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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: 540)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

		For the year ended 31 December		
		2014	2013	Change
Revenue	*(HK$'million)*	**1,263.6**	1,185.5	6.6%
— *apparel supply chain servicing segment*	*(HK$'million)*	***1,212.0***	*1,152.0*	*5.2%*
— *apparel retail segment*	*(HK$'million)*	***51.6***	*33.5*	*54.0%*
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit	*(HK$'million)*	**160.9**	143.6	12.0%
— *apparel supply chain servicing segment*	*(HK$'million)*	***137.1***	*133.9*	*2.4%*
— *apparel retail segment*	*(HK$'million)*	***23.8***	*9.7*	*145.4%*
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit margin		**12.7%**	12.1%	
— *apparel supply chain servicing segment*		***11.3%***	*11.6%*	
— *apparel retail segment*		***46.1%***	*29.0%*	
— *property investment and development segment*		**–**	–	
Profit before income tax	*(HK$'million)*	**39.6**	33.9	16.8%
Profit for the year	*(HK$'million)*	**24.1**	20.7	16.4%
Net profit margin		**1.9%**	1.7%	
Basic earnings per share	*(HK$ per share)*	**0.0402**	0.0349	

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 2014, together with the comparative figures for the year ended 31 December 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**1,263,600**	1,185,468
Cost of sales	*5*	**(1,102,689)**	(1,041,848)
Gross profit		**160,911**	143,620
Selling expenses	*5*	**(42,123)**	(29,282)
Administrative expenses	*5*	**(76,799)**	(79,938)
Other income	*4*	**1,276**	2,182
Other losses — net		**(2,266)**	(698)
Operating profit		**40,999**	35,884
Finance income		**5,837**	3,893
Finance costs		**(7,199)**	(5,850)
Net finance costs		**(1,362)**	(1,957)
Profit before income tax		**39,637**	33,927
Income tax expense	*6*	**(15,540)**	(13,191)
Profit for the year attributable to equity holders of the Company		**24,097**	20,736
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(904)**	1,879
Total comprehensive income for the year attributable to equity holders of the Company		**23,193**	22,615
Basic and diluted earnings per share for profit attributable to equity holders of the Company for the year (expressed in HK$ per share)	*7*	**0.0402**	0.0349
Dividend	*8*	**7,200**	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2014	2013
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**26,635**	34,254
Intangible assets		**1,782**	3,404
Deferred income tax assets		**1,831**	4,527
Prepayments		**2,368**	–
		32,616	42,185
Current assets			
Inventories		**125,820**	117,207
Trade and other receivables	*9*	**196,162**	156,108
Prepayments		**26,425**	17,690
Term deposits with initial term of over three months		**25,352**	12,940
Cash and cash equivalents		**413,185**	250,175
		786,944	554,120
Total assets		**819,560**	596,305
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**60,000**	60,000
Share premium		**53,441**	53,441
Other reserves		**32,398**	30,993
Retained earnings			
— Proposed final dividend		**7,200**	–
— Others		**56,091**	41,503
Total equity		**209,130**	185,937

		As at 31 December	
		2014	2013
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liability			
Borrowings		**596**	–
Current liabilities			
Trade and other payables	*10*	**296,473**	273,182
Current income tax liabilities		**6,312**	3,844
Borrowings		**307,049**	133,342
		609,834	410,368
Total liabilities		**610,430**	410,368
Total equity and liabilities		**819,560**	596,305
Net current assets		**177,110**	143,752
Total assets less current liabilities		**209,726**	185,937

NOTES:

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 is principally engaged in (i) the apparel supply chain servicing business which offers a wide range of woven wear and cut-and-sewn 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"). Furthermore, the Group attempts to diversify its business into the property investment and development aspects which comprise manufacturing plants, commercial and residential developments for the garment industry (the "Property Investment and Development Business") during the year.

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), unless otherwise stated. The consolidated financial statements have been approved for issue by the Board on 30 March 2015.

