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迅捷環球控股有限公司
SPEEDY GLOBAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00540)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

		For the six months ended 30 June		
		2013	2012	Change
Revenue	*(HK$'million)*	**633.3**	446.8	41.7%
— *apparel supply chain servicing segment*	*(HK$'million)*	***617.9***	*419.9*	*47.2%*
— *apparel retail segment*	*(HK$'million)*	***15.4***	*26.9*	*–42.8%*
Gross profit	*(HK$'million)*	**79.1**	79.8	–0.9%
— *apparel supply chain servicing segment*	*(HK$'million)*	***72.3***	*65.3*	*10.7%*
— *apparel retail segment*	*(HK$'million)*	***6.8***	*14.5*	*–53.1%*
Gross profit margin		**12.5%**	17.9%	
— *apparel supply chain servicing segment*		***11.7%***	*15.6%*	
— *apparel retail segment*		***44.2%***	*53.9%*	
Profit before income tax	*(HK$'million)*	**24.5**	26.4	–7.2%
Profit for the year	*(HK$'million)*	**16.8**	21.2	–20.8%
Net profit margin		**2.7%**	4.7%	
Basic earnings per share	*(HK$ per share)*	**0.0285**	0.0471	

INTERIM RESULTS

The board (the "**Board**") of directors ("**Directors**") of Speedy Global Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013, together with the comparative figures for the corresponding period in 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Audited)
Turnover	*6*	**633,305**	446,809
Cost of sales		**(554,173)**	(366,975)
Gross profit		**79,132**	79,834
Selling expenses		**(16,211)**	(15,522)
Administrative expenses		**(38,258)**	(39,082)
Other income		**1,686**	2,394
Other losses — net		**(132)**	(394)
Operating profit	*7*	**26,217**	27,230
Finance income	*8*	**617**	451
Finance costs	*8*	**(2,345)**	(1,289)
Finance costs — net	*8*	**(1,728)**	(838)
Profit before income tax		**24,489**	26,392
Income tax expense	*9*	**(7,736)**	(5,182)
Profit for the period		**16,753**	21,210
Other comprehensive income			
Currency translation differences		**906**	(583)
Total comprehensive income for the year		**17,659**	20,627
Earnings per share for profit attributable to equity holders of the Company for the period			
Basic and diluted (HK$ per share)	*10*	**0.0285**	0.0471

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Notes	**At 30 June 2013** ***HK$'000*** **(Unaudited)**	At 31 December 2012 *HK$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**31,480**	31,275
Intangible assets		**305**	350
Deferred income tax assets		**2,737**	3,055
		34,522	34,680
Current assets			
Inventories		**83,115**	102,830
Trade and other receivables	*12*	**148,241**	158,986
Prepayments		**16,793**	7,585
Restricted bank deposits		**52,202**	26,275
Cash and bank balances		**227,345**	82,108
		527,696	377,784
Total assets		**562,218**	412,464
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**60,000**	100
Other reserves		**84,127**	27,937
Retained earnings		**36,854**	49,424
Total equity		**180,981**	77,461

	Notes	At **30 June** **2013** ***HK$'000*** **(Unaudited)**	At 31 December 2012 *HK$'000* (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**134**	49
		134	49
Current liabilities			
Trade and other payables	*13*	**283,381**	266,452
Current income tax liabilities		**14,520**	9,446
Dividend payables		**27,480**	–
Borrowings		**55,722**	59,056
		381,103	334,954
Total liabilities		**381,237**	335,003
Total equity and liabilities		**562,218**	412,464
Net current assets		**146,593**	42,830
Total assets less current liabilities		**181,115**	77,510

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in HK$ unless otherwise indicated)

1. GENERAL INFORMATION

Speedy Global Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 28 September 2011 as an exempted Company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is at the office of Offshore Incorporation (Cayman) Limited, Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands.

The Company and its subsidiaries (together the "**Group**") are principally engaged in: (i) the apparel supply chain servicing business which offers a wide range of woven wear and knitwear products to a number of owners or agents of global reputable brands (the "**Apparel Supply Chain Servicing Business**"), and (ii) the apparel retail business operating under the brand name of Unisex and licensed brands in the People's Republic of China (the "**PRC**") (the "**Apparel Retail Business**").

