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## INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

### 星謙發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2021

The board (the “Board”) of directors (the “Directors”) of Infinity Development Holdings Company Limited (the “Company”) is pleased to announce its unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 March 2021, together with the comparative figures for the corresponding six months ended 31 March 2020, as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 March 2021

	Note	Six months ended 31 March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	324,972	306,832
Cost of goods sold		(213,354)	(201,708)
<b>Gross profit</b>		<b>111,618</b>	<b>105,124</b>
Other income		3,261	2,495
Changes in fair value of investment properties		—	(5,100)
Other gains and losses		(3,427)	(1,130)
Selling and distribution costs		(22,323)	(24,851)
Administrative expenses		(52,790)	(53,097)
<b>Profit from operations</b>		<b>36,339</b>	<b>23,441</b>
Finance costs		(166)	(170)
Share of loss of an associate		(1,129)	(639)
Impairment loss of investment in an associate		(1,000)	(1,500)
<b>Profit before tax</b>		<b>34,044</b>	<b>21,132</b>
Income tax expense	5	(4,284)	(2,586)
<b>Profit for the period attributable to the owners of the Company</b>	6	<b>29,760</b>	<b>18,546</b>
<b>Earnings per share</b>			
— Basic	8(a)	<b>HK5.28 cents</b>	HK3.19 cents
— Diluted	8(b)	<b>Not applicable</b>	Not applicable

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 31 March 2021*

	<b>Six months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>29,760</b>	<b>18,546</b>
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>3,819</u>	<u>(2,062)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>3,819</u>	<u>(2,062)</u>
<b>Total comprehensive income for the period attributable to the owners of the Company</b>	<u><u>33,579</u></u>	<u><u>16,484</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>		
Investment properties	69,100	69,100
Property, plant and equipment	103,164	104,960
Right-of-use assets	15,150	16,188
Intangible assets	1,864	1,888
Investment in associates	2,123	4,252
Club debentures	1,080	1,080
Deposits for acquisition of property, plant and equipment	71	152
<b>Total non-current assets</b>	<b>192,552</b>	197,620
<b>Current assets</b>		
Inventories	65,509	38,564
Trade, bills and other receivables	191,378	169,819
Restricted bank deposits	6,384	6,725
Bank and cash balances	126,261	179,080
<b>Total current assets</b>	<b>389,532</b>	394,188
<b>Current liabilities</b>		
Trade, bills and other payables	115,618	101,409
Lease liabilities	1,712	1,652
Bank loans	2,306	33,880
Current tax liabilities	21,255	16,945
<b>Total current liabilities</b>	<b>140,891</b>	153,886
<b>Net current assets</b>	<b>248,641</b>	240,302
<b>Total assets less current liabilities</b>	<b>441,193</b>	437,922
<b>Non-current liabilities</b>		
Lease liabilities	2,452	3,216
Deferred tax liabilities	12,077	12,327
<b>Total non-current liabilities</b>	<b>14,529</b>	15,543
<b>Net assets</b>	<b>426,664</b>	422,379
<b>Capital and reserves</b>		
Share capital	5,634	5,634
Reserves	421,030	416,745
<b>Total equity</b>	<b>426,664</b>	422,379

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The addresses of its principal places of business in Hong Kong Special Administrative Region (“**Hong Kong**”) and Macao Special Administrative Region (“**Macao**”), the People’s Republic of China (the “**PRC**”) are Units 2201–2202, 22/F., Alliance Building, 133 Connaught Road Central, Hong Kong and 16 Andar A–D, Macao Finance Centre, No. 202A–246 Rua de Pequim, Macau, respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Group is principally engaged in the manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

### 2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 September 2020. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 September 2020.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 October 2020. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 30 September 2020. A number of new or amended standards are effective from 1 October 2020 but they do not have a material effect on the Group’s consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

##### Operating segment information

The Group has only one operating and reportable segment. Management determines the operating segment based on the information reported to the Group's chief operating decision makers ("CODMs") (i.e. the executive Directors). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is principally engaged in the manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers. Accordingly, there is only one operating and reportable segment.

