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 2014

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 2014 together with the comparative figures for the corresponding year in 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2014

	Note	2014 HK$'000	2013 HK$'000
Turnover	4	**499,148**	452,395
Cost of goods sold		**(350,174)**	(325,706)
Gross profit		**148,974**	126,689
Other income		**2,948**	2,632
Changes in fair value of investment properties		**26,880**	15,440
Changes in fair value of other financial assets	10	**(1,170)**	–
Other losses		**(4,961)**	(5,494)
Research and development costs		**(1,598)**	(1,885)
Selling and distribution costs		**(40,022)**	(19,180)
Administrative expenses		**(76,580)**	(77,214)
Interest on bank borrowings wholly repayable within five years		**(1,665)**	(1,013)
Profit before taxation	5	**52,806**	39,975
Share of loss of an associate		**(64)**	–
Taxation	6	**(13,209)**	(5,867)
Net profit for the year		**39,533**	34,108
Other comprehensive income			
— exchange differences arising on translation of foreign operations		**(1,247)**	3,160
Total comprehensive income for the year		**38,286**	37,268
Earnings per share — Basic	8	**HK6.85 cents**	HK6.36 cents
Earnings per share — Diluted	8	**HK6.83 cents**	HK6.36 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Non-current assets			
Investment properties		**64,480**	37,600
Property, plant and equipment		**44,800**	42,469
Land use rights		**17,579**	18,235
Intangible assets	*9*	**34,871**	36,000
Investment in an associate		**7,056**	–
Other financial assets	*10*	**12,710**	–
Club debentures		**1,080**	1,080
Deposits for acquisition of property, plant and equipment		**3,240**	3,866
		185,816	139,250
Current assets			
Inventories		**68,956**	80,342
Trade, bills and other receivables	*11*	**140,752**	127,391
Pledged bank deposits		**22,067**	16,670
Bank balances and cash		**29,403**	17,654
		261,178	242,057
Current liabilities			
Trade, bills and other payables	*12*	**46,191**	38,065
Amount due to a related company		**3,659**	13,606
Secured short-term bank loans		**5,982**	24,341
Current portion of secured long-term bank loans		**44,047**	10,037
Bank overdrafts — secured		**4,458**	12,991
Tax payable		**8,060**	3,971
		112,397	103,011
Net current assets		**148,781**	139,046
Total assets less current liabilities		**334,597**	278,296
Non-current liabilities			
Deferred taxation		**11,327**	7,042
Net assets		**323,270**	271,254
Capital and reserves			
Share capital		**5,959**	5,692
Reserves		**317,311**	265,562
Total equity		**323,270**	271,254

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. GENERAL INFORMATION

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

The Company is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in the manufacture and sales of adhesives and related products used in footwear manufacturing and the trading of adhesives used in the production of electronic products. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The addresses of the principal places of business in Hong Kong and Macau Special Administrative Regions, the People's Republic of China are Unit 2201–2202, 22/F, Alliance Building, 133 Connaught Road Central, Hong Kong and Rua de Pequim, Nos. 202A–246, Macau Finance Centre, 16 Andar A–D, Macau, respectively.

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

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

In the current year, the Group has applied a number of revised standard and amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's accounting period beginning on 1 October 2013.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009–2011 Cycle
HKFRS 1 (Amendments)	First-time Adoption of HKFRSs — Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC*)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

* *IFRIC represents the IFRS Interpretations Committee.*

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.

HKFRSs (Amendments) — Annual Improvements 2009–2011 Cycle

HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or reclassification has a material effect on the information presented in the opening position. Further, this opening statement of financial position does not have to be accompanied by comparative information in the related notes. This is consistent with the Group's existing accounting policy.

The adoption of these standards has no material impact on the Group's financial statements.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "defacto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest.

The adoption of this standard has no material impact on the Group's financial statements.

HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements.

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 2010–2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 10 and HKAS 28(Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[3]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[4]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[3]
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial assets[1]
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC*)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Effective for annual periods beginning on or after 1 January 2016.
4 Effective for annual periods beginning on or after 1 January 2017.
5 Effective for annual periods beginning on or after 1 January 2018.

