment properties in Macau as same tax rate was applied to income generated through use of investment properties or through disposal of investment properties. Previously, the Group recognized deferred taxes on changes in fair value of the investment properties on the basis that the entire carrying amounts of such properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively. The effect of this change in accounting policy is set out in note 3 below.

New and revised HKFRSs issued but not yet effective

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009–2011 Cycle[1]
HKFRS 1 (Amendments)	First-time Adoption of HKFRSs — Government Loans[1]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[2]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial assets[2]
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting[2]
HKAS 19 (Revised 2011)	Employee Benefits[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[1]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]
HK(IFRIC*) — Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) — Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] Effective for annual periods beginning on or after 1 January 2015.

* IFRIC represents the IFRS Interpretations Committee.

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

3. MERGER ACCOUNTING AND OTHER RESTATEMENT

Mr. Ieong Un, the ultimate controlling shareholder of the Company, acquired 廣州市雅威貿易有限公司 (Guangzhou Shi Yawei Trading Company Limited) ("GSY") from independent third parties on 29 May 2012. Through a group reorganisation by set up certain newly incorporated companies in the second half of 2012, Rank Best Investments Limited, a limited liability company incorporated in the British Virgin Islands, became the holding company of the target group including GSY (the "Rank Best Group") on 11 October 2012.

The Group acquired Rank Best Group from Mr. Ieong Un on 22 March 2013, which is considered as business combination involving entities under common control and has been accounted for using the merger accounting method, based on the guidance set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, for the year ended 30 September 2013.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 30 September 2012 and the consolidated statement of financial position of the Group as at 30 September 2012 are prepared and restated as if the current group structure had been in existence throughout the reporting period since the date of incorporation or acquisition of the relevant entities. The related disclosure notes for the comparative period have been restated accordingly.

The effects of the merger accounting restatement and amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" (see note 2) on the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2012 by line items are as follows:

	As at 30 September 2012	**Merger accounting restatement**	**Eliminations on inter-company transaction**	**As at 30 September 2012**	**Adjustments on application of amendments to HKAS 12**	**As at 30 September 2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Originally stated)			(After merger accounting restatement)		(As restated)
Turnover	395,783	7,142	—	402,925	—	402,925
Cost of goods sold	(294,592)	(6,026)	—	(300,618)	—	(300,618)
Gross profit	101,191	1,116	—	102,307	—	102,307
Other income	3,558	2	(332)	3,228	—	3,228
Changes in fair value of investment properties	2,680	—	—	2,680	—	2,680
Other losses	(3,413)	—	—	(3,413)	—	(3,413)
Research and development costs	(1,856)	—	—	(1,856)	—	(1,856)
Selling and distribution costs	(16,038)	(267)	—	(16,305)	—	(16,305)
Administrative expenses	(56,278)	(1,434)	332	(57,380)	—	(57,380)
Interest on bank borrowings wholly repayable within five years	(2,371)	—	—	(2,371)	—	(2,371)
Profit before taxation	27,473	(583)	—	26,890	—	26,890
Taxation	(1,986)	(364)	—	(2,350)	(59)	(2,409)
Profit for the year	25,487	(947)	—	24,540	(59)	24,481
Other comprehensive income — exchange differences arising on translation of foreign operations	(281)	7	—	(274)	—	(274)
Total comprehensive income for the year	25,206	(940)	—	24,266	(59)	24,207

The effects of the merger accounting restatement and amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" (see note 2) on the consolidated statement of financial position as at 30 September 2012 by line items are as follows:

	As at 30 September 2012 *HK$'000* (Originally stated)	Merger accounting restatement *HK$'000*	As at 30 September 2012 *HK$'000* (After merger accounting restatement)	Adjustments on application of amendments to HKAS 12 *HK$'000*	As at 30 September 2012 *HK$'000* (As restated)
Non-current assets					
Investment properties	23,430	—	23,430	—	23,430
Property, plant and equipment	47,598	147	47,745	—	47,745
Land use rights	18,364	—	18,364	—	18,364
Deposits for acquisition of property, plant and equipment	2,800	—	2,800	—	2,800
Club debentures	1,080	—	1,080	—	1,080
	93,272	147	93,419	—	93,419
Current assets					
Inventories	56,604	2,820	59,424	—	59,424
Trade, bills and other receivables	123,038	2,879	125,917	—	125,917
Pledged bank deposits	22,709	—	22,709	—	22,709
Bank balances and cash	14,608	768	15,376	—	15,376
	216,959	6,467	223,426	—	223,426
Current liabilities					
Trade, bills and other payables	30,843	3,979	34,822	—	34,822
Amount due to a related company	10,000	—	10,000	—	10,000
Tax payable	1,743	364	2,107	—	2,107
Current portion of secured long-term bank loans	7,171	—	7,171	—	7,171
Secured short-term bank loans	28,676	—	28,676	—	28,676
Bank overdrafts — secured	22,128	—	22,128	—	22,128
	100,561	4,343	104,904	—	104,904
Net current assets	116,398	2,124	118,522	—	118,522
Total assets less current liabilities	209,670	2,271	211,941	—	211,941
Non-current liabilities					
Deferred taxation	4,053	—	4,053	404	4,457
Net assets	205,617	2,271	207,888	404	207,484
Capital and reserves					
Share capital	5,000	—	5,000	—	5,000
Reserves	200,617	2,271	202,888	(404)	202,484
Total equity	205,617	2,271	207,888	(404)	207,484

The effect of the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" described above on the financial positions of the Group as at the beginning of the comparative period i.e. 1 October 2011, is as follows:

	As at 1 October 2011 (originally stated)	Adjustments on application of amendments to HKAS 12	As at 1 October 2011 (after HKAS 12 amendments)
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	3,738	345	4,083
Total effects on net assets	3,738	345	4,083
Retained profits	104,400	(345)	104,055
Total effects on equity	104,400	(345)	104,055

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Business combination under common control

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

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

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

Intangible assets

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

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

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

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

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

Share-based payment transactions

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

5. TURNOVER AND SEGMENT INFORMATION

Before the merger of the Rank Best Group, the Group's operating activities are attributable to a single operating segment focusing on manufacture and sales of adhesives and related products used in footwear manufacturing. During the year ended 30 September 2013, the Group acquired the Rank Best Group which is engaged in the trading of adhesives used in the production of electronic products. The executive directors of the Company regularly review revenue analysis by products, including vulcanized shoes adhesive related products, electronic adhesive related products, other shoe adhesives, primers, hardeners and others, and by locations. The executive directors of Company considered that the operating activities of manufacture, sales and trading of adhesives as a single operation segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to Hong Kong Financial Reporting Standards, that are regularly reviewed by the executive directors of the Company. The executive directors of the Company review the overall result of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

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

Entity-wide information

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

	2013 ***HK$'000***	2012 *HK$'000* (As restated)
Sales of		
— vulcanized shoes adhesive related products	**68,240**	55,008
— other shoe adhesives	**208,852**	205,026
— primers	**91,754**	85,763
— hardeners	**43,993**	44,644
— electronic adhesive related products	**29,961**	7,142
— others	**9,595**	5,342
	452,395	402,925

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

	2013	2012
	HK$'000	*HK$'000*
		(As restated)
Turnover		
— PRC	**232,874**	224,432
— Vietnam	**174,433**	136,349
— Indonesia	**27,113**	35,239
— Bangladesh	**17,975**	6,905
	452,395	402,925

During the year, there was a customer contributing revenue of HK$111,306,000 (2012: HK$131,203,000) which accounted for more than 10% of the Group's total revenue.

