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 2014

		For the six months ended 30 June		
		2014	2013	Change
Revenue	*(HK$'million)*	**609.1**	633.3	–3.8%
— *apparel supply chain servicing segment*	*(HK$'million)*	***580.6***	*617.9*	*–6.0%*
— *apparel retail segment*	*(HK$'million)*	***28.5***	*15.4*	*85.1%*
Gross profit	*(HK$'million)*	**78.9**	79.1	–0.3%
— *apparel supply chain servicing segment*	*(HK$'million)*	***64.7***	*72.3*	*–10.5%*
— *apparel retail segment*	*(HK$'million)*	***14.2***	*6.8*	*108.8%*
Gross profit margin		**13.0%**	12.5%	
— *apparel supply chain servicing segment*		***11.1%***	*11.7%*	
— *apparel retail segment*		***49.8%***	*44.2%*	
Profit before income tax	*(HK$'million)*	**18.6**	24.5	–24.1%
Profit for the period	*(HK$'million)*	**12.4**	16.8	–26.2%
Net profit margin		**2.0%**	2.7%	
Basic earnings per share	*(HK$ per share)*	**0.0207**	0.0285	

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 2014, together with the comparative figures for the corresponding period in 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*6*	**609,143**	633,305
Cost of sales		**(530,199)**	(554,173)
Gross profit		**78,944**	79,132
Selling expenses		**(21,749)**	(16,211)
Administrative expenses		**(37,009)**	(38,258)
Other income		**1,730**	1,686
Net other losses		**(1,915)**	(132)
Operating profit	*7*	**20,001**	26,217
Finance income	*8*	**1,861**	617
Finance costs	*8*	**(3,213)**	(2,345)
Net finance costs	*8*	**(1,352)**	(1,728)
Profit before income tax		**18,649**	24,489
Income tax expense	*9*	**(6,257)**	(7,736)
Profit for the period		**12,392**	16,753
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation differences		**(2,643)**	906
Total comprehensive income for the period		**9,749**	17,659
Earnings per share for profit attributable to equity holders of the Company for the period			
Basic and diluted (HK$ per share)	*10*	**0.0207**	0.0285

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	**At 30 June 2014** ***HK$'000*** **(Unaudited)**	At 31 December 2013 *HK$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**30,471**	34,254
Intangible assets		**3,197**	3,404
Deferred income tax assets		**4,542**	4,527
		38,210	42,185
Current assets			
Inventories		**106,445**	117,207
Trade and other receivables	*12*	**176,340**	156,108
Prepayments		**50,836**	17,690
Term deposits with initial term of over three months		**157,455**	12,940
Cash and cash equivalents		**170,459**	250,175
		661,535	554,120
Total assets		**699,745**	596,305
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**60,000**	60,000
Other reserves		**82,270**	84,434
Retained earnings		**53,416**	41,503
Total equity		**195,686**	185,937

	Note	At **30 June** **2014** ***HK$'000*** **(Unaudited)**	At 31 December 2013 *HK$'000* (Audited)
LIABILITIES			
Current liabilities			
Trade and other payables	*13*	**308,517**	273,182
Current income tax liabilities		**10,443**	3,844
Borrowings		**185,099**	133,342
		504,059	410,368
Total liabilities		**504,059**	410,368
Total equity and liabilities		**699,745**	596,305
Net current assets		**157,476**	143,752
Total assets less current liabilities		**195,686**	185,937

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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 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 and under the distribution right of Promod brand 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 2014 have been prepared in accordance with Hong Kong Accounting Standard 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 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

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 2013, 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 2013.

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 2013.

