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

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

		For the six months ended 30 June		
		2016	2015	Change
		(Unaudited)	(Unaudited)	
Revenue	*(HK$'million)*	**488.9**	568.5	–14.0%
— *apparel supply chain servicing segment*	*(HK$'million)*	**488.9**	560.5	*–12.8%*
— *apparel retail segment*	*(HK$'million)*	**–**	8.0	*–100.0%*
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit	*(HK$'million)*	**54.1**	64.4	–16.0%
— *apparel supply chain servicing segment*	*(HK$'million)*	**54.1**	62.1	*–12.9%*
— *apparel retail segment*	*(HK$'million)*	**–**	2.3	*–100.0%*
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit margin		**11.1%**	11.3%	
— *apparel supply chain servicing segment*		**11.1%**	11.1%	
— *apparel retail segment*		**–**	28.8%	
— *property investment and development segment*		**–**	–	
Profit before income tax	*(HK$'million)*	**15.1**	16.1	–6.2%
Profit for the period attributable to equity holders of the Company	*(HK$'million)*	**10.8**	11.6	–6.9%
Net profit margin attributable to equity holders of the Company		**2.2%**	2.0%	
Basic earnings per share attributable to equity holders of the Company	*(HK$ per share)*	**0.0179**	0.0194	

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 2016, together with the comparative figures for the corresponding period in 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*6*	**488,872**	568,516
Cost of sales		**(434,775)**	(504,153)
Gross profit		**54,097**	64,363
Selling expenses		**(2,900)**	(16,673)
Administrative expenses		**(33,911)**	(33,268)
Other income		**1,006**	1,769
Other gains/(losses) — net		**(1,208)**	21
Operating profit	*7*	**17,084**	16,212
Finance income	*8*	**744**	3,953
Finance costs	*8*	**(2,755)**	(4,065)
Net finance costs	*8*	**(2,011)**	(112)
Profit before income tax		**15,073**	16,100
Income tax expense	*9*	**(4,947)**	(4,470)
Profit for the period		**10,126**	11,630
Other comprehensive income			
Item that may be reclassified to profit or loss			
Currency translation differences		**(8,613)**	(125)
Total comprehensive income for the period		**1,513**	11,505
Profit for the period attributable to:			
Equity holders of the Company		**10,761**	11,630
Non-controlling interest		**(635)**	–
		10,126	11,630
Earnings per share for profit attributable to equity holders of the Company for the period			
Basic and diluted (HK$ per share)	*10*	**0.0179**	0.0194
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,069**	11,505
Non-controlling interest		**(1,556)**	–
		1,513	11,505

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	At 30 June 2016 HK$'000 (Unaudited)	At 31 December 2015 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**57,340**	53,224
Land use rights		**71,160**	73,217
Intangible assets		**1,290**	1,444
Deferred income tax assets		**3,255**	3,260
		133,045	131,145
Current assets			
Inventories		**66,760**	91,599
Properties under development		**176,621**	153,687
Trade and other receivables	*12*	**145,599**	228,364
Prepayments		**30,317**	28,571
Cash and cash equivalents		**297,632**	309,069
		716,929	811,290
Total assets		**849,974**	942,435
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**60,000**	60,000
Share premium		**53,441**	53,441
Other reserves		**14,868**	10,904
Retained earnings		**82,740**	79,583
		211,049	203,928
Non-controlling interest		**(12,988)**	–
Total equity		**198,061**	203,928

	Note	At 30 June 2016 HK$'000 (Unaudited)	At 31 December 2015 HK$'000 (Audited)
LIABILITIES			
Non-current liability			
Borrowings		**263,090**	293,277
Current liabilities			
Trade and other payables	*13*	**228,179**	329,580
Current income tax liabilities		**10,410**	8,293
Borrowings		**150,234**	107,357
		388,823	445,230
Total liabilities		**651,913**	738,507
Total equity and liabilities		**849,974**	942,435

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, Floor 4, Willow House, Cricket Square, P.O. Box 2804, 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**"); (ii) the apparel retail business operating in the People's Republic of China (the "**PRC**") (the "**Apparel Retail Business**"); and (iii) the property development and investment (the "**Property Investment and Development Business**").