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

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

	2013	2012
	HK$'000	*HK$'000*
		(As restated)
PRC	**49,208**	49,039
Macau	**80,897**	33,559
Vietnam	**4,432**	5,301
Indonesia	**4,668**	—
Bangdalesh	**45**	5,520
	139,250	93,419

6. PROFIT BEFORE TAXATION

	2013	2012
	HK$'000	*HK$'000*
		(As restated)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	**9,077**	8,947
Other staff's retirement benefits scheme contributions	**2,652**	2,341
Other staff costs	**39,667**	33,159
	51,396	44,447
Less: Staff costs included in research and development costs	**(1,885)**	(1,856)
	49,511	42,591
Auditor's remuneration		
— audit service	**800**	1,680
— non-audit services	**1,729**	1,040
Amortisation of		
— intangible assets	**4,000**	—
— prepaid lease payments on land use rights	**605**	376
Depreciation	**6,560**	5,744
Operating lease rentals in respect of		
— motor vehicles	**668**	2,571
— rented premises and leasehold land	**3,915**	3,048
Royalty fees included in cost of goods sold	**2,856**	2,452
and after crediting:		
Gross property rental income before deduction of outgoings	**1,473**	1,443
Less: Outgoings	**(350)**	(310)
	1,123	1,133
Government grants included in other income	**709**	—
Interest income	**61**	90

7. TAXATION

	2013 *HK$'000*	2012 *HK$'000* (As restated)
Current tax:		
PRC Enterprise Income Tax ("EIT")	**(2,353)**	(512)
Macau complementary tax	**(791)**	(882)
	(3,144)	(1,394)
Underprovision in prior years:		
PRC EIT	**(200)**	(620)
Vietnam income tax	**—**	(14)
	(200)	(634)
Deferred taxation	**(2,523)**	(381)
	(5,867)	(2,409)

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

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

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

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

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

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

8. DIVIDENDS

During the year, the final dividend for 2012 of HK1.3 cents (2011: HK1.2 cents) per share, totaling HK$6,500,000 (2012: HK$6,000,000) was declared and paid to the shareholders.

The final dividend for 2013 of HK1.6 cents per share has been proposed by the directors and is subject to approval by the shareholders at the annual general meeting. The proposed final dividend of HK$9,107,693 is calculated on the basis of 569,230,769 shares in issue at the date of this announcement.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to the owners of the Company and on the weighted average number of approximately 536,417,281 (2012: 500,000,000) shares in issue during the year.

No diluted earnings per share is presented as there were no potential ordinary shares in existence during the year (2012: N/A).

10. INTANGIBLE ASSETS

	Customers relationship *HK$'000*
Cost	
At 1 October 2011 and at 30 September 2012	—
Acquisition	40,000
At 30 September 2013	40,000
Amortisation	
At 1 October 2011 and at 30 September 2012	—
Amortisation	4,000
At 30 September 2013	4,000
Net book value at 30 September 2013	36,000
Net book value at 30 September 2012	—

11. TRADE, BILLS AND OTHER RECEIVABLES

	2013 ***HK$'000***	2012 *HK$'000* (As restated)
Trade receivables	**109,866**	95,109
Bills receivables	**6,401**	4,718
	116,267	99,827
Customs deposits	**399**	11,482
Value-added tax recoverable	**4,037**	3,487
Other receivables	**5,534**	10,080
Prepayments	**717**	665
Land use rights	**437**	376
	127,391	125,917

Payment terms with customers are mainly on credit. Invoices are normally payable in 15 to 120 days (2012: 15 to 120 days) by the customers from date of issuance. The following is an aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period:

Age

	2013	2012
	HK\$'000	*HK\$'000*
		(As restated)
0 to 30 days	**96,228**	61,509
31 to 60 days	**10,342**	19,024
61 to 90 days	**5,269**	7,502
91 to 180 days	**4,145**	11,506
181 to 365 days	**256**	228
Over 1 year	**27**	58
	116,267	99,827

12. TRADE, BILLS AND OTHER PAYABLES

	2013	2012
	HK\$'000	*HK\$'000*
		(As restated)
Trade payables	**26,152**	21,895
Bills payables — secured	**1,923**	2,127
	28,075	24,022
Customers' deposits received	**217**	208
PRC business tax payable	**—**	1,921
Accruals	**8,369**	6,142
Others	**1,404**	2,529
	38,065	34,822