2. BASIS OF PREPARATION

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

(a) New standards and amendments adopted by the Group

The Group had adopted the following amended/new standards which are effective for the Group's financial year beginning on 1 January 2014:

HKAS 27 (Amendment)	Separate Financial Statements
HKAS 32 (Amendment)	Financial Instruments: Presentation on Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets on Recoverable Amount Disclosures
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement — Novation of Derivatives
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HK (IFRIC) 21	Levies

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

(b) New standards and interpretations not yet adopted

The following new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contribution	1 July 2014
Amendment to HKFRS	Annual Improvements 2012 and 2013	1 July 2014
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 11 (Amendment)	Acquisitions of Interests in Joint Operations	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
Amendment to HKFRS	Annual Improvements 2014	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

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.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue recognised during the year ended 31 December 2014 was as follows:

	Year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Apparel Supply Chain Servicing Business	**1,211,987**	1,152,000
Apparel Retail Business	**51,613**	33,468
Property Investment and Development Business	**–**	–
	1,263,600	1,185,468

(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 a product and service perspective which included apparel products and properties. For apparel products, management separately considered the Apparel Supply Chain Servicing Business and Apparel Retail Business. 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, 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.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments, cash and cash equivalents and term deposits with initial term of over three months. They exclude deferred income tax assets.

Segment liabilities comprise operating liabilities. They exclude borrowings and current income tax liabilities.

The segment results for the year ended 31 December 2014:

	Apparel Supply Chain Servicing Business *HK$'000*	**Apparel Retail Business** *HK$'000*	**Property Investment and Development Business** *HK$'000*	**Total** *HK$'000*
Segment revenue	**1,212,000**	**51,613**	**–**	**1,263,613**
Inter-segment revenue	**(13)**	**–**	**–**	**(13)**
Revenue from external customers	**1,211,987**	**51,613**	**–**	**1,263,600**
Segment results	**64,773**	**(20,164)**	**(1,344)**	**43,265**
Other losses — net				**(2,266)**
Net finance costs				**(1,362)**
Profit before income tax				**39,637**
Income tax expense				**(15,540)**
Profit for the year				**24,097**

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

	Apparel Supply Chain Servicing Business *HK$'000*	**Apparel Retail Business** *HK$'000*	**Property Investment and Development Business** *HK$'000*	**Total** *HK$'000*
Depreciation of property, plant and equipment	**6,437**	**4,455**	**15**	**10,907**
Impairment of property, plant and equipment	**–**	**1,431**	**–**	**1,431**
Amortisation of intangible assets	**288**	**622**	**–**	**910**
Impairment of an intangible asset	**–**	**1,623**	**–**	**1,623**
Allowance for inventory impairment	**2,774**	**–**	**–**	**2,774**
Allowance for doubtful debts	**–**	**620**	**–**	**620**

The segment assets and liabilities as at 31 December 2014 were as follows:

	Apparel Supply Chain Servicing Business *HK$'000*	**Apparel Retail Business** *HK$'000*	**Property Investment and Development Business** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Total assets	**780,150**	**28,545**	**9,034**	**1,831**	**819,560**
Total liabilities	**286,918**	**9,555**	**–**	**313,957**	**610,430**

The segment results for the year ended 31 December 2013:

	Apparel Supply Chain Servicing Business *HK$'000*	Apparel Retail Business *HK$'000*	Property Investment and Development 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)
Net finance costs				(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*	Property Investment and Development Business *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	6,340	4,326	–	10,666
Amortisation of intangible assets	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*	Property Investment and Development Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Total assets	537,950	53,828	–	4,527	596,305
Total liabilities	234,200	38,982	–	137,186	410,368

4. OTHER INCOME

	Year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Rental income from subcontractors	**1,276**	2,056
Others	**–**	126
	1,276	2,182