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2016 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 2015, 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 2015, 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 2015.

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 2015.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the Apparel Supply Chain Servicing Business, the Apparel Retail Business and the Property Investment and Development Business. Revenue recognised for the six months ended 30 June 2016 and 2015 were as follows:

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Apparel Supply Chain Servicing Business	**488,872**	560,514
Apparel Retail Business	**–**	8,002
Property Investment and Development Business	**–**	–
	488,872	568,516

(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 property investment and development. 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 gains/(losses) — net, net finance costs 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 2016:

	Apparel Supply Chain Servicing Business *HK$'000* (Unaudited)	Apparel Retail Business *HK$'000* (Unaudited)	Property Investment and Development Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue and revenue from external customers	**488,872**	**–**	**–**	**488,872**
Segment results	**24,861**	**(223)**	**(6,346)**	**18,292**
Other losses — net				**(1,208)**
Net finance costs				**(2,011)**
Profit before income tax				**15,073**
Income tax expense				**(4,947)**
Profit for the period				**10,126**

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

	Apparel Supply Chain Servicing Business *HK$'000* (Unaudited)	Apparel Retail Business *HK'000* (Unaudited)	Property Investment and Development Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Depreciation of property, plant and equipment	**2,745**	**15**	**141**	**2,901**
Amortisation of land use rights	**–**	**–**	**629**	**629**
Amortisation of intangible assets	**123**	**30**	**–**	**153**

The segment results for the six months ended 30 June 2015:

	Apparel Supply Chain Servicing Business *HK$'000* (Unaudited)	Apparel Retail Business *HK$'000* (Unaudited)	Property Investment and Development Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue and revenue from external customers	560,514	8,002	–	568,516
Segment results	31,769	(14,784)	(794)	16,191
Other gains-net				21
Net finance costs				(112)
Profit before income tax				16,100
Income tax expense				(4,470)
Profit for the period				11,630

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

	Apparel Supply Chain Servicing Business *HK$'000* (Unaudited)	Apparel Retail Business *HK'000* (Unaudited)	Property Investment and Development Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Depreciation of property, plant and equipment	2,528	1,403	7	3,938
Amortisation of intangible assets	89	–	–	89

(c) Information about major customers

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

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**348,821**	409,596
Customer B	**53,754**	53,798

7. OPERATING PROFIT

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation and amortisation	**3,683**	4,027
Employee benefit expenses	**26,956**	31,966
Rental expenses	**2,630**	7,327
Losses on disposal of property, plant and equipment	**18**	5

8. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance costs		
— Interest expense on bank borrowings	**(7,468)**	(4,053)
— Less: amounts capitalised on qualifying assets	**4,731**	–
	(2,737)	(4,053)
— Finance leases	**(18)**	(12)
	(2,755)	(4,065)
Finance income		
— Interest income on short-term bank deposits	**744**	3,953
Net finance costs	**(2,011)**	(112)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profits tax	**3,081**	3,463
— PRC corporate income tax	**1,754**	946
	4,835	4,409
Withholding tax	**112**	61
Income tax expense	**4,947**	4,470

(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 2016 and 2015.

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

EIT is provided at the rate of 25% on the assessable profit of entities within the Group incorporated in the PRC.

(iv) PRC withholding income tax

According to the EIT Law, as there is a tax treaty arrangement between PRC and Hong Kong where the Group's foreign immediate holding companies are located, a withholding tax on dividends from subsidiaries in the PRC has been provided at a rate of 5% for the six months ended 30 June 2016 and 2015.