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 2014 and 2013 were as follows:

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Apparel Supply Chain Servicing Business	**580,619**	617,876
Apparel Retail Business	**28,524**	15,429
	609,143	633,305

(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. Net other losses, net finance costs (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 2014:

	Apparel Supply Chain Servicing Business	**Apparel Retail Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Segment revenue and revenue from external customers	**580,619**	**28,524**	**609,143**
Segment results	**31,311**	**(9,395)**	**21,916**
Net other losses			**(1,915)**
Net finance costs			**(1,352)**
Profit before income tax			**18,649**
Income tax expense			**(6,257)**
Profit for the period			**12,392**

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

	Apparel Supply Chain Servicing Business *HK$'000* **(Unaudited)**	**Apparel Retail Business** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Depreciation of property, plant and equipment	**3,787**	**2,235**	**6,022**
Amortisation of intangible assets	**26**	**114**	**140**

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

	Apparel Supply Chain Servicing Business *HK$'000* (Unaudited)	Apparel Retail Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
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
Net other losses			(132)
Net finance costs			(1,728)
Profit before income tax			24,489
Income tax expense			(7,736)
Profit for the period			16,753

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

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

(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	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**409,963**	465,091

7. OPERATING PROFIT

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

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation and amortisation	**6,162**	6,883
Employee benefit expenses	**35,149**	32,793
Rental expenses	**14,071**	8,999
Losses/(gains) on disposal of property, plant and equipment	**(73)**	393

8. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance costs		
— Interest expense on bank borrowings	**(3,213)**	(2,345)
Finance income		
— Interest income on short-term bank deposits	**1,861**	617
Net finance costs	**(1,352)**	(1,728)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profits tax	**4,040**	3,931
— PRC corporate income tax	**2,042**	2,962
	6,082	6,893
Deferred tax	**(63)**	403
Corporate income tax	**6,019**	7,296
Withholding tax	**238**	440
Income tax expense	**6,257**	7,736

(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 2014 and 2013.

(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 2014 and 2013.

10. 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 period.

The weighted average number of ordinary shares in issue during the six months period ended 30 June 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 2012.

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(HK$'000)*	**12,392**	16,753
Weighted average number of ordinary shares in issue	**600,000,000**	588,397,790
Basic earnings per share *(HK$)*	**0.0207**	0.0285

The Company did not have any potential ordinary shares outstanding as at 30 June 2014 and 2013. Diluted earnings per share is equal to basic earnings per share.

11. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 and 2013.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2014	At 31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**152,473**	125,040
Other receivables	**25,686**	33,336
	178,159	158,376
Less: impairment of trade receivables	**(1,819)**	(2,268)
	176,340	156,108

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 Apparel 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 2014 and 31 December 2013 based on invoice date was as follows:

	At 30 June 2014 *HK$'000* (Unaudited)	At 31 December 2013 *HK$'000* (Audited)
0–30 days	**115,602**	99,579
31–90 days	**25,877**	17,255
91–180 days	**2,068**	3,181
Over 180 days	**8,926**	5,025
	152,473	125,040

13. TRADE AND OTHER PAYABLES

	At 30 June 2014 *HK$'000* (Unaudited)	At 31 December 2013 *HK$'000* (Audited)
Trade payables due to third parties	**215,514**	158,931
Other taxes payable	**2,224**	7,441
Deposit received	**193**	3,592
Bill payable	**62,665**	67,331
Other payables	**22,682**	27,950
Accrued payroll	**4,218**	6,935
Due to related parties	**1,021**	1,002
	308,517	273,182

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

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

	At 30 June 2014 *HK$'000* (Unaudited)	At 31 December 2013 *HK$'000* (Audited)
0–30 days	**147,213**	85,792
31–90 days	**60,229**	58,595
91–180 days	**5,851**	7,247
Over 180 days	**2,221**	7,297
	215,514	158,931

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	Six months ended 30 June	
	2014	2013
	HK$ million	*HK$ million*
	(Unaudited)	(Unaudited)
Revenue	**609.1**	633.3
— *Apparel Supply Chain Servicing Business*	***580.6***	*617.9*
— *Apparel Retail Business*	***28.5***	*15.4*
Gross profit	**78.9**	79.1
— *Apparel Supply Chain Servicing Business*	***64.7***	*72.3*
— *Apparel Retail Business*	***14.2***	*6.8*
Profit for the period	**12.4**	16.8

The Group's revenue for the six months ended 30 June 2014 was approximately HK$609.1 million, representing a decrease of approximately 3.8% over the last corresponding period. The decrease in the Group's revenue was mainly attributable to the decrease in revenue under the Apparel Supply Chain Servicing Business as a result of worsening market conditions, partially offset by the increase in revenue under the Apparel Retail Business as we acquired Bright Master International Holdings Co., Limited (which owns the non-exclusive right to market and sell the products under the fashion brand "Promod" in the PRC) in late October 2013.