5. EXPENSES BY NATURE

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

	Year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Changes in inventories of finished goods and work in progress	**(204)**	(2,912)
Raw materials and consumables used, processing fee paid and merchandise purchased	**1,042,466**	997,242
Employee benefit expenses	**75,011**	67,894
Rental expenses	**28,269**	19,559
Transportation expenses	**17,543**	9,810
Depreciation and amortisation	**11,817**	10,933
Travelling expenses	**7,060**	5,827
Promotion expenses	**1,014**	2,874
Repairs and maintenance expenses	**1,152**	532
Bank charges	**1,631**	1,363
Auditors' remuneration	**1,848**	1,745
Utilities	**3,662**	3,786
Entertainment expenses	**4,805**	5,688
Allowance for inventory impairment	**2,774**	3,017
Allowance for doubtful debts	**620**	3,568
Professional service fees	**4,345**	5,294
Impairment of property, plant and equipment	**1,431**	–
Impairment of an intangible asset	**1,623**	–
Others	**14,744**	14,848
Total cost of sales, selling expenses and administrative expenses	**1,221,611**	1,151,068

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Current income tax		
— PRC corporate income tax	**6,037**	4,023
— Hong Kong profits tax	**6,236**	7,229
	12,273	11,252
Deferred tax	**2,696**	1,604
Corporate income tax	**14,969**	12,856
Withholding tax	**571**	335
Income tax expense	**15,540**	13,191

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	
	2014	2013
	HK$'000	*HK$'000*
Profit before income tax	**39,637**	33,927
Tax calculated at rates applicable to profits of the Group's entities in the respective jurisdictions	**6,990**	5,435
Tax loss for which no deferred income tax asset was recognised	**8,393**	6,923
Financial income not subject to tax	**(759)**	–
Expenses not deductible for tax purposes	**345**	498
Withholding tax	**571**	335
Tax charge	**15,540**	13,191

(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 2014 (2013:16.5%).

(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 2014 (2013: 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.

	Year ended 31 December	
	2014	2013
Profit attributable to equity holders of the Company *(HK$'000)*	**24,097**	20,736
Weighted average number of ordinary shares in issue	**600,000,000**	593,836,000
Basic earnings per share *(HK$)*	**0.0402**	0.0349

The Company did not have any potential dilutive ordinary shares outstanding as at 31 December 2014 and 2013. Diluted earnings per share is equal to basic earnings per share.

8. DIVIDEND

	Year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Proposed final — HK$0.012 (2013: Nil) per ordinary share	**7,200**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables — due from third parties	**159,982**	125,040
Other receivables — due from third parties	**36,800**	33,336
	196,782	158,376
Less: provision for impairment of trade receivables	**(620)**	(2,268)
	196,162	156,108

For Supply Chain Servicing Business: credit terms granted to customers by the Group are usually 30 to 90 days. For Apparel Retail Business: 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. The aging analysis of trade receivables as at 31 December 2013 and 2014 based on invoice date was as follows:

	As at 31 December	
	2014	2013
	HK$'000	*HK$'000*
0–30 days	**106,010**	99,579
31–90 days	**44,599**	17,255
91–180 days	**5,176**	3,181
Over 180 days	**4,197**	5,025
	159,982	125,040

As at 31 December 2013 and 2014, 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	
	2014	2013
	HK$'000	*HK$'000*
Trade payables — due to third parties	**182,270**	158,931
Advances from customers	**186**	–
Other taxes payable	**4,685**	7,441
Deposits received	**1,083**	3,592
Bills payable(a)	**88,325**	67,331
Other payables	**9,247**	27,950
Accrued payroll	**10,597**	6,935
Due to related parties	**80**	1,002
	296,473	273,182

(a) The bills payable were guaranteed by companies within the Group. The bills payable were usually settled within three months from the date of issue.

(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	
	2014	2013
	HK$'000	*HK$'000*
0–30 days	**129,919**	85,792
31–90 days	**40,203**	58,595
91–180 days	**5,893**	7,247
Over 180 days	**6,255**	7,297
	182,270	158,931

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 Business, 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 Group is also engaged in the Apparel Retail Business which mainly focuses on procuring, marketing and retailing men's and women's apparel and accessory products under the Unisex and Promod brands.

Furthermore, the Group attempts to diversify its business into the Property Investment and Development Business to develop the relevant market during the year. The Property Investment and Development Business was explored because a strong market potential is foreseeable.