10. BASIC AND DILUTED EARNINGS PER SHARE

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

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the Company *(HK$'000)*	**10,761**	11,630
Weighted average number of ordinary shares in issue	**600,000,000**	600,000,000
Basic earnings per share *(HK$)*	**0.0179**	0.0194

The Company did not have any potential dilutive ordinary shares outstanding as at 30 June 2016 and 2015. 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 2016 and 2015.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2016 *HK$'000* **(Unaudited)**	At 31 December 2015 *HK$'000* (Audited)
Trade receivables — due from third parties	**131,988**	206,546
Other receivables — due from third parties	**13,611**	23,596
	145,599	230,142
Less: provision for impairment of trade and other receivables	**–**	(1,778)
	145,599	228,364

For Apparel Supply Chain Servicing Business: credit terms granted to customers by the Group were usually 30 to 90 days. Aging analysis of trade receivables as at 30 June 2016 and 31 December 2015 based on invoice date is as follows:

	At 30 June 2016 *HK$'000* **(Unaudited)**	At 31 December 2015 *HK$'000* (Audited)
0–30 days	**80,040**	138,016
31–90 days	**37,101**	58,491
91–180 days	**10,833**	7,888
Over 180 days	**4,014**	2,151
	131,988	206,546

13. TRADE AND OTHER PAYABLES

	At 30 June 2016 *HK$'000* (Unaudited)	At 31 December 2015 *HK$'000* (Audited)
Trade payables — due to third parties	**138,727**	215,509
Construction payables	**13,241**	10,158
Loan from the non-controlling shareholder	**15,210**	–
Advances from customers	**657**	553
Other taxes payable	**3,388**	3,327
Bill payables *(Note (a))*	**33,954**	81,515
Other payables	**18,585**	7,355
Accrued payroll	**3,597**	10,296
Due to related parties	**820**	867
	228,179	329,580

Notes:

(a) The bill payables were guaranteed by companies within the Group. The bill payables 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. Aging analysis of trade payables is as follows:

	At 30 June 2016 *HK$'000* (Unaudited)	At 31 December 2015 *HK$'000* (Audited)
0–30 days	**70,839**	142,179
31–90 days	**49,743**	65,688
91–180 days	**6,529**	3,415
Over 180 days	**11,616**	4,227
	138,727	215,509

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	Six months ended 30 June	
	2016	2015
	HK$ million	*HK$ million*
	(Unaudited)	(Unaudited)
Revenue	**488.9**	568.5
— *Apparel Supply Chain Servicing Business*	***488.9***	560.5
— *Apparel Retail Business*	**–**	8.0
— *Property Investment and Development Business*	**–**	–
Gross profit	**54.1**	64.4
— *Apparel Supply Chain Servicing Business*	***54.1***	62.1
— *Apparel Retail Business*	**–**	2.3
— *Property Investment and Development Business*	**–**	–
Profit for the period attributable to equity holders of the Company	**10.8**	11.6

The Group's revenue for the six months ended 30 June 2016 was approximately HK$488.9 million, representing a decrease of approximately 14.0% over the last corresponding period. The decrease in the Group's revenue was mainly due to decrease in revenue under the Apparel Supply Chain Servicing Business as a result of decrease in customers' demand. During the six months ended 30 June 2016, the end consumers' sentiment became weak in the worldwide apparel retail market, therefore our customers monitored the inventory level closely and less orders to us were placed. In addition, the revenue under the Apparel Retail Business was nil as a result of closure of all retail shops for the Unisex and Promod brands before the end of May 2015.

The Group's overall gross profit margin for the six months ended 30 June 2016 remained stable (January to June 2016: 11.1%; January to June 2015: 11.3%).

