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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 2024

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 2024, together with the comparative figures for the corresponding six months ended 31 March 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 March 2024

		Six months ended 31 March	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	332,498	358,656
Cost of goods sold		(207,580)	(252,691)
Gross profit		124,918	105,965
Other income		6,087	3,471
Other gains and losses		896	1,033
(Allowances)/reversal of allowances for trade, bills and other receivables		(5,000)	442
Selling and distribution costs		(22,622)	(26,225)
Administrative expenses		(53,005)	(49,936)
Profit from operations		51,274	34,750
Finance costs		(1,357)	(1,332)
Share of profits of associates		752	614
Profit before tax		50,669	34,032
Income tax expense	5	(9,678)	(6,493)
Profit for the period attributable to owners of the Company	6	40,991	27,539
Earnings per share			
– Basic	8(a)	HK7.28 cents	HK4.89 cents
– Diluted	8(b)	Not applicable	Not applicable

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2024

	Six months ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	40,991	27,539
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)	97	624
<i>Items that may be reclassified to profit or loss:</i>		
Fair value changes of debt instruments at FVTOCI	–	554
Reclassification adjustment for amount transferred to profit or loss upon disposal of debt instruments at FVTOCI	83	–
Exchange differences on translating foreign operations	123	1,776
	206	2,330
Other comprehensive income for the period, net of tax	303	2,954
Total comprehensive income for the period attributable to owners of the Company	41,294	30,493

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Note</i>	At 31 March 2024 <i>HK\$'000</i> (Unaudited)	At 30 September 2023 <i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		3,800	3,800
Property, plant and equipment		86,725	73,889
Right-of-use assets		35,489	37,872
Intangible assets		6,301	6,262
Investments in associates		9,292	8,540
Club debentures		1,080	1,080
Financial assets at FVTOCI		3,167	4,547
Deposits for acquisition of property, plant and equipment		–	8,811
Total non-current assets		145,854	144,801
Current assets			
Inventories		61,168	49,853
Trade, bills and other receivables	9	163,518	178,098
Debt instruments at amortised cost		1,816	7,102
Restricted bank deposits		18,849	18,749
Bank and cash balances		358,505	346,392
Total current assets		603,856	600,194
Current liabilities			
Trade, bills and other payables	10	117,565	108,185
Lease liabilities		2,094	2,947
Bank loans		62,000	85,000
Current tax liabilities		28,446	28,071
Total current liabilities		210,105	224,203
Net current assets		393,751	375,991
Total assets less current liabilities		539,605	520,792
Non-current liabilities			
Lease liabilities		457	1,311
Deferred tax liabilities		7,531	6,061
Total non-current liabilities		7,988	7,372
Net assets		531,617	513,420
Capital and reserves			
Share capital		5,634	5,634
Reserves		525,983	507,786
Total equity		531,617	513,420

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, the Cayman Islands. The addresses of its principal places of business in Hong Kong Special Administrative Region (“**Hong Kong**”) and Macao Special Administrative Region (“**Macao**”) of the People’s Republic of China (the “**PRC**”) are Units 2201-2202, 22/F., Alliance Building, 133 Connaught Road Central, Hong Kong and Rua de Pequim No. 202A-246, Macau Finance Centre, 16 Andar A-D, 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 manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

2. BASIS OF PREPARATION

The 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.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 September 2023. 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 the condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 September 2023.

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 2023. They do not have a material effect on the Group’s condensed consolidated financial statements. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing the condensed 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 manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of goods	<u>332,498</u>	<u>358,656</u>

5. INCOME TAX EXPENSE

	Six months ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Provision for the period		
– PRC Enterprise Income Tax ("PRC EIT")	190	–
– Macau Complementary Tax	6,096	7,000
– Vietnam Enterprise Income Tax ("Vietnam EIT")	1,278	193
– Indonesia Corporate Income Tax ("Indonesia CIT")	1,224	850
	<u>8,788</u>	<u>8,043</u>
Over-provision in prior period		
– Macau Complementary Tax	(226)	(1,000)
– Vietnam EIT	(354)	(507)
	<u>(580)</u>	<u>(1,507)</u>
	<u>8,208</u>	<u>6,536</u>
Deferred tax	<u>1,470</u>	<u>(43)</u>
	<u>9,678</u>	<u>6,493</u>

PRC EIT, Macau Complementary Tax, Vietnam EIT, Indonesia CIT and Singapore Corporate Income Tax (“**Singapore 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 of the Company in the PRC as described below, other subsidiaries of the Company in the PRC are subject to PRC EIT at a rate of 25% (six months ended 31 March 2023: 25%) during the six months ended 31 March 2024. No provision for PRC EIT has been made as other subsidiaries of the Company in the PRC have no assessable profits during the six months ended 31 March 2024 and 2023.