No analysis of segment assets and liabilities is presented because the CODMs do not base on such analysis for resource allocation and performance assessment.

	Six months ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
— Sales of goods	<u>324,972</u>	<u>306,832</u>

#### 5. INCOME TAX EXPENSE

	Six months ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period:		
— PRC Enterprise Income Tax ("PRC EIT")	—	217
— Macau Complementary Tax	3,997	2,847
— Vietnam Enterprise Income Tax ("Vietnam EIT")	<u>537</u>	<u>122</u>
	4,534	3,186
Deferred tax	<u>(250)</u>	<u>(600)</u>
	<u>4,284</u>	<u>2,586</u>

PRC EIT, Macau Complementary Tax, Vietnam EIT and Indonesian Corporate Income Tax ("Indonesian CIT") are calculated at the applicable rates in accordance with the relevant laws and regulations in the respective jurisdictions.

Except for the concessionary PRC EIT rate applicable to a subsidiary in the PRC as described below, PRC EIT has been provided at a rate of 25% (six months ended 31 March 2020: 25%) during the six months ended 31 March 2021.

Pursuant to the relevant laws and regulations in Macau, subsidiaries in Macau are subject to Macau Complementary Tax at a maximum rate of 12% (six months ended 31 March 2020: 12%) during the six months ended 31 March 2021.

Pursuant to the relevant laws and regulations in the PRC, 珠海市澤濤黏合製品有限公司 (Zhuhai Centresin Chemical Product Company Limited) (“**Zhuhai Centresin**”), a subsidiary in the PRC, is recognised as a High and New Technology Enterprise by the relevant PRC government authorities and Zhuhai Centresin was therefore entitled to enjoy a concessionary PRC EIT rate of 15% (six months ended 31 March 2020: 15%) during the six months ended 31 March 2021.

Pursuant to the relevant laws and regulations in the Socialist Republic of Vietnam (“**Vietnam**”), entities in Vietnam engaged in qualified expansion investment projects are eligible for Vietnam EIT exemption for the first year to the second year, and a 50% reduction for the third year to the sixth year starting from the year in which the entities first generate income from the expansion investment projects, on the assessable profits from such expansion investment projects. Zhong Bu Adhesive (Vietnam) Co., Ltd., a subsidiary in Vietnam, was entitled to the tax incentive for its expansion investment project from 2017 to 2022. The remaining assessable profits that are not generated from these expansion investment projects, is subject to Vietnam EIT at a standard tax rate of 20%.

Pursuant to the relevant laws and regulations in the Republic of Indonesia (“**Indonesia**”), PT. Zhong Bu Adhesive Indonesia, a subsidiary in Indonesia, is subject to Indonesian CIT at 25% (six months ended 31 March 2020: 25%) during the six months ended 31 March 2021.

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

## 6. PROFIT FOR THE PERIOD

	<b>Six months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>

The Group’s profit for the period is stated after charging the following:

Allowances for trade, bills and other receivables	<b>2,353</b>	11,096
Allowances for inventories, net	<b>4,590</b>	2,285
Depreciation		
— property, plant and equipment	<b>6,676</b>	6,389
— right-of-use assets	<b>1,161</b>	1,274
Loss on disposals of property, plant and equipment	—	3
Written-off of property, plant and equipment	<b>1,282</b>	—

## 7. DIVIDENDS

	<b>Six months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interim dividend declared — HK2.7 cents (2020: HK\$Nil) per ordinary share	<b>15,210</b>	—
Final dividend for the year ended 30 September 2020 approved and paid — HK5.2 cents (2019: HK5.2 cent) per ordinary share	<b>29,294</b>	30,200
	<b>44,504</b>	30,200

At the Board meeting held on 28 May 2021, the Directors declared the interim dividend of HK2.7 cents (2020: HK\$Nil) per ordinary share for the six months ended 31 March 2021.