The Group recorded a profit attributable to equity holders of the Company of approximately HK$10.8 million for the six months ended 30 June 2016 as compared to approximately HK$11.6 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 decrease in gross profit of approximately HK$10.3 million, decrease in selling expenses of approximately HK$13.8 million, decrease in other income of approximately HK$0.8 million, increase in other losses — net of approximately HK$1.2 million, increase in net finance costs of approximately HK$1.9 million and increase in income tax expense of approximately HK$0.5 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 2016, we have provided many designs of apparel products to our customers and our designs are well appreciated by the customers. However, due to the depression in the apparel retail market, revenue under the Apparel Supply Chain Servicing Business decreased by 12.8% to approximately HK$488.9 million during the six months ended 30 June 2016 (January to June 2015: HK$560.5 million).

Gross profit under the Apparel Supply Chain Servicing Business decreased by 12.9% to approximately HK$54.1 million (January to June 2015: HK$62.1 million), and the gross profit margin remained stable (January to June 2016: 11.1%; January to June 2015: 11.1%).

During the six months ended 30 June 2016, we recorded a segmental profit before other losses — net, net finance costs and income tax expense of approximately HK$24.9 million, represented a decrease of approximately HK$6.9 million comparing to that of approximately HK$31.8 million for the last corresponding period.

Apparel Retail Business

There was neither revenue nor gross profit from our Apparel Retail Business (January to June 2015: revenue of HK$8.0 million and gross profit of HK$2.3 million) and only limited expenses were incurred during the six months ended 30 June 2016 due to the closure of all the retail shops for the Unisex and Promod brands before the end of May 2015.

Property Investment and Development Business

The Group is progressing diligently with the development of the three pieces of land in Xinmi City which were acquired by the Group in March 2015. The construction of factory buildings on the land as the first phase development is still under progress. No permit for pre-sale is issued by the relevant authorities and therefore there has not been any sale of the premises involved. Only limited expenses were incurred for the six months ended 30 June 2016.

Selling Expenses

Selling expenses mainly represented promotion expenses and freight charges incurred during the six months ended 30 June 2016. Selling expenses significantly decreased by 82.6% to approximately HK$2.9 million during the six months ended 30 June 2016 mainly due to decrease in (i) rent of the self-operated retail outlets, (ii) employee benefit expense for the salesperson, and (iii) penalty fees for the early termination of the rental agreements for the retail shops, all incurred under the Apparel Retail Business during the six months ended 30 June 2015. No such expenses were incurred during the six months ended 30 June 2016.

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 for the administrative expenses was noted during the six months ended 30 June 2016.

Other Income

Other income mainly represented rental income from subcontractors. Decrease in other income was noted as less plant and equipment were rented to subcontractors during the six months ended 30 June 2016.

Other Gains/(Losses) — Net

Other losses — net mainly represented net foreign exchange losses during the six months ended 30 June 2016 while last period's amount mainly represented net foreign exchange gains.

Finance Income And Costs

Finance income decreased by 81.2% to approximately HK$0.7 million primarily because less time deposits in Renminbi were made during the six months ended 30 June 2016.

Finance costs decreased by 32.2% to approximately HK$2.8 million primarily due to a decrease in average bank borrowings to finance the general operation during the six months ended 30 June 2016.

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 10.7% to approximately HK$4.9 million primarily as an under-provision of profit tax for the prior period of approximately HK$0.5 million was included during the six months ended 30 June 2016.

Inventories

Inventories balance decreased from approximately HK$91.6 million as at 31 December 2015 to approximately HK$66.8 million as at 30 June 2016 mainly because less goods were purchased before the six months ended 30 June 2016.

There was no material change in the inventory turnover days (30 June 2016: 33 days; 31 December 2015: 36 days).

Properties Under Development

Properties under development balance comprised land use rights, construction costs, capitalised finance costs and related expenses. Properties under development increased from approximately HK$153.7 million as at 31 December 2015 to approximately HK$176.6 million as at 30 June 2016 because more construction works were carried out during the six months ended 30 June 2016.