Pursuant to the relevant laws and regulations in the PRC, Zhuhai Centresin Chemical Product Company Limited[#] (“**Zhuhai Centresin**”), a subsidiary of the Company 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 2023: 15%) during the six months ended 31 March 2024. PRC EIT is provided at 15% based on the assessable profits for the six months ended 31 March 2024 less allowable tax losses brought forward. No provision for PRC EIT had been made as Zhuhai Centresin has sufficient tax losses brought forward to set off against the assessable profits during the six months ended 31 March 2023.

Pursuant to the relevant laws and regulations in Macau, entities are divided into Group A (“**Group A**”) and Group B (“**Group B**”) taxpayers. Group A taxpayers are companies that have maintained proper accounting books and records, with capital of Macanese Pataca (“**MOP**”) 1,000,000 and above or average assessed annual taxable profits in the past 3 years of more than MOP500,000. Group B taxpayers are those who do not meet the criteria mentioned above. Group A taxpayers are assessed based on their actual taxable profits and Group B taxpayers are assessed based on deemed profits ascertained by the Macau Finance Bureau. The Group has Group A and Group B taxpayers. Macau Complementary Tax for Group A taxpayers and Group B taxpayers is calculated at a rate of 12% on the actual taxable profits above MOP600,000 and 12% on the assessable profits above MOP600,000 during the six months ended 31 March 2024 and 2023, respectively.

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 of the Company 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% (six months ended 31 March 2023: 20%) during the six months ended 31 March 2024.

Pursuant to the relevant laws and regulations in the Republic of Indonesia (“**Indonesia**”), subsidiaries of the Company in Indonesia are subject to Indonesia CIT at 22% (six months ended 31 March 2023: 22%) during the six months ended 31 March 2024.

Pursuant to the relevant laws and regulations in the Republic of Singapore (“**Singapore**”), Zhong Bu Development Singapore Pte. Ltd. (“**Zhong Bu Singapore**”), a subsidiary of the Company in Singapore, is subject to Singapore CIT at 17% (six months ended 31 March 2023: 17%) during the six months ended 31 March 2024. No provision for Singapore CIT has been made as Zhong Bu Singapore has no assessable profits during the six months ended 31 March 2024 and 2023.

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in nor is derived from Hong Kong during the six months ended 31 March 2024 and 2023.

[#] The official name of this entity is in Chinese. The English translation is for identification purpose only. For the official name of this entity in Chinese, please refer to the Chinese version of this interim results announcement.

6. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Allowances/(reversal of allowances) for trade, bills and other receivables	5,000	(442)
Allowances for inventories	7,786	12,494
Depreciation		
– property, plant and equipment	5,804	5,962
– right-of-use assets	1,826	1,417
Gain on disposals of property, plant and equipment	–	(553)
Written-off of property, plant and equipment	–	232
Loss on disposal of debt instruments at FVTOCI	40	–
	<u>5,000</u>	<u>(442)</u>

7. DIVIDENDS

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Final dividend for the year ended 30 September 2023 approved and paid – HK3.3 cents (year ended 30 September 2022: HK4.3 cents approved and paid) per ordinary share	18,590	24,224
Special dividend for the year ended 30 September 2023 approved and paid – HK0.8 cents (year ended 30 September 2022: HK\$Nil) per ordinary share	4,507	–
	<u>23,097</u>	<u>24,224</u>

At the Board meeting held on 29 May 2024, the Board declared an interim dividend of HK3.6 cents (six months ended 31 March 2023: HK2.4 cents) per ordinary share totalling approximately HK\$20,281,000 (six months ended 31 March 2023: HK\$13,520,000) for the six months ended 31 March 2024.

8. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Earnings		
Profit for the purpose of calculating basic earnings per share	<u>40,991</u>	<u>27,539</u>

	Six months ended 31 March	
	2024	2023
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	563,351	563,351

(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 2024 and 2023.