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with Hong Kong Accounting Standard "HKAS" 34, "Interim financial reporting". The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

In the current interim period, the Group has applied, for the first time, certain new or revised HKFRSs that are mandatorily effective for the current interim period. The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated interim financial statements and/or disclosures set out in these condensed consolidated interim financial statements.

4. ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the Apparel Supply Chain Servicing Business and Apparel Retail Business. Revenue recognised for the six months ended 30 June 2013 and 2012 were as follows:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Apparel Supply Chain Servicing Business	**617,876**	419,919
Apparel Retail Business	**15,429**	26,890
	633,305	446,809

(b) Segment information

Management reviews the Group's internal reporting in order to assess performance and allocate resource. Management has determined the operating segments based on the internal reports reviewed by the chairman of the board that are used to make strategic decisions.

Management assesses the performance of the Group from sales channel perspective which included sales to a number of owners or agents of global reputable brands and sales to end customers or other retailers. Management assesses the performance of the operating segments based on a measure of adjusted operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Other losses — net, finance costs — net (including finance costs and finance income) and income tax expense are managed on a Group basis and are not allocated to operating segments.

The segment results for the six months ended 30 June 2013:

	Apparel Supply Chain Servicing Business	**Apparel Retail Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue	**619,543**	**15,429**	**634,972**
Inter-segment revenue	**(1,667)**	**–**	**(1,667)**
Revenue from external customers	**617,876**	**15,429**	**633,305**
Segment results	**36,784**	**(10,435)**	**26,349**
Other losses — net			**(132)**
Finance costs — net			**(1,728)**
Profit before income tax			**24,489**
Income tax expense			**(7,736)**
Profit for the year			**16,753**

Other segment items included in the condensed consolidated statement of comprehensive income:

	Apparel Supply Chain Servicing Business *HK$'000*	**Apparel Retail Business** *HK$'000*	**Total** *HK$'000*
Depreciation of property, plant and equipment	**4,261**	**2,577**	**6,838**
Amortisation of intangible asset	**7**	**38**	**45**

The segment results for the six months ended 30 June 2012:

	Apparel Supply Chain Servicing Business *HK$'000*	Apparel Retail Business *HK$'000*	Total *HK$'000*
Segment revenue	426,702	26,890	453,592
Inter-segment revenue	(6,783)	–	(6,783)
Revenue from external customers	419,919	26,890	446,809
Segment results	31,196	(3,572)	27,624
Other losses — net			(394)
Finance costs — net			(838)
Profit before income tax			26,392
Income tax expense			(5,182)
Profit for the year			21,210

Other segment items included in the condensed consolidated statement of comprehensive income:

	Apparel Supply Chain Servicing Business *HK$'000*	Apparel Retail Business *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	3,300	900	4,200
Amortisation of intangible asset	2	16	18

(c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenue, is set out below:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Customer A	**465,091**	313,231

7. OPERATING PROFIT

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Depreciation and amortisation	**6,883**	4,218
Employee benefit expenses	**32,793**	30,886
Rental expenses	**8,999**	10,996
Provision for impairment of inventories	**–**	1,000
Losses/(gains) on disposal of property, plant and equipment	**393**	(110)

8. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Finance costs		
— Interest expense on bank borrowings	**(2,345)**	(1,247)
— Finance lease liabilities	**–**	(42)
	(2,345)	(1,289)
Finance income		
— Interest income on short-term bank deposits	**617**	451
Net finance costs	**(1,728)**	(838)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Current income tax		
— PRC corporate income tax	**2,962**	2,217
— Hong Kong profits tax	**3,931**	4,184
	6,893	6,401
Deferred tax	**403**	(1,507)
Corporate income tax	**7,296**	4,894
Withholding tax	**440**	288
Income tax expense	**7,736**	5,182

(i) Cayman Islands profits tax

The Company has not been subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2013 and 2012.

(iii) PRC enterprise income tax ("EIT")

EIT is provided on the assessable income of entities within the Group incorporated in the PRC.

Pursuant to the PRC Enterprise Income Tax Law (the "**New EIT Law**"), the EIT is unified at 25% for all types of entities, effective from 1 January 2008.