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

Age

	2013	2012
	HK\$'000	*HK\$'000*
		(As restated)
0 to 30 days	**20,925**	18,589
31 to 60 days	**5,495**	3,514
61 to 90 days	**1,277**	1,008
91 to 180 days	**378**	911
	28,075	24,022

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's turnover for the year ended 30 September 2013 was approximately HK$452,395,000 (2012 (restated): HK$402,925,000), representing an increase of 12.3% over the last year. Profit attributable to the owners of the Company amounted to approximately HK$34,108,000, representing an increase of approximately 39.3% as compared to the last year. During the year, the sales of the Group recorded a growth in major regions and the selling price of our products remained relatively stable.

During the year, the Group recorded a gross profit of approximately HK$126,689,000 (2012 (restated): HK$102,307,000) and profit before taxation of approximately HK$39,975,000 (2012 (restated): HK$26,890,000).

Benefiting from the effective implementation of production cost control, a higher gross profit margin was recorded. The increased gross profit of approximately HK$24,382,000 exceed the increase in the operating cost, including the increased administrative expenses of HK$19,834,000, inclusive of salaries and related expenses and amortisation of intangibles assets of approximately HK$6,920,000 and HK$4,000,000 respectively.

During the year, profit for the year attributable to the owners of the Company amounted to approximately HK$34,108,000 (2012 (restated): HK$24,481,000) and basic earnings per share was HK6.4 cents (2012 (restated): HK4.9 cents).

BUSINESS REVIEW AND PROSPECTS

Businesses

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

Segment Information

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

Products

1. *Other shoe adhesives*

   During the year, the sales revenue generated from this product category was approximately HK$208,852,000 (2012 (restated): HK$205,026,000), representing approximately 46.2% of the Group's total turnover.

2. *Primers*

During the year, the sales revenue generated from this product category was approximately HK$91,754,000 (2012 (restated): HK$85,763,000), representing approximately 20.3% of the Group's total turnover.

3. *Hardeners*

During the year, the sales revenue generated from this product category was approximately HK$43,993,000 (2012 (restated): HK$44,644,000), representing approximately 9.7% of the Group's total turnover.

4. *Vulcanized shoes adhesive related products*

During the year, the sales revenue generated from this product category was approximately HK$68,240,000 (2012 (restated): HK$55,008,000), representing approximately 15.1% of the Group's total turnover.

The vulcanized shoes adhesive related products have entered into the phase of stable growth. During the year, the sales revenue attributable to such products recorded an increase of approximately 24.1%. The Directors expected that such products will continue to be a contributor to the growth in sales performance and earnings of the Group in the future.

5. *Electronic adhesive related products*

During the year, the sales revenue generated from this product category was approximately HK$29,961,000 (2012 (restated): HK$7,142,000), representing approximately 6.6% of the Group's total turnover.

The Directors expected that such products will be a contributor to the growth in sales performance and earnings of the Group in the future.

Regional Information

1. *The PRC market*

During the year, by region, the turnover in the PRC market increased by 3.8% over the last year to approximately HK$232,874,000 (2012 (restated): HK$224,432,000), representing approximately 51.4% of the Group's total turnover.

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

2. *The Vietnamese market*

During the year, by region, the turnover in the Vietnamese market increased by 27.9% over the last year to approximately HK$174,433,000 (2012 (restated): HK$136,349,000), representing approximately 38.6% of the Group's total turnover.

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

3. *The Indonesian market*

   During the year, by region, the turnover in the Indonesian market decreased by 23.1% over the last year to approximately HK$27,113,000 (2012 (restated): HK$35,239,000), representing approximately 6.0% of the Group's total turnover.

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

4. *The Bangladeshi market*

   During the year, by region, the turnover in the Bangladeshi market increased by 160.3% over the last year to approximately HK$17,975,000 (2012 (restated): HK$6,905,000), representing approximately 4.0% of the Group's total turnover.

   During the year, the turnover in the Bangladeshi market increased by 160.3%, mainly due to the relatively low turnover base for the corresponding period last year.

