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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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

		For the year ended 31 December		
		2013	2012	Change
Revenue	*(HK$'million)*	**1,185.5**	1,033.5	14.7%
— *apparel supply chain servicing segment*	*(HK$'million)*	***1,152.0***	*981.1*	*17.4%*
— *apparel retail segment*	*(HK$'million)*	***33.5***	*52.4*	*–36.1%*
Gross profit	*(HK$'million)*	**143.6**	183.1	–21.6%
— *apparel supply chain servicing segment*	*(HK$'million)*	***133.9***	*151.3*	*–11.5%*
— *apparel retail segment*	*(HK$'million)*	***9.7***	*31.8*	*–69.5%*
Gross profit margin		**12.1%**	17.7%	
— *apparel supply chain servicing segment*		***11.6%***	*15.4%*	
— *apparel retail segment*		***29.0%***	*60.7%*	
Profit before income tax	*(HK$'million)*	**33.9**	69.3	–51.1%
Profit for the year	*(HK$'million)*	**20.7**	55.0	–62.4%
Net profit margin		**1.7%**	5.3%	
Basic earnings per share	*(HK$ per share)*	**0.0349**	0.1222	

ANNUAL RESULTS

The board (the "**Board**") of directors ("**Directors**") of Speedy Global Holdings Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2013, together with the comparative figures for the year ended 31 December 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**1,185,468**	1,033,509
Cost of sales	*5*	**(1,041,848)**	(850,459)
Gross profit		**143,620**	183,050
Selling expenses	*5*	**(29,282)**	(37,115)
Administrative expenses	*5*	**(79,938)**	(78,955)
Other income	*4*	**2,182**	4,341
Other (losses)/gains — net		**(698)**	434
Operating profit		**35,884**	71,755
Finance income		**3,893**	881
Finance costs		**(5,850)**	(3,324)
Finance costs — net		**(1,957)**	(2,443)
Profit before income tax		**33,927**	69,312
Income tax expense	*6*	**(13,191)**	(14,309)
Profit for the year attributable to equity holders of the Company		**20,736**	55,003
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Currency translation differences		**1,879**	16
Total comprehensive income for the year attributable to equity holders of the Company		**22,615**	55,019
Basic and diluted earnings per share for profit attributable to equity holders of the Company for the year (expressed in HK$ per share)	*7*	**0.0349**	0.1222
Dividends	*8*	**–**	109,906

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**34,254**	31,275
Intangible assets		**3,404**	350
Deferred income tax assets		**4,527**	3,055
		42,185	34,680
Current assets			
Inventories		**117,207**	102,830
Trade and other receivables	*9*	**156,108**	158,986
Prepayments		**17,690**	7,585
Restricted bank deposits		**–**	26,275
Term deposits with initial term of over three months		**12,940**	–
Cash and cash equivalents		**250,175**	82,108
		554,120	377,784
Total assets		**596,305**	412,464
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**60,000**	100
Share premium		**53,441**	–
Other reserves		**30,993**	27,937
Retained earnings		**41,503**	49,424
Total equity		**185,937**	77,461

		As at 31 December	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**–**	49
Current liabilities			
Trade and other payables	*10*	**273,182**	266,452
Current income tax liabilities		**3,844**	9,446
Borrowings		**133,342**	59,056
		410,368	334,954
Total liabilities		**410,368**	335,003
Total equity and liabilities		**596,305**	412,464
Net current assets		**143,752**	42,830
Total assets less current liabilities		**185,937**	77,510

NOTES:

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 immediate and ultimate holding company of the Group is Sky Halo Holdings Limited.

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 in-house brand of Unisex, as well as the Unisex sub-brands and the Republic Brands and under the distribution right of Promod brand acquired during the year 2013 in the People's Republic of China (the "PRC") (the "Apparel Retail Business", together with the Apparel Supply Chain Servicing Business, collectively known as the "Listing Businesses").

In preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK"), a group reorganisation (the "Reorganisation") was undertaken pursuant to which the group companies engaged in the Listing Businesses controlled by Peakwin Group Limited were transferred to the Company. Peakwin Group Limited was controlled by Mr. Huang Chih Shen and Mr. Huang Chih Chien (the "Huang Brothers"). The other shareholders of the Listing Businesses also transferred their interests in the Listing Businesses in exchange for the shares in the Company. The Reorganisation was completed on 2 January 2012. Details of the Reorganisation are set out in the prospectus (the "Prospectus") of the Company dated 31 December 2012.