The Group's gross profit margin for the six months ended 30 June 2014 was approximately 13.0%, representing a slight increase of approximately 0.5% over the last corresponding period. The increase in the Group's gross profit margin was mainly attributable to the increase in gross profit margin under the Apparel Retail Business as Promod products were sold at a higher gross profit margin than Unisex products, partially offset by the decrease in gross profit margin under the Apparel Supply Chain Servicing Business as a result of the reduction in the average selling price of woven wear and knitwear products sold by the Group.

The Group recorded a profit attributable to equity holders of the Company of approximately HK$12.4 million for the six months ended 30 June 2014 as compared to approximately HK$16.8 million for the last corresponding period. The decrease of the profit attributable to equity holders of the Company was mainly due to the net effect of the increase in selling expenses of approximately HK$5.5 million, decrease in administrative expenses of approximately HK$1.2 million, increase in net other losses of approximately HK$1.8 million, decrease in net finance costs of approximately HK$0.4 million and decrease in income tax expense of approximately HK$1.5 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 six months ended 30 June 2014, we have provided many designs of apparel products to our customers and these designs are well appreciated by the customers. Revenue under the Apparel Supply Chain Servicing Business decreased by 6.0% to approximately HK$580.6 million during the six months ended 30 June 2014 (January to June 2013: HK$617.9 million).

Gross profit under the Apparel Supply Chain Servicing Business decreased by 10.5% to approximately HK$64.7 million (January to June 2013: HK$72.3 million), and gross profit margin decreased to approximately 11.1% for the six months ended 30 June 2014, representing a decrease of 0.6% when compared with the last corresponding period. The decrease in gross profit margin was mainly due to the reduction of the average selling price while the effect cannot be fully shifted to the suppliers.

During the six months ended 30 June 2014, we recorded a segmental profit before net other losses, net finance costs and income tax expense of approximately HK$31.3 million, represented a decrease of approximately HK$5.5 million comparing to that of approximately HK$36.8 million for the last corresponding period.

Apparel Retail Business

Revenue from our Apparel Retail Business increased by approximately 85.1% to approximately HK$28.5 million (January to June 2013: HK$15.4 million). The increase in revenue of our Apparel Retail Business was mainly because Promod products were newly sold since late October 2013 while only Unisex products were sold during the last corresponding period.

Gross profit increased by HK$7.4 million, or approximately 108.8%, from HK$6.8 million in the last corresponding period to HK$14.2 million for the six months ended 30 June 2014, mainly as a result of the increase in revenue and gross profit margin. The gross profit margin increased from 44.2% for the last corresponding period to 49.8% for the six months ended 30 June 2014 because Promod products were sold at a higher gross profit margin than Unisex products which were mainly sold during the last corresponding period.

We recorded a segmental loss before net other losses, net finance costs and income tax expense of approximately HK$9.4 million, represented a decrease of approximately 9.6% compared to approximately HK$10.4 million for the last corresponding period. In order to minimise the operation loss of our Apparel Retail Business, we has decided to initiate a series of measures, including the closure of those under-performing outlets.

As at 30 June 2014, our apparel and accessories products under our Unisex and Promod brands were sold to retail customers through 17 self-operated 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 and employee benefit expenses mainly for our personnel involved in retail operations. Selling expenses increased by 34.2% to approximately HK$21.7 million during the six months ended 30 June 2014 mainly due to increase in rent of the self-operated retail outlets.