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 2024 HK\$'000 (Unaudited)	At 30 September 2023 HK\$'000 (Audited)
0 to 90 days	126,648	130,128
91 to 180 days	26,882	30,823
181 to 365 days	1,533	1,044
	155,063	161,995

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 2024 HK\$'000 (Unaudited)	At 30 September 2023 HK\$'000 (Audited)
0 to 90 days	37,557	36,503
91 to 180 days	10	52
	37,567	36,555

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 31 March 2024 and 2023 were approximately HK\$332,498,000 and approximately HK\$358,656,000 respectively, and remained fairly stable.

Gross profit

The gross profit of the Group for the six months ended 31 March 2024 and 2023 were approximately HK\$124,918,000 and approximately HK\$105,965,000 respectively, representing an increase of approximately 17.9%.

The increase in the gross profit was primarily due to the strengthening of its costs control proactively and effectively by the Group in response to the uncertainties of high inflation and the decrease in purchasing power in the market for the six months ended 31 March 2024.

Other income

The other income of the Group for the six months ended 31 March 2024 and 2023 were approximately HK\$6,087,000 and approximately HK\$3,471,000 respectively, representing an increase of approximately 75.4%. The other income for the six months ended 31 March 2024 and 2023 mainly represented the interest income of approximately HK\$5,178,000 and approximately HK\$1,486,000, respectively.

The increase in other income was primarily due to the increase in interest income by approximately HK\$3,692,000 for the six months ended 31 March 2024 as a result of (i) the continuous increase in the average bank and cash balances of the Group; and (ii) the increase in market interest rates of the bank deposits for the six months ended 31 March 2024 as compared to the one for the six months ended 31 March 2023.

Selling and distribution costs

The selling and distribution costs of the Group for the six months ended 31 March 2024 and 2023 were approximately HK\$22,622,000 and approximately HK\$26,225,000 respectively, representing a decrease of approximately 13.7%.

The decrease in selling and distribution costs was due to the decrease in revenue for the six months ended 31 March 2024.

Administrative expenses

The administrative expenses of the Group for the six months ended 31 March 2024 and 2023 were approximately HK\$53,005,000 and approximately HK\$49,936,000 respectively, and remained fairly stable.

Profit for the period attributable to owners of the Company

As a result of the abovementioned, the profit for the period attributable to owners of the Company for the six months ended 31 March 2024 and 2023 were approximately HK\$40,991,000 and approximately HK\$27,539,000 respectively, representing an increase of approximately 48.8%.

BUSINESS REVIEW AND PROSPECTS

Businesses

For the six months ended 31 March 2024, the Group is principally engaged in manufacturing and selling of adhesives, primers, hardeners and vulcanized shoes adhesive related products used by the footwear manufacturers.

As at 31 March 2024, the Group had three manufacturing plants in the PRC, Vietnam and Indonesia, respectively. After the acquisition of a piece of land (the “**Land**”) in Indonesia for industrial use in April 2022 as disclosed in the Company’s announcement dated 13 April 2022, the Group is now in the process of construction of the new manufacturing plant in the Land in order to better serve its customers by improving its costs competitiveness and freight time advantages, and further solidify its core business. If necessary, the Group will consider to further expand its existing manufacturing facilities and implement any new manufacturing plants to satisfy its prestige customers’ needs.

Cost control

The Group will continue to carefully review and extensively investigate the current situation of costs and resources deployment. In response to the uncertainties of high inflation and the decrease in purchasing power in the market, the Group will consider to strengthen its control over the operational costs proactively and effectively in the short term.

Research and development

The Group is always environmental-oriented and continuously dedicated to developing high quality products to satisfy the market needs; and closely monitors the future development direction of the market 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 internationally 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 strengthen the competence in research and development capabilities of the Group so as to maintain its technological leading position in the industry.

Prospects

Short to medium term outlook: In view of the uncertainties of high inflation and the decrease in purchasing power in the market, it is difficult for the Board to predict the sales performance of the Group in 2024.

Medium to long term outlook: Due to the global demand for footwear is still growing continually, more stringent requirement from the manufacturers for the quality of adhesives 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 will still be 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 partner relationship 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 feasible.

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 will remain prudent and optimistic about the prospects of the Group's core business in the long term. The Group will follow a very cautious approach to ensure corporate sustainability in 2024. In 2024, 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 its core business; and the latest development of inflation and purchasing power and adjust its business strategies from time to time if required.