On 31 December 2012, the Company issued the Prospectus and launched a public offering of 150,000,000 shares offered at an offer price of HK$0.82 per share and the capitalisation of 449,000,000 shares ("Capitalisation Issue"). The Company's shares were listed on the SEHK on 15 January 2013 (the "Listing").

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 March 2014.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention.

The Group had adopted the following amended/new standards which are effective for the Group's financial year beginning on 1 January 2013:

HKAS 1 (amendment)	Presentation of Financial Statements
HKAS 19 (revised)	Employee Benefits
HKAS 27 (revised)	Separate Financial Statements
HKAS 28 (revised)	Investments in Associates and Joint Ventures
HKFRS 7 (amendment)	Financial Instruments: Disclosures — Offsetting Financial Assets and Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 10 (amendment)	Consolidated Financial Statements: Transition guidance
HKFRS 11	Joint Arrangements
HKFRS 11 (amendment)	Joint Arrangement: Transition guidance
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 12 (amendment)	Disclosure of Interests in Other Entities: Transition guidance
HKFRS 13	Fair Value Measurement

The adoptions of the above amended/new standards have no material impact to the Group's consolidated financial statements.

The following new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKAS 32 (amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Liabilities	1 January 2014
HKFRS 10, 12 and HKFRS 27 (revised) (amendment)	Investment Entities	1 January 2014
HKAS 36 (amendment)	Recoverable amount disclosures on impairment of assets	1 January 2014
HKAS 39 (amendment)	Financial Instruments: Recognition and Measurement — Novation of derivatives	1 January 2014
HK (IFRIC) 21	Levies	1 January 2014
New Company Ordinances	The New Company Ordinances deletes disclosure requirements already dealt with in HKFRS and has new requirement to disclose the Company's balance sheet in a set of consolidated financial statements as a note to the consolidated financial statements The abolition of nominal value of shares of companies (listed or private) incorporated in Hong Kong	3 March 2014
HKAS 19 (Amendment)	Defined benefit plans: Employee contribution	1 July 2014
Amendment to HKFRS	Annual improvements 2012 and 2013	1 July 2014
HKFRS 7 (amendment)	Financial Instruments: Disclosures — Mandatory Effective Date and Transition Disclosures	1 January 2015
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 9 (amendment)	Financial Instruments — Mandatory Effective Date and Transition Disclosures	1 January 2015

The management is in the process of assessing of the impact of these standards, amendments and interpretations on the consolidated financial statements of the Group. The adoption of the above is not expected to have a material impact on the consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the Apparel Supply Chain Servicing Business and Apparel Retail Business. Revenue recognised during the year ended 31 December 2013 was as follows:

	Year ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
Apparel Supply Chain Servicing Business	**1,152,000**	981,141
Apparel Retail Business	**33,468**	52,368
	1,185,468	1,033,509

(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)/gains — 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.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments and cash and bank balances. They exclude deferred income tax assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities, current income tax liabilities, dividend payables and amounts due to related parties.

The segment results for the year ended 31 December 2013:

	Apparel Supply Chain Servicing Business HK$'000	Apparel Retail Business HK$'000	Total HK$'000
Segment revenue	**1,153,605**	**33,468**	**1,187,073**
Inter-segment revenue	**(1,605)**	**–**	**(1,605)**
Revenue from external customers	**1,152,000**	**33,468**	**1,185,468**
Segment results	**63,359**	**(26,777)**	**36,582**
Other losses — net			**(698)**
Finance costs — net			**(1,957)**
Profit before income tax			**33,927**
Income tax expense			**(13,191)**
Profit for the year			**20,736**

Other segment items included in the 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	**6,340**	**4,326**	**10,666**
Amortisation of intangible asset	**23**	**244**	**267**
Allowance for inventory impairment	**–**	**3,017**	**3,017**
Allowance for doubtful debts	**1,807**	**1,761**	**3,568**

The segment assets and liabilities as at 31 December 2013 were as follows:

	Apparel Supply Chain Servicing Business HK$'000	Apparel Retail Business HK$'000	Unallocated HK$'000	Total HK$'000
Total assets	**537,950**	**53,828**	**4,527**	**596,305**
Total liabilities	**(173,749)**	**(99,433)**	**(137,186)**	**(410,368)**