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

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

	<b>Six months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit for the purpose of calculating basic earnings per share	<b>29,760</b>	18,546

	<b>Six months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>563,351</b>	580,680

### (b) Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the six months ended 31 March 2021 and 2020.

## 9. TRADE, BILLS AND OTHER RECEIVABLES

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowances, is as follows:

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
0 to 90 days	138,815	121,218
91 to 180 days	39,588	28,666
181 to 365 days	—	50
	<u>178,403</u>	<u>149,934</u>

## 10. TRADE, BILLS AND OTHER PAYABLES

The ageing analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
0 to 90 days	49,015	42,144
91 to 180 days	—	1,630
181 to 365 days	—	—
Over 1 year	—	19
	<u>49,015</u>	<u>43,793</u>



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

#### **Revenue**

The revenue of the Group for the six months ended 31 March 2021 and 2020 was approximately HK\$324,972,000 and approximately HK\$306,832,000 respectively, and remained fairly stable.

#### **Gross profit**

The gross profit of the Group for the six months ended 31 March 2021 and 2020 was approximately HK\$111,618,000 and approximately HK\$105,124,000 respectively, and remained fairly stable.

#### **Changes in fair value of investment properties**

There were no changes in fair value of investment properties of the Group for the six months ended 31 March 2021 based on the valuation as at 31 March 2021 assessed by an independent valuer.

The changes in fair value of investment properties of the Group for the six months ended 31 March 2020 were mainly attributable to the investment properties located in Macau which were based on the valuation as at 31 March 2020 assessed by an independent valuer.

#### **Selling and distribution costs**

The selling and distribution costs of the Group for the six months ended 31 March 2021 and 2020 was approximately HK\$22,323,000 and approximately HK\$24,851,000 respectively, representing a decrease of approximately 10.2%.

The decrease in selling and distribution costs was mainly attributable to the tightened cost control after the outbreak of Coronavirus Disease 2019 (the “**COVID-19**”).

#### **Administrative expenses**

The administrative expenses of the Group for the six months ended 31 March 2021 and 2020 was approximately HK\$52,790,000 and approximately HK\$53,097,000 respectively, and remained relatively stable.

Excluding the allowances for trade, bills and other receivables, the administrative expenses of the Group for the six months ended 31 March 2021 and 2020 would be approximately HK\$50,437,000 and approximately HK\$42,001,000, respectively, representing an increase of approximately 20.1%, which was mainly due to the increase in employee benefits expense (including Directors' emoluments) for the six months ended 31 March 2021, partially offset by the general decrease in other administrative expenses as a result of the tightened cost control after the outbreak of the COVID-19.

### **Profit for the period attributable to the owners of the Company**

As a result of the abovementioned, the profit for the period attributable to the owners of the Company for the six months ended 31 March 2021 and 2020 was approximately HK\$29,760,000 and approximately HK\$18,546,000 respectively, representing an increase of approximately 60.5%.

## **BUSINESS REVIEW AND PROSPECTS**

### **Businesses**

For the six months ended 31 March 2021, the Group is principally engaged in the manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

As at 31 March 2021, the Group had 3 manufacturing plants in the PRC, Vietnam and Indonesia. If necessary, the Group will consider to further expand its existing manufacturing facilities and set up new manufacturing plant to satisfy its prestige customers' needs.

### **Cost control**

The Group will continue to carefully review and extensively investigate into the current situation in relation to costs and resources deployment. In response to the uncertainties of the persistent epidemic effect, the Group will consider to tighten its control over the operating costs in the short term proactively and effectively.

### **Research and development**

The Group is always environmental-oriented and dedicated to developing high quality products to satisfy the market needs; and closely observes the future development direction to research and develop products continuously in order to satisfy the needs for future development in the industry. In addition to its own research and development team, the Group also cooperated with some international well-known chemical corporations (including Germany and Japan) to develop new products and 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, through the above measures, it will enhance the research and development capabilities of the Group so as to maintain the leading position of its technologies in the industry.