* *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. 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 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.

Basis of consolidation

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

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

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

Business combination under common control

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

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

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

Associated companies

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

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

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

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

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

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

Intangible assets

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

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

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

(a) Customers relationship

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

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

(b) Club memberships

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

(c) Formula and know-how

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

Share-based payment transactions

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

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

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

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

4. TURNOVER AND SEGMENT INFORMATION

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

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

Entity-wide information

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

	2014	2013
	HK$'000	*HK$'000*
Sales of		
— vulcanized shoes adhesive related products	**74,346**	68,240
— other shoe adhesives	**228,960**	208,852
— primers	**99,189**	91,754
— hardeners	**50,379**	43,993
— electronic adhesive related products	**32,812**	29,961
— others	**13,462**	9,595
	499,148	452,395

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

	2014	2013
	HK$'000	*HK$'000*
Turnover		
— PRC	**248,041**	232,874
— Vietnam	**217,434**	174,433
— Indonesia	**26,317**	27,113
— Bangladesh	**7,356**	17,975
	499,148	452,395

During the year, there was a customer contributing revenue of HK$154,474,000 (2013: HK$111,306,000) which accounted for more than 30% 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:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**947**	–
PRC	**71,337**	49,208
Macau	**104,788**	80,897
Vietnam	**5,395**	4,432
Indonesia	**3,320**	4,668
Others	**29**	45
	185,816	139,250

5. PROFIT BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' remuneration	**10,712**	9,077
Other staff's retirement benefits scheme contributions	**1,799**	2,652
Other staff costs	**41,137**	39,667
	53,648	51,396
Less: Staff costs included in research and development costs	**(1,675)**	(1,885)
	51,973	49,511
Auditor's remuneration		
— audit service	**900**	800
— non-audit services	**905**	1,729
Amortisation of		
— intangible assets	**4,325**	4,000
— prepaid lease payments on land use rights	**514**	605
Depreciation	**7,817**	6,560
Operating lease rentals in respect of		
— motor vehicles	**3,004**	668
— rented premises and leasehold land	**4,881**	3,915
Royalty fees included in cost of goods sold	**2,588**	2,856
and after crediting:		
Gross property rental income before deduction of outgoings	**1,507**	1,473
Less: Outgoings	**(346)**	(350)
	1,161	1,123
Government grants included in other income	**408**	709
Interest income	**141**	61

6. TAXATION

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
PRC Enterprise Income Tax ("EIT")	**(5,857)**	(2,353)
Macau complementary tax	**(880)**	(791)
Vietnam income tax	**(75)**	–
	(6,812)	(3,144)
Underprovision in prior years	**(2,120)**	(200)
Deferred taxation	**(4,277)**	(2,523)
	(13,209)	(5,867)

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. The applicable income tax rate after the tax reduction period is 25%.

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

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

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

Underprovision in prior years represents provision of Macau complementary tax and PRC EIT made in respect of prior years.

7. DIVIDENDS

During the year, the final dividend for 2013 of HK1.6 cents (2012: HK1.3 cents) per share, totalling approximately HK$9,108,000 (2012: HK$6,500,000) was declared and paid to the shareholders.

The final dividend for 2014 of HK1.7 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$10,130,693 is calculated on the basis of 595,923,076 shares in issue at the date of this announcement.

8. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to the owners of the Company and on the weighted average number of approximately 576,845,732 (2013: 536,417,281) shares in issue during the year.

	2014	2013
Profit attributable to equity holders of the Company *(HK$'000)*	**39,533**	34,108
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	**576,846**	536,417
Basic earnings per share	**HK6.85 cents**	HK6.36 cents

(b) Diluted

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

	2014	2013
Profit attributable to equity holders of the Company *(HK$'000)*	**39,533**	34,108
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	**576,846**	536,417
Effect of dilutive potential ordinary shares upon the exercise of share options (thousand shares)	**1,772**	–
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	**578,618**	536,417
Diluted earnings per share	**HK6.83 cents**	HK6.36 cents