The segment results for the year ended 31 December 2012:

	Apparel Supply Chain Servicing Business *HK$'000*	Apparel Retail Business *HK$'000*	Total *HK$'000*
Segment revenue	998,481	52,368	1,050,849
Inter-segment revenue	(17,340)	–	(17,340)
Revenue from external customers	981,141	52,368	1,033,509
Segment results	78,375	(7,054)	71,321
Other gains — net			434
Finance costs — net			(2,443)
Profit before income tax			69,312
Income tax expense			(14,309)
Profit for the year			55,003

Other segment items included in the 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	7,545	3,236	10,781
Amortisation of intangible asset	7	26	33
Allowance for inventory impairment	1,000	200	1,200
Allowance for doubtful debts	251	256	507

The segment assets and liabilities as at 31 December 2012 were as follows:

	Apparel Supply Chain Servicing Business *HK$'000*	Apparel Retail Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Total assets	365,197	44,212	3,055	412,464
Total liabilities	(209,471)	(56,981)	(68,551)	(335,003)

4. OTHER INCOME

	Year ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
Rental income from subcontractors	**2,056**	4,341
Others	**126**	–
	2,182	4,341

5. EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses and administrative expenses were analysed as follows:

	Year ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
Changes in inventories of finished goods and work in progress	**(2,912)**	(26,112)
Raw materials and consumables used, processing fee paid and merchandise purchased	**997,242**	837,486
Employee benefit expenses	**67,894**	63,905
Rental expenses	**19,559**	21,794
Transportation expenses	**9,810**	9,014
Depreciation and amortisation	**10,933**	10,814
Travelling expenses	**5,827**	6,304
Promotion expenses	**2,874**	3,407
Repairs and maintenance expenses	**532**	1,416
Bank charges	**1,363**	1,567
Auditors' remuneration	**1,745**	1,689
Utilities	**3,786**	2,150
Entertainment expenses	**5,688**	4,177
Allowance for inventory impairment	**3,017**	1,200
Allowance for doubtful debts	**3,568**	507
Professional service fees	**5,294**	11,305
Others	**14,848**	15,906
Total cost of sales, selling expenses and administrative expenses	**1,151,068**	966,529

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
Current income tax		
— PRC corporate income tax	**4,023**	4,940
— Hong Kong profits tax	**7,229**	9,892
	11,252	14,832
Deferred tax	**1,604**	(1,310)
Corporate income tax	**12,856**	13,522
Withholding tax	**335**	787
Income tax expense	**13,191**	14,309

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group's entities in the respective jurisdictions as follows:

	Year ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
Profit before income tax	**33,927**	69,312
Tax calculated at rates applicable to profits of the Group's entities in the respective jurisdictions	**5,435**	12,372
Tax loss for which no deferred income tax asset was recognised	**6,923**	867
Expenses not deductible for tax purposes	**498**	283
Withholding tax	**335**	787
Tax charge	**13,191**	14,309

(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 year ended 31 December 2013 (2012:16.5%).

(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% during the year ended 31 December 2013 (2012:5%).

7. BASIC AND DILUTED 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 year.

The weighted average number of ordinary shares deemed to be in issue during the year ended 31 December 2012 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 arising from the Listing of the Company on 15 January 2013 had been in issue since 1 January 2012.

	Year ended 31 December	
	2013	2012
Profit attributable to equity holders of the Company *(HK$'000)*	**20,736**	55,003
Weighted average number of ordinary shares in issue	**593,836,000**	450,000,000
Basic earnings per share *(HK$)*	**0.0349**	0.1222

The Company did not have any potential dilutive ordinary shares outstanding as at 31 December 2013 and 2012. Diluted earnings per share is equal to basic earnings per share.

8. DIVIDENDS

No dividend for the year ended 31 December 2013 will be proposed by the directors.

During the year ended 31 December 2012 and before the Listing of the Company, certain group companies declared and paid a dividend of HK$82,426,000 to the then shareholders of these group companies.

After the Listing of the Company, a dividend of HK$0.0458 per share in respect of the year ended 31 December 2012, amounting to a total dividend of HK$27,480,000 (based on 600,000,000 shares in issue) has been declared on 25 March 2013 and paid during the year ended 31 December 2013.

9. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2013	2012
	HK$'000	*HK$'000*
Trade receivables — due from third parties	**125,040**	146,484
Other receivables — due from third parties	**33,336**	13,009
	158,376	159,493
Less: provision for impairment of trade receivables	**(2,268)**	(507)
	156,108	158,986

The carrying amounts of trade and other receivables approximate their fair values.

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 are usually 30 to 90 days. The aging analysis of trade receivables as at 31 December 2012 and 2013 based on invoice date was as follows:

	As at 31 December	
	2013	2012
	HK$'000	*HK$'000*
0–30 days	**99,579**	92,438
31–90 days	**17,255**	47,422
91–180 days	**3,181**	5,830
Over 180 days	**5,025**	794
	125,040	146,484

As at 31 December 2012 and 2013, the Group's trade receivables were mainly due from customers with good credit history and low default rate.

10. TRADE AND OTHER PAYABLES

	As at 31 December	
	2013	2012
	HK$'000	*HK$'000*
Trade payables — due to third parties	**158,931**	154,202
Advances from customers	**–**	481
Other taxes payable	**7,441**	3,926
Deposits received	**3,592**	5,418
Bills payable *(Note (a))*	**67,331**	81,696
Other payables	**27,950**	14,662
Accrued payroll	**6,935**	5,117
Due to related parties	**1,002**	950
	273,182	266,452

(a) The bills payable were secured by restricted deposits and guarantees provided by related parties and subsidiaries during the year ended 31 December 2012. All the restricted deposits and guarantees provided by the related parties were released after the successful listing of the Company's shares on SEHK.

(b) The credit period granted by the Group's principal suppliers ranges from 30 to 90 days.

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

	As at 31 December	
	2013	2012
	HK$'000	HK$'000
0–30 days	**85,792**	90,426
31–90 days	**58,595**	47,238
91–180 days	**7,247**	10,140
Over 180 days	**7,297**	6,398
	158,931	154,202

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Group focuses on providing one-stop solution to our customers by the provision of apparel supply chain services including product design and development, fashion trend ascertaining and sampling, raw material sourcing, production order and merchandise sourcing management, quality control, packaging, inventory management and logistics management. Under our apparel supply chain servicing segment, we outsource the labor-intensive manufacturing function to third-party manufacturers and focus on providing one-stop solution to our customers to accommodate their different needs.

The Company is also engaged in the apparel retail business which mainly focuses on designing, procuring, marketing and retailing men's and women's apparel and accessory products under the Unisex Brand. In addition to our in-house apparel retail brands, during the year of 2013, we have acquired Bright Master International Holdings Co., Limited ("Bright Master") which owns the non-exclusive right to market and sell Promod products in the PRC until 14 December 2017, if not terminated earlier by either party pursuant to the terms of the license agreement, and renewable for another term of five years upon expiry subject to the terms of the agreement.

Financial Review

	2013	2012
	HK$'million	*HK$'million*
Revenue	**1,185.5**	1,033.5
— *Apparel supply chain servicing business*	***1,152.0***	*981.1*
— *Apparel retail business*	***33.5***	*52.4*
Gross Profit	**143.6**	183.1
— *Apparel supply chain servicing business*	***133.9***	*151.3*
— *Apparel retail business*	***9.7***	*31.8*
Net Profit	**20.7**	55.0

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 year, we have provided many designs of apparel products to our customers and our designs are well appreciated by our customers. Revenue under our apparel supply chain servicing business increased by 17.4% to approximately HK$1,152.0 million during the year (2012: HK$981.1 million).

Gross profit under our apparel supply chain servicing business decreased by 11.5% to approximately HK$133.9 million (2012: HK$151.3 million) and gross profit margin decreased to 11.6% for the year, representing a decrease of 3.8 percent point when compared with the preceding year (2012:15.4%). The decrease in gross profit margin was mainly due to the surge in labor cost as a result of the implementation of compulsory minimum wages in the PRC and the increase in raw materials cost and manufacturing cost as a result of the appreciation of RMB during the year.

During the year, we recorded a segmental profit before other losses, finance costs and income tax expenses of approximately HK$63.4 million, represented a decrease of approximately 19.1% compared to that of approximately HK$78.4 million for 2012.