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

Production Facilities

1. *The Zhuhai Plant:*

   As the Group's sales in the PRC market still remained upward, the management decided to execute the second phase expansion project on the land reserved for development in the existing Zhuhai Plant. The management believed that executing the second phase expansion project in the existing Zhuhai Plant was more cost-efficient based on the changes in the PRC market. It is now entering into the preparation stage (including construction of plants, production facilities and warehouses) according to the plan.

2. *The Zhongshan Plant:*

   In order to alleviate the production capacity pressure of the Zhuhai Plant, the Group invested a further portion of production facilities in the Zhongshan Plant to enhance its production capacity.

3. *The Vietnamese Plant:*

   Given the orderly shift of the footwear manufacturing industry to the Southeast Asia as well as the necessity to satisfy market development in the future, the management decided to expand the existing scale of the Vietnamese Plant in the future. Apart from the existing old plant, we hired warehouses to make space for the installation of newly added production equipment to enhance its production capacity. The new plant is now entering into the preparation stage according to the plan, appropriate industrial land was selected and plant design and warehouses commenced.

4. *The Indonesian Plant:*

The Group has established a branch in Indonesia, and has rent a parcel of industrial land along with its plants and office buildings. Scale production was formally launched in 2012 according to the plan, while the operation of existing bonded warehouses reduced. Upon the local production becomes successful, the operation of bonded warehouses will be abolished.

5. *The Bangladeshi Plant:*

Due to the progress of foreign investments in footwear production plants in Bangladesh slower than expected, the Directors believed it was not relatively cost-efficient to maintain the operation of a single production plant based on the current market share. The Group adjusted its local operating strategy in the second half year to dispose of the existing uncompleted plant and establish an office instead. The current products available in Bangladesh are directly exported from the Zhuhai Plant in China, the Vietnamese Plant and the Indonesian Plant to the local customers.

Cost control

In the PRC market, due to factors causing the high level of operating costs, such as the appreciation of Renminbi, the minimum wage standard improved by the PRC government, the shortage of labor force, and inflation, the Group will carefully review and extensively investigate into the current situation in relation with costs and resources allocation. The Group will also improve its internal management in a proactive manner for the purposes of effective control and lowering of operating costs.

Research and Development

The Group will continuously develop premium products to meet the market needs on the environment-friendly basis, and closely observe the development trend in the future for research and development of products preemptively targeted at the future development needs in the industry. In addition to the technology cooperation between the Group and the No-Tape Japanese as well as 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 results growth of the Group for the coming year. In view of the industry still in a reshuffling stage as well as the current situations including continued growth in global demand for footwear, more stringent demand for the quality of adhesion on the part of manufacturers, rapid increase in the demand for the use of environment-friendly water-based adhesive products by footwear brands and manufacturers, and ongoing diversion of the footwear manufacturing industry to low-cost countries or regions, the previous regional deployments of the Group have gradually contributed for the swift changes in the market. The Directors believe that the abovementioned market changes will positively help the sale performance of the Group, and anticipate stable growth in the sales of traditional shoe-making adhesive products for the coming year, with significant gains from new footwear manufacturing bases in Asia in particular. The Group will continue to commit more resources to expedite/enhance marketing to capture additional market shares.

Leveraging on solid experience accumulated over years by the Group, premium products recognized by the market and its competence in research and development/improvement of products, the Group will commit itself on 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 identification and exploration of synergic investment opportunities through resources allocation in order to broaden revenue sources, improve its competence in response to changes and development in the future market, and maximize the returns for its shareholders and employees.

Liquidity and Financial Resources and Capital Structure

For the year ended 30 September 2013, the Group's working capital requirement was principally financed by its internal resources and banking facilities.

As at 30 September 2013, the Group had cash, deposits and bank balances, net current assets and total assets less current liabilities of approximately HK$34,324,000 (2012 (restated): HK$38,085,000), approximately HK$139,046,000 (2012 (restated): HK$118,522,000) and approximately HK$278,296,000 (2012 (restated): HK$211,941,000) respectively.