Financial Review

	2014	2013
	HK$'million	*HK$'million*
Revenue	**1,263.6**	1,185.5
— Apparel Supply Chain Servicing Business	**1,212.0**	1,152.0
— Apparel Retail Business	**51.6**	33.5
— Property Investment and Development Business	**–**	–
Gross profit	**160.9**	143.6
— Apparel Supply Chain Servicing Business	**137.1**	133.9
— Apparel Retail Business	**23.8**	9.7
— Property Investment and Development Business	**–**	–
Net profit	**24.1**	20.7

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 5.2% to approximately HK$1,212.0 million during the year (2013: HK$1,152.0 million).

Gross profit under our Apparel Supply Chain Servicing Business increased by 2.4% to approximately HK$137.1 million (2013: HK$133.9 million) while gross profit margin decreased to 11.3% for the year, representing a decrease of 0.3 percent point when compared with the preceding year (2013:11.6%). The slight decrease in gross profit margin was mainly due to the reduction of the average selling price during the year.

During the year, we recorded a segmental profit before other losses — net, net finance costs and income tax expenses of approximately HK$64.8 million, represented an increase of approximately 2.2% compared to that of approximately HK$63.4 million for 2013.

Apparel Retail Business

Revenue from our Apparel Retail Business increased by HK$18.1 million, or approximately 54.0%, from HK$33.5 million in the year 2013 to HK$51.6 million in the year 2014. The increase in revenue of our apparel retail segment is mainly because Promod brand of products were newly sold by the Group since late October 2013.

Gross profit under our Apparel Retail Business increased by HK$14.1 million, or approximately 145.4%, from HK$9.7 million for the year 2013 to HK$23.8 million for the year 2014. The gross profit margin increased from 29.0% for the year 2013 to 46.1% for the year 2014 because the Group commenced to sell Promod products, which have a higher gross profit margin than Unisex products, since late October 2013.

As at 31 December 2014, our apparel and accessories products under the Unisex and Promod brands were sold to retail consumers through 13 self-operated retail outlets in the PRC.

Property Investment and Development Business

The Property Investment and Development Business was at the very preliminary stage. No revenue was generated and only limited expenditure was incurred during the year 2014.

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 43.7% to approximately HK$42.1 million (2013: HK$29.3 million) for the year 2014 mainly due to increase in monthly rent of our 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. No material fluctuation was noted during the year 2014.

Other income

Other income mainly represented rental income from subcontractors. Rental income from subcontractor decreased by 37.9% to approximately HK$1.3 million during the year 2014 (2013: HK$2.1 million) because less machinery and equipment were leased during the year.

Other losses — net

Other losses — net of approximately HK$2.3 million during the year 2014 (2013: HK$0.7 million) mainly represented loss on disposal of property, plant and equipment of approximately HK$0.7 million (2013: HK$3.3 million) attributable to the closure of under performed retail outlets and the net foreign exchange losses of HK$1.5 million (2013: net foreign exchange gains of HK$1.9 million).

Finance income and costs

Finance income increased by 48.7% to approximately HK$5.8 million for the year of 2014 (2013: HK$3.9 million) primarily because average bank balances increased and more time deposits were made during the year 2014.

Finance costs increased by 22.0% to approximately HK$7.2 million (2013: HK$5.9 million) primarily due to an increase in average bank borrowings to finance operation during the year 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 increased by 17.4% to approximately HK$15.5 million (2013: HK$13.2 million) primarily as a result of the increase in profit before income tax for the year 2014.

Inventory

Inventory balance increased from HK$117.2 million as at 31 December 2013 to HK$125.8 million as at 31 December 2014 due to increase in purchase of raw materials and finished goods before the year ended. There was no material change in the inventory turnover days (31 December 2014: 40 days; 31 December 2013: 39 days).

Trade receivables

Trade receivables balance increased from HK$125.0 million as at 31 December 2013 to HK$160.0 million as at 31 December 2014 primarily due to increase in sales before the year ended.

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 were required to settle their payments through bank transfer on a monthly basis.

Our trade receivable turnover days as at 31 December 2014 was 41 days (31 December 2013: 42 days) which is in general 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$182.3 million as at 31 December 2014 primarily because of the increase in purchase before the year ended.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payables turnover days as at 31 December 2014 was 56 days (31 December 2013: 55 days) which is within the credit period granted by our suppliers and third-party manufacturers.