Apparel Retail Business

Revenue from our apparel retail business decreased by HK$18.9 million, or approximately 36.1%, from HK$52.4 million in the year 2012 to HK$33.5 million in the year 2013, of which revenue of HK8.9 million arose from the acquisition of Bright Master in October 2013. Excluding this acquisition, the revenue from our apparel retail business decreased by 53.1% when comparing with that for the year 2012. 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, growing competition by the PRC brands to tap tier-three and tier-four cities in the PRC as well as online market. These factors 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$22.1 million, or approximately 69.5%, from HK$31.8 million for the year 2012 to HK$9.7 million for the year 2013, of which gross profit of HK$3.7 million arose from the acquisition of Bright Master and its subsidiaries in October 2013. Excluding this acquisition, the Group's gross profit decreased by 81.1% when comparing with that for year 2012, mainly as a result of the decrease in revenue and gross profit margin. The gross profit margin decreased from 60.7% for the year 2012 to 29.0% for the year 2013 because the Group prolonged the promotional sales period to stimulate the sales of apparel products.

As at 31 December 2013, our apparel and accessories products under the Unisex and Promod brands were sold to retail consumers through 24 outlets, including 20 self-operated, 3 cooperative and 1 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 decreased by 21.1% to approximately HK$29.3 million (2012:HK$37.1million) for the year 2013 mainly due to decrease in number of retail outlets as a result of closure of under-performing retail outlets during the year.

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 professional fees. Administrative expenses increased by 1.2% to approximately HK$79.9 million (2012:HK$79.0 million) for the year mainly due to the increase in professional fees after the Company was successfully listed on the SEHK on 15 January 2013, the increase in allowance for doubtful debts, offsetting against the decrease in listing expenses incurred in 2012.

Other income

Other income mainly represented lease income from subcontractors. Other income decreased by 49.7% to approximately HK$2.2 million during the year 2013 because of the decrease in lease income received from third-party manufacturers on lease of machinery and equipment.

Other (losses)/gains

Other losses during the year 2013 mainly represented loss on disposal of property, plant and equipment of approximately HK$3.3 million for closure of non-performing outlets under Unisex brand, offsetting against net foreign exchange gains of HK$1.9 million during the year. Other gains in 2012 mainly represented net exchange gains.

Finance income and costs

Finance income increased by 341.9% to approximately HK$3.9 million for the year of 2013 primarily due to: (i) the increase in average bank balances as the proceeds from initial public offerings are deposited in bank accounts; (ii) exchange gains on cash deposits denominated in RMB arising from appreciation of RMB during the year.

Finance costs increased by 76.0% to approximately HK$5.9 million primarily due to an increase in average bank borrowings to finance operation during the year 2013.

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 decreased by 7.8% to approximately HK$13.2 million primarily as a result of the decrease in profit before income tax for the year 2013.

Inventory

There is no material change in inventory balance (2013: approximately HK$117.2 million; 2012: approximately HK$102.8 million) and inventory turnover days was 39 days (2012: 37 days) as at 31 December 2013.

Trade receivables

Trade receivables balance decreased from HK$146.5 million as at 31 December 2012 to HK$125.0 million as at 31 December 2013 primarily because we strengthen our internal control policy to request our customers to settle the trade receivables timely.

We generally grant customers of our apparel supply chain servicing business a credit period of 30 to 90 days and they are generally required to settle their trade balances with us by bank transfer or by cheque. Under the apparel retail business, consumers who purchase from our self-operated retail outlets are required to pay at the time of purchase by cash or credit card. On the other hand, our cooperative partners are required to settle their payments through bank transfer on a monthly basis. For our franchisees, they are required to settle the full purchase amount within three days after making the purchase order.

Our trade receivable turnover days for the year ended 31 December 2013 was 42 days (2012: 62 days) which is in general within the credit period granted by us to the customers.

Trade payables

Trade payables balance increased from HK$154.2 million as at 31 December 2012 to HK$158.9 million as at 31 December 2013 primarily because of the increase in revenue during the year.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payables turnover days for the year ended 31 December 2013 was 55 days (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 31 December 2013 in the sum of approximately HK$133.3 million. All bank borrowings were made from banks in Hong Kong at floating interest rates and were repayable within one to two years, of which approximately HK$116.9 million was repayable within one year and approximately HK$16.4 million repayable within the period of 1 to 2 years. 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 year 2013, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 31 December 2013, cash and bank balances amounted to approximately HK$263.1 million, of which approximately HK$91.5 million is denominated in HK$, HK$165.0 million in RMB, HK$5.4 million in USD and HK$1.2 million in other currencies. The current ratio of the Group was approximately 1.4 (2012: 1.1).