## **Prospects**

Short to medium term outlook: In view of the persistent epidemic effect across the globe, it is difficult to predict how long it will last. The market currently adopts a wait and see approach to the epidemic effect. As such, it is more difficult for the Board to predict the sales performance of the Group in 2021.

Medium to long term outlook: Due to the global demand for footwear still growing continually, more stringent requirement from the manufacturers for the quality of adhesives which would gradually eliminate industry players with less competitiveness and the demand for the use of environmental water-based adhesive products by footwear brands and manufacturers still growing, the effect of the previous regional deployments of the Group has become prominent in response to the market changes. The Group has been maintaining partnerships with its prestige customers for a number of years. As such, the Board expects that the growth of the Group's sales in the medium to long term will remain stable. The Group will continue to devote necessary resources to further increase its market share if appropriate.

Leveraging on the Group's solid experience accumulated over the years, its high quality products recognised by the market and its competence in research and development capabilities, the Group will continue to commit to its core business. The Group will also consider to invest and develop its OEM business in a proactive manner in order to broaden its revenue base.

Looking ahead, the Board remains prudent and optimistic about the prospects of our core business in the long term. The Group will follow a very cautious approach to ensure corporate sustainability in 2021. In 2021, the Group will monitor its working capital management closely. The Group will also closely and carefully monitor the latest development of the footwear manufacturing industry and our core business; and the latest development of the epidemic effect and adjust its business strategies from time to time if required.

## **DEBTS AND CHARGE ON ASSETS**

As at 31 March 2021, the Group had interest-bearing bank borrowings of approximately HK\$2,306,000 (30 September 2020: approximately HK\$33,880,000). As at 31 March 2021, the Group's banking facilities were secured by (i) the Group's restricted bank deposits of approximately HK\$6,384,000 (30 September 2020: approximately HK\$6,725,000); (ii) the Group's certain property, plant and equipment with carrying amount of approximately HK\$2,408,000 (30 September 2020: approximately HK\$3,466,000); (iii) the Group's investment properties with carrying amount of approximately HK\$11,300,000 (30 September 2020: approximately HK\$64,400,000); and (iv) corporate guarantee executed by the Company.

The Group currently does not have any interest rate hedging policy while the Group pays vigilant attention to and monitors interest rate risks continuously and cautiously.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has normally funded the liquidity and capital requirements primarily through net cash generated from its operating activities.

As at 31 March 2021, the Group had restricted bank deposits of approximately HK\$6,384,000 (30 September 2020: approximately HK\$6,725,000). As at 31 March 2021, the Group had interest-bearing bank borrowings of approximately HK\$2,306,000 (30 September 2020: approximately HK\$33,880,000) and lease liabilities of approximately HK\$4,164,000 (30 September 2020: approximately HK\$4,868,000). Therefore, as at 31 March 2021, the gearing ratio (defined as the total of bank borrowings and lease liabilities divided by total equity) of the Group was approximately 1.5% (30 September 2020: approximately 9.2%). As at 31 March 2021, the current ratio of the Group was approximately 2.8 (30 September 2020: approximately 2.6).

## **FOREIGN EXCHANGE EXPOSURE**

The Group has certain exposure to foreign currency risks as (i) most of the Group's business transactions are denominated in United States dollars; and (ii) the Group's assets and liabilities are principally derived from our overseas operations and mainly denominated in United States dollars, Renminbi and Vietnam Dong. The Group expects that Hong Kong dollars will continue to be pegged to United States dollars. As such, the Group expects that Hong Kong dollars will not have material fluctuation against foreign currencies which might materially affect the Group's operations. For the six months ended 31 March 2021, the Group did not employ any financial instruments for hedging purpose. The Group monitors its foreign currency exposure closely and will consider adopting hedging policy should the need arise.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS**

Save as disclosed elsewhere in this interim results announcement, for the six months ended 31 March 2021, the Group did not have any significant investments, material acquisitions or disposals.