As at 30 September 2013, the Group had total bank borrowings except bills payable, on floating interest rates basis, of approximately HK$47,369,000 (2012 (restated): HK$57,975,000). All these utilised bank borrowings was short term and 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 and Renminbi, were mainly for business expansion, capital expenditure and working capital purposes.

Total equity attributable to owners of the Company as at 30 September 2013 increased by approximately HK$63,770,000 to approximately HK$271,254,000. The gearing ratio (calculated as the ratio of total borrowings: total assets) of the Group as at 30 September 2013 was approximately 0.12 (2012 (restated): 0.18).

During the year, the Group had acquired the entire issued share capital and sale loan of Rank Best Investments Limited and its subsidiaries (collectively, the "Rank Best Group") at an aggregate consideration of HK$45,000,000, of which HK$36,000,000 of the consideration has been satisfied by the issue of ordinary shares of 69,230,769 of HK$0.01 each of the Company at the issue price of HK$0.52 per consideration share under the specific mandate granted to the Directors of the Company at the extraordinary general meeting of the Company held on 28 December 2012. The transaction had completed on 22 March 2013.

Saved as disclosed above, there was no other changes in Company's share capital during the year.

Significant Investments

Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", the Group had no other significant investment held during the year.

Acquisition and Disposal of Subsidiaries and Associated Companies

On 11 October 2012, the Group entered into an agreement to acquire the entire equity interest in Rank Best Group from Ieong Un ("Mr. Ieong"), the chairman of the Board and the controlling shareholder of the Company. The Rank Best Group is principally engaged in the trading of electronic adhesives related products used in the production of electronic products. Since the above transaction constitutes a connected transaction of the Company, the percentage ratios were more than 5% but less than 25% and the consideration exceeds HK$10,000,000, the transaction is subject to the reporting, announcement requirements and the independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Details of the transaction have been published in the Company's announcements and circular dated 11 October 2012, 28 December 2012 and 10 December 2012 respectively.

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

Employee Information

As at 30 September 2013, the Group employed a total of 401 (2012 (restated): 367) employees. It is the policy of the Group to provide regularly review its employees' pay levels, performance bonus system and other fringe benefits (including social insurance coverage and company sponsored training) regularly to ensure that the remuneration policy is competitive within the relevant industry. During the year, the staff cost (including Directors' emoluments) amounted to approximately HK$51,396,000 (2012 (restated): HK$44,447,000).

In order to provide incentive or reward to eligible persons for their contribution to the Group and to enable the Group to recruit and retain human resources that are valuable to the Group, the Company adopted a Share option scheme ("2010 Scheme") as detailed in the Company's prospectus dated 29 July 2010 (the "Prospectus"), under which it may grant options to eligible persons, including but not limited to employees, directors and consultants, with the Group. During the year, no options have been granted nor exercised pursuant to the 2010 Scheme.

Charges on Group Assets

As at 30 September 2013, certain interests in land use rights, land and buildings and investment properties held under medium-term leases of approximately HK$53,445,000 (2012 (restated): HK$38,328,000) and bank deposits of HK$16,670,000 (2012 (restated): HK$22,709,000) were pledged to banks for bank borrowings totalling approximately HK$47,369,000 (2012 (restated): HK$57,975,000) 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 announcement.

The management, however, will remain 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 of the future of the Group. Given the current uncertain market conditions, the management may fund new projects not mentioned in the Prospectus through fund raising or loans while reserve the internal resources for its core businesses.

Exposure to Fluctuations in Exchange Rates

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

Capital Commitments

As at 30 September 2013, the Group had capital commitments of approximately HK$25,537,000 (2012 (restated): HK$40,493,000) in respect of the acquisition of property, plant and equipment.

Contingent Liabilities

Save as discussed elsewhere under the section headed "Management Discussion and Analysis", the Group did not have any material contingent liabilities as at 30 September 2013.

DIVIDENDS

The Board of Directors recommend the payment of a final dividend of HK1.6 cents per share for the year ended 30 September 2013 subject to the approval of the shareholders at the forthcoming annual general meeting.