9. INTANGIBLE ASSETS

	Club membership *HK$'000*	Formula rights *HK$'000*	Customers relationship *HK$'000*	Total *HK$'000*
Cost				
At 1 October 2012	–	–	–	–
Acquisitions	–	–	40,000	40,000
At 1 October 2013	–	–	40,000	40,000
Acquisitions	1,596	1,600	–	3,196
At 30 September 2014	1,596	1,600	40,000	43,196
Amortisation				
At 1 October 2012	–	–	–	–
Amortisation	–	–	4,000	4,000
At 1 October 2013	–	–	4,000	4,000
Amortisation	5	320	4,000	4,325
At 30 September 2014	5	320	8,000	8,325
Net book value at 30 September 2014	1,591	1,280	32,000	34,871
Net book value at 30 September 2013	–	–	36,000	36,000

10. OTHER FINANCIAL ASSETS

	2014 ***HK$'000***	2013 *HK$'000*
At 1 October	**–**	–
Additions through acquisition of an associate	**13,880**	–
Fair value changes	**(1,170)**	–
Profit guarantee, at fair value	**12,710**	–

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

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

The fair value of profit guarantee of Blue Sky Group as at date of acquisition and on 30 September 2014 were approximately HK$13,880,000 and HK$12,710,000 respectively.

The fair values of the aforementioned profit guarantee are based on valuation performed by an independent professional qualified valuer, using a Black-Scholes model.

11. TRADE, BILLS AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**117,398**	109,866
Bills receivables	**9,213**	6,401
	126,611	116,267
Customs deposits	**–**	399
Value-added tax recoverable	**1,428**	4,037
Other receivables	**11,059**	5,534
Prepayments	**1,140**	717
Land use rights	**514**	437
	140,752	127,391

Payment terms with customers are mainly on credit. Invoices are normally payable in 15 to 120 days (2013: 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

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**116,185**	96,228
31 to 60 days	**5,073**	10,342
61 to 90 days	**3,639**	5,269
91 to 180 days	**1,235**	4,145
181 to 365 days	**479**	256
Over 1 year	**–**	27
	126,611	116,267

12. TRADE, BILLS AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**32,661**	26,152
Bills payables — secured	**2,133**	1,923
	34,794	28,075
Customers' deposits received	**1,485**	217
Accruals	**9,184**	8,369
Others	**728**	1,404
	46,191	38,065

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

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**30,970**	20,925
31 to 60 days	**3,647**	5,495
61 to 90 days	**130**	1,277
91 to 180 days	**47**	378
	34,794	28,075

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's turnover for the year ended 30 September 2014 was approximately HK$499,148,000 (2013: HK$452,395,000), representing an increase of 10.33% over last year. Profit attributable to the owners of the Company amounted to approximately HK$39,533,000 (2013: HK$34,108,000), representing an increase of approximately 15.91% as compared to last year. During the year, the sales of the Group recorded a growth in major regions and the selling prices of our products remained relatively stable.

During the year, the Group recorded a gross profit of approximately HK$148,974,000 (2013: HK$126,689,000) and profit before taxation of approximately HK$52,806,000 (2013: HK$39,975,000).

Benefiting from the effective implementation of production cost control, a stable gross profit margin was maintained. The increase in gross profit of approximately HK$22,285,000 exceeded the increase in the operating costs, including the increase in selling and distribution costs by approximately HK$20,842,000.

During the year, profit attributable to the owners of the Company amounted to approximately HK$39,533,000 (2013: HK$34,108,000) and basic earnings per share was HK6.85 cents (2013: HK6.36 cents).

BUSINESS REVIEW AND PROSPECTS

Businesses

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

Segment Information

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

Products

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

   During the year, the sales revenue generated from this product category was approximately HK$303,306,000 (2013: HK$277,092,000), representing approximately 60.76% of the Group's total turnover.

2. *Primers*

   During the year, the sales revenue generated from this product category was approximately HK$99,189,000 (2013: HK$91,754,000), representing approximately 19.87% of the Group's total turnover.

3. *Hardeners*

   During the year, the sales revenue generated from this product category was approximately HK$50,379,000 (2013: HK$43,993,000), representing approximately 10.09% of the Group's total turnover.