Trade Receivables

Trade receivables balance decreased from approximately HK$206.5 million as at 31 December 2015 to approximately HK$132.0 million as at 30 June 2016 primarily because less sales were noted before the end of the six months ended 30 June 2016.

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.

The trade receivables turnover days increased (30 June 2016: 63 days; 31 December 2015: 55 days) because slower settlements from customers were noted before the six months ended 30 June 2016.

Trade Payables

Trade payables balance decreased from approximately HK$215.5 million as at 31 December 2015 to approximately HK$138.7 million as at 30 June 2016 primarily because of the decrease in purchase before the six months ended 30 June 2016.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payables turnover days as at 30 June 2016 was 74 days (31 December 2015: 67 days) which is still within the credit period granted by our suppliers and third-party manufacturers.

Borrowings

The Group had bank borrowings as at 30 June 2016 in the sum of approximately HK$412.4 million (31 December 2015: HK$399.5 million). All bank borrowings were made from banks in Hong Kong at floating interest rates. As at 30 June 2016, bank borrowings of approximately HK$262.5 million are repayable after one year while the remaining balances are repayable within one year or repayable on demand. Furthermore, the Group had finance lease liabilities of approximately HK$0.9 million as at 30 June 2016 (31 December 2015: HK$1.1 million). The carrying amounts of bank borrowings are denominated in Hong Kong dollar ("**HK$**"). 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 six months ended 30 June 2016, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2016, cash and bank balances amounted to approximately HK$297.6 million, of which approximately HK$183.4 million in HK$, approximately HK$111.3 million in Renminbi, approximately HK$2.8 million in United States dollar and approximately HK$0.1 million in other currencies. As at 30 June 2016, the current ratio of the Group was approximately 1.8 (31 December 2015: 1.8) and the Group's gearing ratio, calculated on the basis of total borrowings net of cash and cash equivalents as a percentage of total equity, was 58.4% (31 December 2015: 44.9%). The Group has sufficient and readily available financial 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 the sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Foreign Exchange Exposure

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. For group companies with Renminbi as their functional currency, foreign exchange risk arises primarily with respect to HK$. For group companies with HK$ as their functional currency, foreign exchange risk arises primarily with respect to Renminbi. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates.

The Group has investments in the PRC, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's investments in the PRC can be managed through dividends paid outside the PRC.

During the six months ended 30 June 2016, 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 six months ended 30 June 2016. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitments

As at 30 June 2016, the Group had capital commitments of approximately HK$51.1 million (31 December 2015: HK$51.6 million) for the Property Investment and Development Business.

Information on Employees

As at 30 June 2016, the Group had a total of 447 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$27.0 million, as compared to approximately HK$32.0 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 2016, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

Significant Investments Held

During the six months ended 30 June 2016, 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 28 July 2015, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in the Company's announcement dated 7 December 2015, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2016.

On 7 December 2015, the Company entered into an agreement with an independent third party (the "**Subscriber**"), pursuant to which the Subscriber will subscribe one share newly issued by Speedy Global Development Limited (the "**Target**"), which was incorporated in the British Virgin Islands and holds 100% interest in the Property Investment and Development Business, at the consideration of US$1. The subscription has been completed at the end of May 2016. After completion, the Target is held as to 50% by the Company and 50% by the Subscriber. According to the agreement, the Company is entitled to nominate 2 directors and the Subscriber is entitled to nominate 1 director to the board of directors of the Target, therefore the Target remains as a subsidiary of the Company as the Company controls the Target through controlling its board of directors and the financial results and position of the Target and its subsidiaries continue to be consolidated into the financial statements of the Group.

Charge of Assets

There was no charge of assets as at 30 June 2016 (31 December 2015: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2016 (31 December 2015: 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 of Hong Kong Limited (the "**Stock Exchange**") on 15 January 2013 and raised net proceeds of approximately HK$94.7 million. During the six months ended 30 June 2016, we have utilised HK$0.2 million for further enhancing the information technology systems and developing the design and development of capabilities in accordance with our business development plan which was announced by the Company on 24 August 2015. As at 30 June 2016, the unutilised net proceeds amounted to HK$25.7 million.