Borrowings

The Group had bank borrowings as at 31 December 2014 in the sum of approximately HK$306.8 million. All bank borrowings were made from banks in Hong Kong at floating interest rates and were repayable within one year or repayable on demand. Furthermore, the Group had finance lease liabilities of HK$0.8 million as at 31 December 2014 (31 December 2013: Nil). The carrying amounts of bank borrowings were denominated in HK$. 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 2014, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 31 December 2014, cash and bank balances, including term deposits with initial term of over three months, amounted to approximately HK$438.5 million, of which approximately HK$128.5 million is denominated in HK$, HK$304.6 million in Renminbi, HK$5.3 million in United States dollar and HK$0.1 million in other currencies. As at 31 December 2014, the current ratio of the Group was maintained at 1.3 (31 December 2013: 1.4). The Group was in a strong net cash position as at 31 December 2014 and 2013. The Group has sufficient and readily available finance resources for general working capital requirement and foreseeable capital expenditure.

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 sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Foreign exchange exposure

The Group's foreign currency transactions are mainly denominated in Renminbi and HK$. The majority of assets and liabilities are denominated in Renminbi and HK$, 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 Renminbi, 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

There has been no material change in the capital structure of the Company during the year 2014. The capital of the Company comprises ordinary shares and other reserves.

Capital commitments

As at 31 December 2014, the Group did not have any significant capital commitments (31 December 2013: Nil).

Dividend

The Board has recommended a final dividend of HK$0.012 per share to shareholders whose names appear on the register of members of the Company on 27 May 2015. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on 18 May 2015, the final dividend will be paid on 17 June 2015.

Information on employees

As at 31 December 2014, the Group had a total of 602 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$75.0 million, as compared to approximately HK$67.9 million for the year ended 31 December 2013. 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

During the year ended 31 December 2014, 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 announcements dated 26 November 2013, 28 March 2014 and 25 March 2015, the Group did not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year 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 of 31 December 2014 (31 December 2013: Nil).

Contingent liabilities

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

New business opportunity

There was no New Business Opportunity (as defined in the Company's Prospectus dated 31 December 2012 headed "Relationship with Controlling Shareholders — New Business Opportunity") referred by the controlling shareholders of the Company as provided under the non-competition undertaking.

PROSPECTS

Looking forward, we expect the business environment of our Apparel Supply Chain Servicing Business in 2015 remains challenging due to the keen competition. 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 by simplifying the production processes which results a shorter product delivery time. In addition, we will work closely with our customers to consolidate the fabrication in order to obtain better material prices with mass volume which will enhance our cost competitiveness. The Group is offering a competitive price with higher flexibility arrangements to our existing customers in order to secure more long term and committed orders and is also actively looking for new customers for further growth opportunities.

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 seek any appropriate property investment and development projects to diversify our business in order to magnify the Company's development potential and the shareholder's return.

EVENT AFTER THE REPORTING PERIOD

On 25 March 2015, the Group succeeded in bidding land use rights of certain parcels in the PRC, at the aggregate consideration of RMB76 million (approximate to HK$94 million). Details are disclosed in the Company's announcements dated 21 January 2015, 18 March 2015 and 25 March 2015.

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 during the year.

AUDIT COMMITTEE

The Company's audit committee has reviewed the accounting policies of the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2014.

CORPORATE GOVERNANCE CODE

During the year 2014, 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 Stock Exchange of Hong Kong Limited (the "Listing Rules"), 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 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 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. Dr. 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTION

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 1 January 2014 to the date of the Board meeting approving the annual results announcement for the year 2014.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on Monday, 18 May 2015. 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, 18 May 2015, the register of members will be closed from Thursday, 14 May 2015 to Monday, 18 May 2015, 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, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 13 May 2015.

PUBLICATION OF ANNUAL REPORT

The annual report for the year ended 31 December 2014 will be despatched to the shareholders and available on the Company's website at www.speedy-global.com and HKExnews website on or before 16 April 2015.

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, 30 March 2015

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.