Gearing ratio

The gearing ratio of the Group, calculated as total borrowings over total equity, was approximately 71.7 % as at 31 December 2013 (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 year, 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 31 December 2013, the Group did not have any significant capital commitments (2012: Nil).

Dividend

The Board does not recommend the payment of final dividend for the year ended 31 December 2013 (2012: HK$0.0458 per share).

Information on employees

As at 31 December 2013, the Group had a total of 630 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$67.9 million, as compared to approximately HK$63.9 million for the year ended 31 December 2012. Remuneration is determined with reference to market norms as well as 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 where options to subscribe for shares may be granted to the Directors and employees of the Group.

Significant investments held

Except for investments in subsidiaries, during the year ended 31 December 2013, the Group did not hold any significant investment in equity interest in any other company.

Future plans for material investments and capital assets

Save as disclosed in the Company's Prospectus dated 31 December 2012 (the "Prospectus") and announcement dated 26 November 2013, the Group did not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

In October 2013, the Group acquired 100% equity interests of Bright Master. Bright Master owns the non-exclusive distributorship of the fashion brand "Promod" in the PRC up to 14 December 2017, if not terminated earlier by either party pursuant to the license agreement, and renewable for another term of five years upon expiry subject to the terms of the agreement.

Charges of assets

As at 31 December 2012, restricted bank deposits of approximately HK$26.3 million were used as security for bills payables and bank borrowings. There is no charge of assets as of 31 December 2013.

Contingent liabilities

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

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 of the Company as provided under the non-competition undertaking.

PROSPECTS

The PRC economy has entered into a phase of transformation and upgrade. The PRC manufacturers can no longer solely focus on cost competition, but need to compete on product quality and innovation because customers are looking beyond the fulfillment of basic requirements. Looking forward, we expect the business environment for our Apparel Supply Chain Servicing Business in 2014 remains challenging due to the rising production cost in the PRC. In order to maintain our competitiveness, we will enhance product innovation and creativity to meet fashion trends and maintain premium quality. For production management, we will continue to enhance the operating efficiency in various aspects (such as shorter delivery time and small volume purchases, etc.) in response to the rapidly changing apparel market. In addition, in view of the rising production cost in the PRC, we will look for more third-party manufacturers outside the PRC to enhance our cost competitiveness. The Group is also 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. Instead of adopting an aggressive approach to expand coverage of the retail network, we will retain capital and focus on restoring profitability in the foreseeable future. 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.

In October 2013, the Group completed the acquisition of Bright Master which owns the non-exclusive distributorship of the fashion brand "Promod" in the PRC up to 14 December 2017, if not terminated earlier by either party pursuant to the license agreement, and renewable for another term of five years upon expiry subject to the terms of the agreement. Promod is a well-known international brand and its products principally include leisure wear and accessories for women collection. As of 31 December 2013, there are over 1,000 Promod stores located in 54 countries, of which 20 is located in the PRC. We believe that the acquisition of Bright Master will expand our retail business in women's market and enhance our sales and profits in the future.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities since its listing on 15 January 2013 up to the date of this announcement.

AUDIT COMMITTEE

The Company's audit committee has reviewed the accounting policies by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2013.

CORPORATE GOVERNANCE CODE

From 15 January 2013 (the "Listing Date") and up to 31 December 2013, the Company had complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), except Code Provision A.2.1 as more particularly described below. 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.

The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Huang Chih Shen. 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions. All Directors confirmed that, after specific enquiries were made by the Company, they have complied with the required standard of dealings as set out in the Model Code throughout the period from the Listing Date to the date of the Board meeting approving the annual results announcement for the year 2013.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on Monday, 19 May 2014. Notice of AGM will be issued and disseminated to the shareholders in due course.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the AGM to be held on Monday, 19 May 2014, the register of members will be closed from Thursday, 15 May 2014 to Monday, 19 May 2014, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (to be changed to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014), for registration not later than 4:30 p.m. on Wednesday, 14 May 2014.

APPRECIATION

The Chairman of the Group would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each staff of the Group for their hard work and loyalty to the Group.

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

Hong Kong, 28 March 2014

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.