Administrative Expenses

Administrative expenses mainly represented employee benefit expenses for our management, finance and administrative personnel, entertainment expenses, rental expenses for our office premises and travelling expenses. Administrative expenses decreased by 3.3% to approximately HK$37.0 million mainly because no listing expense was incurred during the six months ended 30 June 2014 as the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2013.

Other Income

Other income mainly represented lease income from subcontractors. No material fluctuation was noted during the six months ended 30 June 2014.

Net Other Losses

Net other losses comprised mainly net foreign exchange gains/losses and net gains/losses on disposal of property, plant and equipment. Net other losses increased as we have cash and cash equivalents denominated in Renminbi ("**RMB**") and exchange losses were resulted during the six months ended 30 June 2014.

Finance Income and Costs

Finance income increased by 201.6% to approximately HK$1.9 million primarily because average bank balances increased and more time deposits were made during the six months ended 30 June 2014.

Finance costs increased by 37.0% to approximately HK$3.2 million primarily due to an increase in average bank borrowings to finance the operation during the six months ended 30 June 2014.

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 19.1% to approximately HK$6.3 million primarily because less profit was generated by the Group during the six months ended 30 June 2014.

Inventory

Inventories balance decreased from HK$117.2 million as at 31 December 2013 to HK$106.4 million as at 30 June 2014 primarily because more apparel products were delivered to customers before the end of the six months ended 30 June 2014.

There was no material change in the inventory turnover days (30 June 2014: 38 days; 31 December 2013: 39 days).

Trade Receivables

The net balance of trade receivables increased from HK$122.8 million as at 31 December 2013 to HK$150.7 million as at 30 June 2014 primarily because more sales were recognised before the end of the six months ended 30 June 2014 comparing to the end of the last corresponding period.

There was no material change in the trade receivables turnover days (30 June 2014: 41 days; 31 December 2013: 42 days) which is within the credit period granted by us to the customers.

Trade Payables

Trade payables balance increased from HK$158.9 million as at 31 December 2013 to HK$215.5 million as at 30 June 2014 primarily because of (i) a slowdown in settlements to the suppliers and the manufacturers during the six months ended 30 June 2014; and (ii) increase in purchase from the suppliers before the end of the current period.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payables turnover days as at 30 June 2014 was 64 days (31 December 2013: 55 days) which is still within the credit period granted by our suppliers and third-party manufacturers.

Borrowings

The Group had bank borrowings in the sum of approximately HK$185.1 million as at 30 June 2014. All bank borrowings were made from banks in Hong Kong at floating interest ranging from 1.45% to 3.38% per annum and were repayable within one to three years, of which approximately HK$167.6 million was repayable within one year, approximately HK$16.6 million was repayable within the period of 1 to 2 years and approximately HK$0.9 million was repayable beyond 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 six months ended 30 June 2014, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2014, cash and bank balances, including term deposits with initial term of over three months, amounted to approximately HK$327.9 million of which approximately HK$73.2 million was denominated in HK dollars, approximately HK$249.5 million was denominated in RMB, approximately HK$5.1 million was denominated in United States dollar and approximately HK$0.1 million was denominated in other currencies. The current ratio of the Group was approximately 1.3 (31 December 2013: 1.4).

Gearing Ratio

The gearing ratio of the Group, calculated as total bank borrowings over total equity, was approximately 94.6% as at 30 June 2014 (31 December 2013: approximately 71.7%).

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 recognised 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 six months ended 30 June 2014, 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 Stock Exchange 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 2014, the Group did not have any significant capital commitments (31 December 2013: Nil).

Information of Employees

As at 30 June 2014, the Group had a total of 606 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$35.1 million, as compared to approximately HK$32.8 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 summarised 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 six months ended 30 June 2014, 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 six months ended 30 June 2014.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and the announcements dated 26 November 2013 and 28 March 2014, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the six months ended 30 June 2014, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Charge of Assets

There was no charge of assets as at 30 June 2014 (31 December 2013: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2014 (31 December 2013: 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.