(iv) PRC withholding income tax

According to the new EIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies. Withholding tax of the Group has been provided at a rate of 5% for the six months ended 30 June 2013 and 2012.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue for the six months period ended 30 June 2012 and 2013 used in the basic earnings per share calculation is determined on the assumption that the 1 ordinary share with par value of HK$0.10 issued in connection with the incorporation of the Company on 28 September 2011, 999,999 shares with par value of HK$0.10 each issued on 2 January 2012 and the 449,000,000 shares with par value of HK$0.10 each issued in connection through capitalisation of the share premium accounts arose from the listing of the Company on 15 January 2013 had been in issue since 1 January 2011.

	Six months ended 30 June	
	2013	2012
Profit attributable to equity holders of the Company *(HK$'000)*	**16,753**	21,210
Weighted average number of ordinary shares in issue	**588,397,790**	450,000,000
Basic earnings per share *(HK$)*	**0.0285**	0.0471

The Company did not have any potential ordinary shares outstanding as at 30 June 2013 and 2012. Diluted earnings per share is equal to basic earnings per share.

11. DIVIDENDS

For the six months ended 30 June 2013, a final dividend of HK$0.0458 per share, amounting to HK$27,480,000 in respect of the year ended 31 December 2012 was approved in the Company's Annual General Meeting on 11 June 2013. At 30 June 2013, the amount of dividends payable was included in "dividend payables" in the condensed consolidated statement of financial position.

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2013 *HK$'000*	At 31 December 2012 *HK$'000*
Trade receivables	**138,017**	146,484
Other receivables	**10,734**	13,009
	148,751	159,493
Less: provision for impairment of trade receivables	**(510)**	(507)
	148,241	158,986

For Apparel Retail Business, franchisees or consumers who purchase from self-operated retail outlets usually pay at the time of purchase by cash or credit card; cooperative partners are required to settle payments through bank transfer on a monthly basis. For Supply Chain Servicing Business, credit terms granted to customers by the Group were usually 30 to 90 days. The aging analysis of trade receivables as at 30 June 2013 and 31 December 2012 based on invoice date was as follows:

	At 30 June 2013	At 31 December 2012
	HK$'000	*HK$'000*
0–30 days	**100,530**	92,438
31–90 days	**32,261**	47,422
91–180 days	**2,273**	5,830
Over 180 days	**2,953**	794
	138,017	146,484

13. TRADE AND OTHER PAYABLES

	At 30 June 2013	At 31 December 2012
	HK$'000	*HK$'000*
Trade payables	**175,935**	154,202
Advances from customers	**177**	481
Other taxes payable	**3,406**	3,926
Deposit received	**1,107**	5,418
Bills payable *(Note (a))*	**82,772**	81,696
Other payables	**14,911**	14,662
Accrued payroll	**4,189**	5,117
Due to related parties	**884**	950
	283,381	266,452

(a) For bills payable as at 30 June 2013, it was secured by restricted cash. For bills payable as at 31 December 2012, it was secured by restricted cash and guarantees provided by related parties.

(b) The credit period granted by its principal suppliers ranges from 30 to 90 days.

(c) Aging analysis of trade payables was as follows:

	At 30 June 2013	At 31 December 2012
	HK$'000	*HK$'000*
0–30 days	**98,762**	90,426
31–90 days	**54,321**	47,238
91–180 days	**7,926**	10,140
Over 180 days	**14,926**	6,398
	175,935	154,202

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	Six months ended 30 June	
	2013	2012
	HK$ million	*HK$ million*
Revenue	**633.3**	446.8
— *apparel supply chain servicing segment*	***617.9***	*419.9*
— *apparel retail segment*	***15.4***	*26.9*
Gross Profit	**79.1**	79.8
— *apparel supply chain servicing segment*	***72.3***	*65.3*
— *apparel retail segment*	***6.8***	*14.5*
Net profit	**16.8**	21.2

The Group's revenue for the six months ended 30 June 2013 (the "**Period**") was approximately HK$633.3 million, representing an increase of approximately 41.7% over the last corresponding period. The increase in the Group's revenue was mainly attributable to the increase in revenue under our apparel supply chain servicing business as our design of apparel products are well received by our customers.

The Group's gross profit margin for the Period was approximately 12.5%, representing a decrease of approximately 5.4% over that of the last corresponding period. The surge in labor cost as a result of implementing compulsory minimum wages in the PRC and the appreciation of RMB contributing to an increase in raw materials cost and subcontracting cost reduced the gross profit margin accordingly during the Period.