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

During the year ended 30 September 2013 and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CONTINUING CONNECTED TRANSACTION

On 27 February 2013, Guangzhou Branch, Centresin Chemical Products Ltd., Zhuhai (珠海市澤濤黏合製品有限公司廣州分公司) ("Zhuhai Centresin") entered into a lease agreement with Mr. Ieong Un ("Mr. Ieong") for the grant of the lease in respect of the office premises located at House nos. 201 to 210 on Level 2, Nos. 79 to 111, Yiju Street, Nanzhou Road, Haizhu District, Guangzhou City, Guangdong Province, the PRC (中國廣東省廣州市海珠區南洲路怡居街79–111號2樓201–210號) of gross floor area of approximately 2,000 square metres by Mr. Ieong to Zhuhai Centresin for a term of three years commencing from 1 March 2013 to 29 February 2016 (the "Lease Agreement"). The annual cap of which are RMB1,164,000, RMB1,222,200 and RMB1,283,310 for each of the three years respectively. Details of the transaction were set out in the announcements of the Company dated 27 February 2013 and 6 March 2013.

Zhuhai Centresin was an indirect wholly-owned subsidiary of the Company and Mr. Ieong was a Director and substantial shareholder of the Company; therefore Mr. Ieong was a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Lease Agreement constituted a continuing connected transaction.

The independent non-executive Directors will comply with the annual review requirement on the continuing connected transaction according to Rule 14A.37 and 14A.38 of the Listing Rules at the year end.

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 for the year ended 30 September 2013.

CODE ON CORPORATE GOVERNANCE PRACTICE

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

Code Provision A.2.1. provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Ieong Un has been performing both the roles of Chairman and Chief Executive Officer. Mr. Ieong is the founder of the Group and has over 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.

Code Provision C.3.5 states that where the Board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include a statement from the audit committee explaining its recommendation and also the reason why the Board has taken a different view. The Board announced on 23 October 2013 that the Company and Deloitte Touche Tohmatsu ("Deloitte") were unable to reach an agreement in relation to the audit fee and proposed the change of auditor, whereas the majority of the members of audit committee did not agree to the proposal to change auditor and suggested to retain Deloitte as auditor of the Group. However, after comparing the audit fees of other candidates, the majority of the Board was of the opinion that the change of auditor is fair and reasonable and in the interest of the Company and the Shareholders as a whole in light of the lower audit fee of the new auditor.

AUDIT COMMITTEE

The Company established the audit committee on 26 March 2010 which comprises three independent non-executive Directors, namely, Mr. Poon Yick Pang Philip (chairman, resigned with effect from 21 November 2013), Mr. Ho Gilbert Chi Hang (resigned with effect from 21 November 2013), Mr. Chan Wing Yau George, Mr. Tong Hing Wah (chairman, appointed with effect from 21 November 2013) and Mr. Simon Luk (appointed with effect from 21 November 2013).

The audit committee is primarily responsible for the review and supervision of the Group's financial reporting process and internal control system. It has met with the external auditors of the Group to review the accounting principles and practices adopted by the Company and the audited annual financial statements of the Group for the year ended 30 September 2013.

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 announcement.

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

In accordance with the requirements under the Listing Rules, the 2013 Annual Report containing all the Company's information set out in this announcement including the audited financial results for the year ended 30 September 2013 will be posted on the Company's website (www.infinitychemical.com) and the website of the Stock Exchange (www.hkex.com.hk) in due course.

By order of the Board
Infinity Chemical Holdings Company Limited
Tong Yiu On
Executive Director

Hong Kong, 30 December 2013

As at the date of this announcement, the Board of Directors comprises five executive Directors, namely, Mr. Ieong Un, Mr. Ip Chin Wing, Mr. Ip Ka Lun, Mr. Stephen Graham Prince and Mr. Tong Yiu On and three independent non-executive Directors, namely Mr. Chan Wing Yau George, Mr. Simon Luk and Mr. Tong Hing Wah.