Use of Proceeds

The Company was listed on the Stock Exchange on 15 January 2013 and raised net proceeds of approximately HK$94.7 million. During the six months ended 30 June 2014, we have utilised approximately HK$0.3 million, HK$0.2 million and HK$0.3 million for setting up Promod outlets that sell products under Promod brands, further enhancing the information technology systems and developing the design and development capabilities and garment manufacturing plants and related development, respectively, in accordance with our latest business development plan which was announced by the Company on 28 March 2014. As at 30 June 2014, the unused proceeds of approximately HK$81.5 million were deposited in licensed banks in Hong Kong.

PROSPECTS

We expect the business environment for our Apparel Supply Chain Servicing Business remains challenging in the second half of the year 2014 due to the worsening market conditions. 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, we will look for more third-party manufacturers with lower purchase prices 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. 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.

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

Neither the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities since its listing on 15 January 2013 up to the date of this announcement.

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

As at 30 June 2014, the Company's Directors and chief executive had the following interests in the shares, underlying shares and debentures of the Company, its Group members and/or associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("**SFO**")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 ("**Mr. Huang**")	Our Company	Interest of a controlled corporation *(Note 2)*	327,242,688 (L)	54.54%
Mr. Chan Hung Kwong, Patrick	Our Company	Directly beneficially owned	33,031,758	5.51%
Mr. Au Wai Shing	Our Company	Directly beneficially owned	26,847,366	4.47%
Ms. Tang Wai Shan	Our Company	Directly beneficially owned	15,428,853	2.57%

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 represented the interest in the Company held by Sky Halo Holdings Limited which was in turn approximately 50% owned by Mr. Huang, one of the controlling shareholders of our Company and an executive Director as at 30 June 2014. Therefore, Mr. Huang was 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	Sky Halo Holdings Limited	Beneficial owner	5,000	50.00%

Note:

1. The disclosed interest represented the interest in Sky Halo Holdings Limited which was owned as to 50% by Mr. Huang as at 30 June 2014.

Save as disclosed above, as at 30 June 2014, 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 Stock Exchange 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2014, so far as was known to the Directors, the following persons/entity (not being the Director or chief executive of the Company) had, or were 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	327,242,688 (L)	54.54%
Ms. Cheuk Wai Ying *(Note 3)*	Our Company	Family	327,242,688 (L)	54.54%
Mr. Huang Chih Chien *(Note 4)*	Our Company	Interest of a controlled corporation	327,242,688 (L)	54.54%
Ang Ellena Balesteros *(Note 5)*	Our Company	Family	327,242,688 (L)	54.54%

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 British Virgin Islands and the entire issued share capital of which was beneficially owned as to 50% by Mr. Huang and 50% by Mr. Huang Chih Chien as at 30 June 2014.

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

4. The disclosed interest represented the interest in the Company held by Sky Halo Holdings Limited which was in turn 50% owned by Mr. Huang Chih Chien as at 30 June 2014. Therefore, Mr. Huang Chih Chien was deemed to be interested in the interest of Sky Halo Holdings Limited in the Company by virtue of the SFO as at 30 June 2014.

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

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company complied with all the code provisions set out in Appendix 14 to the Listing Rules ("**Code Provisions**") throughout the six months ended 30 June 2014, except for the following deviations:

(1) 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. 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 officer.

(2) Under Code Provision A.6.7, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Chan Chung Bun, Bunny, an independent non-executive director of the Company, did not attend the Company's 2013 annual general meeting due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions. All Directors confirmed that, having made specific enquiries of all Directors, they have complied with the required standard of dealing as set out in the Model Code during the six months ended 30 June 2014.

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 2014 have been reviewed by the audit committee and the audit committee is of the view that the interim results for the six months ended 30 June 2014 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 declaring any dividend for the six months ended 30 June 2014.

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 Stock Exchange (http://www.hkexnews.hk). An interim report of the Company for the six months ended 30 June 2014 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, 25 August 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.