The Group recorded a net profit attributable to equity holders of the Company of approximately HK$16.8 million for the Period as compared to approximately HK$21.2 million for the last corresponding period. The decrease of profit attributable to equity holders was mainly due to the net effect of the decrease in gross profit of approximately HK$0.7 million, increase in selling expenses of approximately HK$0.7 million, decrease in administrative expenses of approximately HK$0.8 million, decrease in other income of approximately HK$0.7 million, increase in net finance costs of HK$0.9 million and increase in income tax expense of HK$2.5 million.

Apparel Supply Chain Servicing Business

Being in line with our strategy to focus on our strengths in product design and development, as well as quality control and production management, we design, develop and produce men's and women's woven wear and cut-and-sewn knitwear products to respond to constantly evolving consumer preferences. During the Period, we have launched many designs to our customers and our design of apparel products are well received by the customers. Revenue under our apparel supply chain servicing segment increased by 47.2% to approximately HK$617.9 million during the Period (January to June 2012: HK$419.9 million).

Gross profit under our apparel supply chain servicing segment increased by 10.7% to approximately HK$72.3 million (January to June 2012: HK$65.3 million), and gross profit margin decreased to approximately 11.7% for the Period, representing a decrease of 3.9% when compared with that of the last corresponding period. The decrease in gross profit margin was mainly due to the surge in labor cost as a result of implementing compulsory minimum wages in the PRC and the increase in raw materials cost and subcontracting cost as a result of the appreciation of RMB during the Period.

During the Period, we recorded a segmental profit before other losses, finance costs and income tax expenses of approximately HK$36.8 million, represented an increase of approximately HK$5.6 million compared to approximately HK$31.2 million for the last corresponding period.

Apparel Retail Business

Revenue from our apparel retail segment decreased by approximately 42.8% to approximately HK$15.4 million (January to June 2012: HK$26.9 million). The decrease in revenue in our apparel retail segment is mainly attributable to slow-down in consumer spending in the PRC as a result of diminishing economic growth. The slow-down in economic growth inevitably resulted in keen competition among market participants, including price cut, and as a result, brand value and profit margin were hampered at the end.

Gross profit decreased by HK$7.7 million, or approximately 53.1%, from HK$14.5 million in the last corresponding period to HK$6.8 million for the Period, mainly as a result of the decrease in revenue and gross profit margin. The gross profit margin decreased from 53.9% for the last corresponding period to 44.2% for the Period because (i) the Group prolonged the promotional sales period to stimulate the sales of apparel products; and (ii) the decrease in number of self-operated retail outlets (30 June 2013: 17 outlets; 30 June 2012: 31 outlets) which generated a higher gross profit margin than cooperative and franchised retail outlets.

We recorded a segmental loss before other losses, finance costs and income tax expenses of approximately HK$10.4 million (January to June 2012: HK$3.6 million). In order to minimise the operation loss in our apparel retail business, we decided to initiate a series of measures during the Period, including the suspension of outlets expansion plan and closure of those under-performing outlets. In addition, we will actively solicit additional license rights to produce, market and sell new brands to diversify our brand portfolio.

As at 30 June 2013, our apparel and accessories products under the Unisex Brands and licensed brands were sold to retail customers through 17 self-operated, 28 cooperative and 11 franchised retail outlets in the PRC.

Selling Expenses

Selling expenses mainly represented expenses incurred in relation to our apparel retail business, which mainly included rental expenses for our self-operated retail outlets, employee benefit expenses mainly for our personnel involved in retail operations and promotional expenses for marketing activities of our self-operated retail outlets. Selling expenses increased by 4.4% to approximately HK$16.2 million during the Period mainly due to increase in depreciation charges as a result of purchase of property, plant and equipment in 2012 for opening new retails outlets, offsetting against the general decrease in rent of certain self-operated concession retail outlets as the rental of these concession retail outlets are calculated with reference to the revenue generated during the Period.

Administrative Expenses

Administrative expenses mainly represented employee benefit expenses for our management, finance and administrative personnel, entertainment expenses, rental expenses for our office premises, travelling expenses and listing expenses. Administrative expenses decreased by 2.1% to approximately HK$38.3 million during the Period mainly due to the decrease in listing expenses, offsetting against the increase in professional fees after the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**").