4. *Electronic adhesive related products*

   During the year, the sales revenue generated from this product category was approximately HK$32,812,000 (2013: HK$29,961,000), representing approximately 6.57% of the Group's total turnover.

   During the year, 廣州市雅威貿易有限公司 (Guangzhou Shi Yawei Trading Company Limited), a subsidiary acquired by the Group last year, was appointed by a renowned chemical company in USA as its direct trader in the territory of PRC, for the marketing and after-sales support of its electronics material products in the region. Such product series are mainly applied to the bonding of relevant components of new energy vehicles.

   The Directors expected that the agent business and electronic adhesive related 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 6.51% over last year to approximately HK$248,041,000 (2013: HK$232,874,000), representing approximately 49.69% 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 Vietnam market*

During the year, by region, the turnover in the Vietnam market increased by 24.65% over last year to approximately HK$217,434,000 (2013: HK$174,433,000), representing approximately 43.56% of the Group's total turnover.

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

3. *The Indonesia market*

During the year, by region, the turnover in the Indonesia market decreased by 2.93% over last year to approximately HK$26,317,000 (2013: HK$27,113,000), representing approximately 5.27% 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 Bangladesh market*

During the year, by region, the turnover in the Bangladesh market decreased by 59.08% over last year to approximately HK$7,356,000 (2013: HK$17,975,000), representing approximately 1.48% of the Group's total turnover.

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

Production Facilities

1. *The Zhuhai Plant:*

In light of the upward trend of the Group's sales and the changes in the PRC market, the management decided to execute the second phase expansion project in the existing Zhuhai Plant. 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 commenced as planned.

2. *The Zhongshan Plant:*

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

3. *The Vietnam Plant:*

Given the orderly shift of the footwear manufacturing industry to the Southeast Asia as well as the necessity to satisfy the needs for market development in the future, the management decided to expand the existing scale of the Vietnam Plant in the future. In order to meet the current production capacity requirement, the Group rented additional warehouses in the industrial zone where its existing plant is located so as to make space for the installation of additional production equipment to enhance the production capacity of its existing plant. The new Vietnam plant is now entering into the preparation stage as planned, suitable industrial sites has been acquired and design for the plant and warehouses is underway.

4. *The Indonesia Plant:*

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

Cost Control

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

Research and Development

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

Prospects

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

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

Liquidity and Financial Resources and Capital Structure

For the year ended 30 September 2014, the Group's working capital requirement was principally financed by its internal resources and banking facilities.

As at 30 September 2014, the Group had cash and bank balances and deposits, net current assets and total assets less current liabilities of approximately HK$51,470,000 (2013: HK$34,324,000), approximately HK$148,781,000 (2013: HK$139,046,000) and approximately HK$334,597,000 (2013: HK$278,296,000) respectively.

As at 30 September 2014, the Group had total bank borrowings except bills payable, on floating interest rates basis, of approximately HK$54,487,000 (2013: HK$47,369,000). All these utilised bank borrowings, both long and short terms, were secured by pledged bank deposits, land use rights, land and buildings and investment properties held under medium-term leases.

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

Total equity attributable to owners of the Company as at 30 September 2014 increased by approximately HK$52,016,000 to approximately HK$323,270,000. The gearing ratio (calculated as the ratio of total borrowings: total assets) of the Group as at 30 September 2014 was approximately 0.12 (2013: 0.12).

On 11 April 2014, a wholly-owned subsidiary of the Company (the "Purchaser") entered into an agreement with a vendor and guarantor to acquire 20% of the entire issued share capital of the Blue Sky Energy Efficiency Company Limited and its subsidiaries (the "Blue Sky Group") at an aggregate consideration of HK$21,000,000 (the "Acquisition"), which will be satisfied as to HK$4,200,000 in cash and the remaining balance of HK$16,800,000 by procuring the Company to issue the convertible bonds to the vendor or its nominees which entitles the holders thereof to convert into 21,000,000 conversion shares at the initial conversion price of HK$0.80.