DEBTS AND CHARGE ON ASSETS

As at 31 March 2024, the Group had interest-bearing bank borrowings of HK\$62,000,000 (30 September 2023: HK\$85,000,000). As at 31 March 2024, the Group's banking facilities were secured by (i) the Group's restricted bank deposits of approximately HK\$18,849,000 (30 September 2023: approximately HK\$18,749,000); and (ii) a corporate guarantee executed by the Company.

In addition, one of the lease agreements was guaranteed by the Company as at 31 March 2024.

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 2024, the Group had restricted bank deposits of approximately HK\$18,849,000 (30 September 2023: approximately HK\$18,749,000). As at 31 March 2024, the Group had interest-bearing bank borrowings of HK\$62,000,000 (30 September 2023: HK\$85,000,000) and lease liabilities of approximately HK\$2,551,000 (30 September 2023: approximately HK\$4,258,000). Therefore, as at 31 March 2024, the gearing ratio (defined as the total of bank borrowings and lease liabilities divided by total equity) of the Group was approximately 12.1% (30 September 2023: approximately 17.4%). As at 31 March 2024, the current ratio of the Group was approximately 2.9 (30 September 2023: approximately 2.7).

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 fluctuations against foreign currencies which might materially affect the Group's operations. For the six months ended 31 March 2024, 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 2024, the Group did not have any significant investments, material acquisitions or disposals.

Save as disclosed elsewhere in this interim results announcement, there was no formal plan authorised by the Board for any significant investments, material acquisitions or disposals as at 31 March 2024 and up to the date of this interim results announcement.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments of approximately HK\$3,041,000 (30 September 2023: approximately HK\$11,262,000) in respect of acquisitions of property, plant and equipment.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities (30 September 2023: Nil).

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Company's announcements dated 24 April 2024 and 25 April 2024, PT. Zhongbu Resins Indonesia, an indirect wholly-owned subsidiary of the Company, entered into a construction works contract with an independent contractor (the "**Contractor**"), through a tender process, pursuant to which the Contractor was appointed and responsible for the construction works of a manufacturing plant of PT. Zhongbu Resins Indonesia in the Land. The fixed consideration of the construction works amounted to Rp117,766,000,000 (approximately HK\$57,085,000), which was not inclusive of value-added tax.

Save as disclosed elsewhere in this interim results announcement, 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 2024, the Group employed a total of 405 (30 September 2023: 411) 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 and training sponsorship) to ensure that the remuneration policy is competitive within the relevant industry. For the six months ended 31 March 2024, the employee benefits expense (including Directors' emoluments) amounted to approximately HK\$48,220,000 (six months ended 31 March 2023: approximately HK\$48,613,000).

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

No share option scheme has been adopted by the Company since 22 July 2020.

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 Honestone New Energy Co., Ltd.[#]

The Group has held 30% equity interest in Hunan Honestone New Energy Co., Ltd. (“**Hunan Honestone**”) since 2022. The principal activity of Hunan Honestone is mainly engaged in the photovoltaics related projects in the PRC.

Save as disclosed elsewhere in this interim results announcement, the Group had no other investments as at 31 March 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has declared an interim dividend of HK3.6 cents (six months ended 31 March 2023: HK2.4 cents) per ordinary share for the six months ended 31 March 2024 to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Wednesday, 19 June 2024. The interim dividend will be payable to the Shareholders on Thursday, 27 June 2024.

[#] The official name of this entity is in Chinese. The English translation is for identification purpose only. For the official name of this entity in Chinese, please refer to the Chinese version of this interim results announcement.

CHANGES IN DIRECTOR’S INFORMATION

The changes in the Director’s information since the disclosure made in the 2023 annual report of the Company are set out below:

Ms. Li Sin Man had been appointed as an independent non-executive Director and as a member of each of the audit committee, remuneration committee and nomination committee of the Company with effect from 29 December 2023.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, for the six months ended 31 March 2024, the Company complied with the code provisions, as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 (previously numbered as Appendix 14) to the Listing Rules.

In respect of code provision C.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, the substantial Shareholder and the controlling Shareholder 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 C3 (previously numbered as 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 2024.

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

For the six months ended 31 March 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) comprises four 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 2024. RSM Hong Kong, the Company’s auditor, has reviewed the condensed consolidated financial statements of the Group for the six months ended 31 March 2024 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 published on the above websites and despatched to the Shareholders (if requested) 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 for their support and patience during the period. May I also salute to 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, 29 May 2024

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 four independent non-executive Directors, namely Mr. Chan Wing Yau George, Mr. Simon Luk, Mr. Tong Hing Wah and Ms. Li Sin Man.