Other Income

Other income mainly represented lease income from subcontractors. Other income decreased by 29.6% to approximately HK$1.7 million during the Period because of the decrease in lease income received from a third-party manufacturer on lease of machinery and equipment.

Other Losses

Other losses comprised mainly net foreign exchange gains and gains/losses on disposal of property, plant and equipment. Other losses decreased during the Period as we have deposited money in time deposits denominated in RMB and exchange gains were resulted during the Period.

Finance Income and Costs

Finance income increased by 36.8% to approximately HK$0.6 million primarily due to the increase in average bank balances as the IPO proceeds are deposited in bank accounts.

Finance costs increased by 81.9% to approximately HK$2.3 million primarily due to the increase in bank borrowings in second half of 2012 to finance the operation for the traditional peak season from September to December each year.

Income Tax Expense

Income tax expense mainly represented amounts of current income tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in Hong Kong and the PRC. Income tax expense increased by 49.3% to approximately HK$7.7 million primarily as more profit was generated by the subsidiaries located in the PRC.

Inventory

Inventories balance decreased from HK$102.8 million as at 31 December 2012 to HK$83.1 million as at 30 June 2013 primarily because much goods were delivered to customers in January 2013 as customers of our Apparel Supply Chain Servicing Business usually stocked up inventories before the Chinese New Year.

Our inventory turnover days decreased from 37 days for the year ended 31 December 2012 to 31 days for the six months ended 30 June 2013 for the same reason as stated above.

Trade Receivables

Trade receivables balance decreased from HK$146.5 million as at 31 December 2012 to HK$138.0 million as at 30 June 2013 primarily because we strengthen our internal control policy to request our customers to settle the trade receivables timely.

Our trade receivable turnover days for the Period was 41 days (year ended 31 December 2012: 62 days) which is in general within the credit period of 30 to 90 days granted by us to the customers.

Trade Payables

Trade payables balance increased from HK$154.2 million as at 31 December 2012 to HK$175.9 million as at 30 June 2013 primarily because of the increase in revenue during the Period.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payables turnover days for the Period was 54 days (year ended 31 December 2012: 71 days) which is still within the credit period granted by our suppliers and third-party manufacturers.

Borrowings

The Group had bank borrowings as at 30 June 2013 in the sum of approximately HK$55.7 million. All bank borrowings were made from banks in Hong Kong at floating interest rates ranging from 1.03% to 3.40% per annum and were repayable within one to three years, of which approximately HK$37.6 million was repayable within one year, approximately HK$16.7 million repayable within the period of 1 to 2 years and approximately HK$1.4 million repayable beyond 2 years. As at 30 June 2013, bank borrowings of approximately HK$21.0 million were secured by restricted cash. The carrying amounts of bank borrowings were denominated in Hong Kong dollar and were approximate to fair value. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments.

Liquidity and Financial Resources

During the Period, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2013, cash and bank balances amounted to approximately HK$227.3 million of which HK$141.6 million was denominated in HK$, HK$76.9 million in RMB, HK$7.7 million in USD and HK$1.1 million in other currencies. The current ratio of the Group was approximately 1.4 (31 December 2012: 1.1).

Gearing Ratio

The gearing ratio of the Group, calculated as total bank borrowings over total equity, was approximately 30.8% as at 30 June 2013 (31 December 2012: approximately 76.2%).

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign Exchange Exposure

The Group's foreign currency transactions are mainly denominated in RMB and HK$. The majority of assets and liabilities are denominated in RMB and HK$, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognized assets and liabilities which are denominated in a currency other than HK$ or RMB, which are the functional currencies of the major operating companies now comprising the Group. During the Period, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

Capital Structure

The shares of the Company were listed on the SEHK on 15 January 2013. There has been no change in the capital structure of the Company since that date. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitments

As at 30 June 2013, the Group did not have any significant capital commitments (31 December 2012: Nil).

Information on Employees

As at 30 June 2013, the Group had a total of 623 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$32.8 million, as compared to approximately HK$30.9 million for the last corresponding period. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund retirement benefits scheme in Hong Kong and the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 24 December 2012 ("**Share Option Scheme**") where options to subscribe for shares may be granted to the Directors and employees of the Group.

Details of the Share Option Scheme are disclosed in the section headed "Share Option Scheme" below.