Important Event After the Reporting Period

The Company announced on 15 July 2016 that the Company and a purchaser (the "**Purchaser**"), which is wholly and beneficially owned by Mr. Huang Chih Shen ("**Mr. Huang**"), Chairman, executive Director and controlling shareholder of the Company, entered into an agreement pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 50% of the total issued share capital of the Target at the consideration of HK$10 in cash (the "**Proposed Disposal**"). After completion, the Company will no longer hold any interest in the Target. Up to the date of this announcement, the above transaction has not yet been completed.

PROSPECTS

We expect the business environment for our Apparel Supply Chain Servicing Business remains challenging and stays weak in the second half of the year 2016. In order to maintain our competitiveness, the Group will enhance product innovation and creativity to meet fashion trends and maintain premium quality. For production management, the Group will continue to enhance the operating efficiency by simplifying the production processes which results a shorter product delivery time. In addition, the Group 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 that the retail sentiment in the PRC remains weak and accordingly we will adopt a cautious approach in developing the retail business. The Group keeps looking for other retail business opportunity with a better profitability.

After completion of the Proposed Disposal, the Company will no longer hold any interest in the Target which will cease to be a subsidiary of the Company. We will still closely monitor the property market and determine the appropriate investment strategy for the Group's Property Investment and Development Business. We will seek any appropriate property investment and development project if we believe that it can magnify the Group's shareholders' return.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

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

As at 30 June 2016, the Company's Directors and chief executives 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 of ordinary shares *(Note 1)*	Approximate percentage of shareholding
Mr. Huang	The Company	Interest of a controlled corporation *(Note 2)*	327,242,688 (L)	54.54%
Mr. Chan Hung Kwong, Patrick	The Company	Beneficial owner	33,031,758 (L)	5.51%
Mr. Au Wai Shing	The Company	Beneficial owner	26,847,366 (L)	4.47%
Ms. Tang Wai Shan	The Company	Beneficial owner	15,428,853 (L)	2.57%

Notes:

1. The letter "L" denotes the Directors' long position in the shares of the 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 wholly owned by Mr. Huang, an executive Director as at 30 June 2016. 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 of ordinary shares *(Note 1)*	Approximate percentage of shareholding
Mr. Huang	Sky Halo Holdings Limited	Beneficial owner	10,000	100.00%

Note:

1. The disclosed interest represented the interest in Sky Halo Holdings Limited which was wholly owned by Mr. Huang as at 30 June 2016.

Save as disclosed above, as at 30 June 2016, 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 2016, so far as was known to the Directors, the following person/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 of ordinary shares *(Note 1)*	Approximate percentage of shareholding
Sky Halo Holdings Limited *(Note 2)*	The Company	Beneficial owner	327,242,688 (L)	54.54%
Ms. Cheuk Wai Ying *(Note 3)*	The Company	Interest of spouse	327,242,688 (L)	54.54%

Notes:

1. The letter "L" denotes the person's long position in the shares of the 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 wholly owned by Mr. Huang as at 30 June 2016.

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.

Save as disclosed above, as at 30 June 2016, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its Group members 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 were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions set out in Appendix 14 to the Listing Rules ("**Code Provisions**") throughout the six months ended 30 June 2016, 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.

(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. Ms. Pang Yuen Shan, Christina and Dr. Chan Chung Bun, Bunny, independent non-executive directors of the Company, did not attend the Company's 2015 annual general meeting due to other business engagements.

CODE OF CONDUCT 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 as set out in the Model Code during the six months ended 30 June 2016.

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 2016 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 2016 have been 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 2016.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of both the Company (http://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 2016 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, 29 August 2016

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 Dr. Chan Chung Bun, Bunny.