On the same date, the Group entered into another agreement with an arranger (the "Arranger") to procure for the services in connection with the Acquisition. Pursuant and subject to the fulfillment of the conditions under the Arranger's agreement, the Group procures the Company to allot and issue 5,692,307 warrants which entitled the warrants holder to subscribe for up to 5,692,307 shares at the exercise price of HK$0.80 each.

The completion of the Acquisition took place on 2 May 2014. Details regarding the Acquisition and the Arranger's transaction and completion are disclosed in the Company's announcements dated 11 April 2014 and 2 May 2014 respectively.

On 22 May 2014, the convertible bonds (due in May 2016) with an aggregate principal amount of HK$16,800,000 were converted into 21,000,000 shares of the Company at the conversion price of HK$0.80 each.

On 25 September 2014, the warrant (due in May 2015) was fully exercised and 5,692,307 shares of the Company were issued at the exercise price of HK$0.80 each.

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

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

During the year under review, the Group completed an acquisition of 20% equity interest in the Blue Sky Group on 2 May 2014.

The principal activities of the Blue Sky Group are engaged in (i) provision of application and installment of energy-efficiency system for commercial buildings, hotels and residential premises; and (ii) research and development and sales of environmental chemical coating products.

During the year under review, the Blue Sky Group is in progress to negotiate certain energy saving contracts which will be expected to be commenced in 2015. The Group expects the Blue Sky Group can bring positive contribution in coming future.

Nevertheless, for the best interest of the Company's shareholder as a whole, the acquisition contained a profit guarantee that the profits of the Blue Sky Group for coming two years after the acquisition would not be less than HK$30 million. In the case that the profit guarantee is not met, the Group will receive a compensation of maximum of HK$21,000,000 which is equal to the consideration of the acquisition. As of 30 September 2014, the profit guarantee was measured by an independent professional qualified valuer amounted to approximately HK$12,710,000 and has been recognised as other financial assets.

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

Employee Information

As at 30 September 2014, the Group employed a total of 402 (2013: 401) employees. It is the policy of the Group to provide and regularly review its employees' pay levels, performance bonus system and other fringe benefits (including social insurance coverage and company sponsored training) to ensure that the remuneration policy is competitive within the relevant industry. During the year, the staff costs (including Directors' emoluments) amounted to approximately HK$53,648,000 (2013: HK$51,396,000).

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. For the year ended 30 September 2014, the Group had granted 5,480,000 share options to the Directors and staff under the 2010 Scheme and there are 5,480,000 share options outstanding under the 2010 Scheme as at 30 September 2014.

Charges on Group Assets

As at 30 September 2014, certain interests in land use rights, land and buildings and investment properties held under medium-term leases of approximately HK$76,089,000 (2013: HK$53,445,000) and bank deposits of HK$22,067,000 (2013: HK$16,670,000) were pledged to banks for bank borrowings totaling approximately HK$54,487,000 (2013: HK$47,369,000) 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 continue to closely observe the development and operating condition of the industry. It will seek investments in companies/projects that could bring synergy to the Group should the targets/opportunities arise. In addition, the management may also invest in new business projects in situations they consider in favour to the future of the Group. Given the current uncertain market conditions, the management may fund new projects not mentioned in the Prospectus through fund raising or loans while reserve the internal resources for its core businesses.

Exposure to Fluctuations in Exchange Rates

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

Capital Commitments

As at 30 September 2014, the Group had capital commitments of approximately HK$12,093,000 (2013: HK$25,537,000) in respect of the acquisition of property, plant and equipment.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 September 2014.

Events after the reporting year

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2014 and up to the date of this announcement.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK1.7 cents per share for the year ended 30 September 2014 subject to the approval of the shareholders at the forthcoming annual general meeting.

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

For the year ended 30 September 2014 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 30 September 2014.

CORPORATE GOVERNANCE CODE

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

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

AUDIT COMMITTEE

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

The audit committee is primarily responsible for the review and supervision of the Group's financial reporting process and internal control system. It has met with the external auditors of the Group to review the accounting principles and practices adopted by the Company and the audited annual financial statements of the Group for the year ended 30 September 2014.

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 2014 Annual Report containing all the Company's information set out in this announcement including the audited financial results for the year ended 30 September 2014 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 2014

As at the date of this announcement, the Board 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.