Share Option Scheme

The Company has adopted Share Option Scheme on 24 December 2012. The principal terms of the Share Option Scheme was summarized in paragraph headed "Statutory and General Information — 15. Share Option Scheme" in Appendix IV to the prospectus of the Company dated 31 December 2012 (the "**Prospectus**").

The purpose of the Share Option Scheme is to enable the Company to grant options to selected persons as incentives or rewards for their contribution or future contribution to the Group.

During the Period, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

Significant Investments Held

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company during the Period.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Charge of Assets

As at 30 June 2013, restricted bank deposits of HK$52.2 million (31 December 2012: HK$26.3 million) were used as security for bills payables and bank borrowings.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2013 (31 December 2012: Nil).

Use of Proceeds

The Company was listed on the SEHK on 15 January 2013 and raised net proceeds of approximately HK$94.7 million. The future plans as stated in the Prospectus were derived from the Group's reasonable estimation of the future market conditions based on the information available at the time of preparing the Prospectus. As of the date of this announcement, we have utilized HK$1.8 million towards further enhancing our information technology systems and developing our design and development capabilities of our apparel supply chain servicing business. As at 30 June 2013, the unused proceeds were deposited in licensed banks in Hong Kong.

New Business Opportunity

There was no New Business Opportunity (as defined in the Prospectus headed "Relationship with Controlling Shareholders — New Business Opportunity") referred by the controlling shareholders to the Company as provided under the non-competition undertaking.

PROSPECTS

We expect the business environment for our Apparel Supply Chain Servicing Business in remaining of the year 2013 to remain challenging due to the surging operating cost as a result of appreciation of RMB. In order to maintain our competitiveness, we will continue to enhance product innovation and creativity to meet fashion trends and shorten delivery time of our sales orders to customers. In addition, in view of the rising manufacturing cost in the PRC, we will look for more third-party manufacturers outside the PRC to enhance our cost competitiveness. The Group is actively looking for new customers for further growth opportunity.

We expect the retail sentiment in the PRC to be weak in the near future and accordingly, we will adopt a cautious approach in developing the retail business, which may include the suspension of outlets expansion plan and closure of those under-performing outlets. We will take this as an opportunity to position ourselves for future development. We will actively solicit additional license rights to produce, market and sell new brands to diversify our brand portfolio for long-term growth of our retail business.

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

As the shares of the Company have been listed on the SEHK on 15 January 2013, from the listing date to the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at the date of this announcement, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company, its Group members and/or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Listing rules were as follows:

The Company

Name of Director	Name of Group member/ associated corporation	Capacity/nature of interest	Number and class of securities *(Note 1)*	Approximate percentage of shareholding
Mr. Huang Chih Shen	Our Company	Interest of a controlled corporation *(Note 2)*	411,908,400 (L)	68.65%

Notes:

1. The letter "L" denotes the Directors' long position in the shares of our Company or the relevant associated corporation.

2. The disclosed interest represents the interest in the Company held by Sky Halo Holdings Limited which is in turn approximately 39.72% owned by Mr. Huang Chih Shen, one of the controlling shareholders of our Company and an executive Director. Therefore, Mr. Huang Chih Shen is deemed to be interested in the interest of Sky Halo Holdings Limited in the Company by virtue of the SFO.

Associated Corporation

Name of Director	Name of Group member/ associated corporation	Capacity/nature of interest	Number and class of securities *(Note 1)*	Approximate percentage of shareholding
Mr. Huang Chih Shen	Sky Halo Holdings Limited	Beneficial owner	3,972.275	39.72%
Mr. Chan Hung Kwong, Patrick	Sky Halo Holdings Limited	Beneficial owner	686.07	6.86%
Mr. Au Wai Shing	Sky Halo Holdings Limited	Beneficial owner	651.78	6.52%
Ms. Tang Wai Shan	Sky Halo Holdings Limited	Beneficial owner	374.57	3.75%

Note:

1. The disclosed interest represents the interest in Sky Halo Holdings Limited which is wholly owned by Mr. Huang Chih Shen, Mr. Huang Chih Chien, Mr. Chan Hung Kwong, Patrick, Mr. Au Wai Shing, Ms. Tang Wai Shan and Ms. Chang Yiu Wen in the respective proportions of approximately 39.72%, 39.72%, 6.86%, 6.52%, 3.75% and 3.43%.