There was no formal plan authorised by the Board for any significant investments, material acquisitions or disposals as at 31 March 2021 and up to the date of this interim results announcement.

## **CAPITAL COMMITMENTS**

As at 31 March 2021, the Group had capital commitments of approximately HK\$987,000 (30 September 2020: approximately HK\$889,000) in respect of acquisitions of property, plant and equipment.

## CONTINGENT LIABILITIES

As at 31 March 2021, the Group did not have any significant contingent liabilities (30 September 2020: Nil).

## EVENTS AFTER THE REPORTING PERIOD

There have been no other material events occurring after the reporting period and up to the date of this interim results announcement.

## EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2021, the Group employed a total of 342 (30 September 2020: 333) employees. It is the policy of the Group to provide a regular review on its employees' pay levels, performance bonus system and other fringe benefits (including social insurance coverage and training sponsorship) to ensure that the remuneration policy is competitive within the relevant industry. For the six months ended 31 March 2021, the employee benefits expense (including Directors' emoluments) amounted to approximately HK\$48,087,000 (six months ended 31 March 2020: approximately HK\$39,028,000).

The remuneration policy for the Directors is based on their experience, level of responsibilities, lengths of services and general market conditions. Any discretionary bonus and other merit payments are linked to the financial results of the Group and the individual performance of the Directors.

## INVESTMENTS OF THE GROUP

### *Warrant Parking Management Limited*

The Group has held 40% equity interest in Warrant Parking Management Limited (“**Warrant Parking**”) since 2017. The principal activity of Warrant Parking is mainly engaged in the provision of management service to the government car parks in Macau.

### *Hunan Changsha cooperation*

On 12 October 2015, the Group entered into a non-legally binding memorandum of understanding with 株洲變流技術國家工程研究中心有限公司 (transliterated as Zhuzhou National Engineering Research Centre of Converters Co., Ltd.#) (“**ZNERCC**”) and entered into a non-legally binding cooperation agreement with ZNERCC and 湖南城石智能科技有限公司 (transliterated as Hunan Changsha Intelligent Technology Co. Ltd.#) in respect of the possible cooperation in photovoltaics system project(s). Details thereof were disclosed in the Company's announcement dated 12 October 2015.

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

The Group will closely monitor and review the status of the possible cooperation and will consider if any further or binding cooperation shall be pursued. The Company will make further announcement(s) in relation thereto if and when appropriate.

Save as disclosed elsewhere in this interim results announcement, the Group had no other investments as at 31 March 2021.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK2.7 cents (six months ended 31 March 2020: Nil) per share for the six months ended 31 March 2021 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 15 June 2021. The interim dividend will be payable to the shareholders of the Company on Monday, 28 June 2021.

### **CORPORATE GOVERNANCE PRACTICES**

Save as disclosed below, for the six months ended 31 March 2021, the Company complied with the code provisions, as set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 to the Listing Rules.

In respect of code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual for a balance of power and authority. Mr. Jeong Un is the chairman of the Board and chief executive officer of the Company. He is the founder of the Group and the substantial shareholder of the Company and has considerable experience in the adhesive related industry. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process. The Board also considers 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.

### **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. All the Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard as set out in the Model Code throughout the six months ended 31 March 2021.



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

For the six months ended 31 March 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

For the six months ended 31 March 2020, the Company repurchased and cancelled a total of 17,424,000 ordinary shares of the Company.

## **REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed and discussed with the Group's management the condensed consolidated financial statements of the Group for the six months ended 31 March 2021. RSM Hong Kong, the Company's auditor, has reviewed the condensed consolidated financial statements of the Group for the six months ended 31 March 2021 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange and the Company. The interim report of the Company will be despatched to the shareholders of the Company and will also be published on the above websites in due course.

## **APPRECIATION**

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

By Order of the Board  
**Infinity Development Holdings Company Limited**  
**Jeong Un**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 May 2021

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