Save as disclosed above, as at the date of this announcement, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its Group members or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, so far as was known to the Directors, the following persons/entities (not being the Director or chief executive of the Company) had, or deemed to have, interests or short positions in the shares or underlying shares of the Company, its Group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Name of Group member/ associated corporation	Capacity/nature of interest	Number and class of securities *(Note 1)*	Approximate percentage of shareholding
Sky Halo Holdings Limited *(Note 2)*	Our Company	Beneficial owner	411,908,400 (L)	68.65%
Ms. Cheuk Wai Ying *(Note 3)*	Our Company	Family	411,908,400 (L)	68.65%
Mr. Huang Chih Chien *(Note 4)*	Our Company	Interest of a controlled corporation	411,908,400 (L)	68.65%
Ms. Ang Ellena Balesteros *(Note 5)*	Our Company	Family	411,908,400 (L)	68.65%

Notes:

1. The letter "L" denotes the person's long position in the shares of our Company or the relevant Group member or associated corporation.

2. Sky Halo Holdings Limited was incorporated in the BVI and the entire issued share capital of which is beneficially owned as to approximately 39.72% by Mr. Huang Chih Shen, approximately 39.72% by Mr. Huang Chih Chien, approximately 6.86% by Mr. Chan Hung Kwong, Patrick, approximately 6.52% by Mr. Au Wai Shing, approximately 3.75% by Ms. Tang Wai Shan and approximately 3.43% by Ms. Chang Yiu Wen. Mr. Huang Chih Chien, being the controlling shareholder, is deemed to be interested in the 411,908,400 shares owned by Sky Halo Holdings Limited in the Company by virtue of the SFO.

3. Ms. Cheuk Wai Ying, spouse of Mr. Huang Chih Shen, is deemed to be interested in Mr. Huang Chih Shen's interest in the Company by virtue of the SFO.

4. The disclosed interest represents the interest in the Company held by Sky Halo Holdings Limited which is in turn approximately 39.72% owned by Mr. Huang Chih Chien. Therefore, Mr. Huang Chih Chien, being the controlling shareholder, is deemed to be interested in the 411,908,400 shares owned by Sky Halo Holdings Limited in the Company by virtue of the SFO.

5. Ms. Ang Ellena Balesteros, spouse of Mr. Huang Chih Chien, is deemed to be interested in Mr. Huang Chih Chien's interest in the Company by virtue of the SFO.

CORPORATE GOVERNANCE

The Board confirms that, other than the deviation from Code Provision A.2.1, the Company has complied with the Corporate Governance Code set out in Appendix 14 to the Listing Rules from the date of listing on 15 January 2013 up to the date of this announcement.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huang Chih Shen is the chairman and chief executive officer of the Company. Since the Directors meet regularly to consider major matters affecting the operations of the Company, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe that this structure will enable the Company to make and implement decisions promptly and efficiently. The Company understands the importance to comply with the Code Provision A.2.1 and will continue to consider the feasibility of appointing a separate chief executive.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions. The Directors confirm that, having made specific enquiries of all Directors, all the Directors have compiled with the required standards of dealing as set out in the Model Code during the period.

AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph C3.3 to C3.7 of the Code Provisions. The audit committee consists of three members, namely Mr. Wong Ting Kon, Ms. Pang Yuen Shan, Christina and Mr. Chang Cheuk Cheung, Terence, all of whom are independent non-executive Directors. Mr. Wong Ting Kon is the chairman of the audit committee.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2013 have been reviewed by the audit committee and the audit committee is of the view that the interim report for the six months ended 30 June 2013 is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

INTERIM DIVIDEND

The Board does not recommend any dividend for the six months ended 30 June 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of both the Company (www.speedy-global.com) and the SEHK (www.hkexnews.hk). An interim report of the Company for the six months ended 30 June 2013 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

By order of the Board
Speedy Global Holdings Limited
Huang Chih Shen
Chairman and Chief Executive Officer

Hong Kong, 27 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. Huang Chih Shen, Mr. Chan Hung Kwong, Patrick, Ms. Tang Wai Shan and Mr. Au Wai Shing; the independent non-executive directors of the Company are Mr. Wong Ting Kon, Ms. Pang Yuen Shan, Christina, Mr. Chang Cheuk Cheung, Terence and Mr. Chan Chung Bun, Bunny.