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 2017

		For the six months ended 30 June		
		2017	2016	Change
		(Unaudited)	(Unaudited)	
Revenue	*(HK$'million)*	**594.4**	488.9	21.6%
— *apparel supply chain servicing segment*	*(HK$'million)*	**594.4**	488.9	*21.6%*
— *apparel retail segment*	*(HK$'million)*	**–**	–	–
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit	*(HK$'million)*	**54.3**	54.1	0.4%
— *apparel supply chain servicing segment*	*(HK$'million)*	**54.3**	54.1	*0.4%*
— *apparel retail segment*	*(HK$'million)*	**–**	–	–
— *property investment and development segment*	*(HK$'million)*	**–**	–	–
Gross profit margin		**9.1%**	11.1%	
— *apparel supply chain servicing segment*		**9.1%**	11.1%	
— *apparel retail segment*		**–**	–	
— *property investment and development segment*		**–**	–	
Profit for the period attributable to equity holders of the Company	*(HK$'million)*	**13.4**	10.8	24.1%
Net profit margin attributable to equity holders of the Company		**2.3%**	2.2%	
Basic and diluted earnings per share attributable to equity holders of the Company for the period	*(HK$ per share)*	**0.0223**	0.0179	

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 2017, together with the comparative figures for the corresponding period in 2016.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
			(Restated)
Continuing operations			
Revenue	*6*	**594,430**	488,872
Cost of sales		**(540,179)**	(434,775)
Gross profit		**54,251**	54,097
Selling expenses		**(3,490)**	(1,030)
Administrative expenses		**(30,911)**	(30,439)
Other income		**1,511**	999
Other gains/(losses) — net		**1,694**	(1,160)
Operating profit	*7*	**23,055**	22,467
Finance income	*8*	**388**	744
Finance costs	*8*	**(3,170)**	(2,755)
Net finance costs	*8*	**(2,782)**	(2,011)
Profit before income tax		**20,273**	20,456
Income tax expense	*9*	**(5,697)**	(4,947)
Profit for the period from continuing operations		**14,576**	15,509
Discontinued operations			
Losses for the period from discontinued operations		**(1,188)**	(5,383)
Profit for the period		**13,388**	10,126
Other comprehensive income			
Item that may be reclassified to profit or loss			
Currency translation differences		**2,024**	(8,613)
Total comprehensive income for the period		**15,412**	1,513

	Note	Six months ended 30 June 2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited) (Restated)
Profit for the period attributable to:			
Equity holders of the Company		**13,388**	10,761
Non-controlling interest		**–**	(635)
		13,388	10,126
Profit/(loss) for the period attributable to equity holders of the Company arises from:			
Continuing operations		**14,576**	15,509
Discontinued operations		**(1,188)**	(4,748)
		13,388	10,761
Earnings/(losses) per share from continuing and discontinued operations for profit/(loss) attributable to equity holders of the Company for the period (expressed in HK$ per share)			
Basic and diluted earnings/(losses) per share			
From continuing operations		**0.0243**	0.0258
From discontinued operations		**(0.0020)**	(0.0079)
From profit for the period	*10*	**0.0223**	0.0179
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**15,412**	3,069
Non-controlling interest		**–**	(1,556)
		15,412	1,513

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	At 30 June 2017 HK$'000 (Unaudited)	At 31 December 2016 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**15,396**	17,404
Intangible assets		**356**	919
Deferred income tax assets		**3,102**	4,645
		18,854	22,968
Current assets			
Inventories		**134,644**	120,043
Trade and other receivables	*12*	**210,318**	222,977
Prepayments		**27,821**	22,616
Cash and cash equivalents		**375,293**	244,800
		748,076	610,436
Total assets		**766,930**	633,404
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**60,000**	60,000
Share premium		**53,441**	53,441
Other reserves		**20,630**	18,606
Retained earnings		**117,075**	103,687
Total equity		**251,146**	235,734

	Note	At 30 June 2017 HK$'000 (Unaudited)	At 31 December 2016 HK$'000 (Audited)
LIABILITIES			
Non-current liability			
Borrowings		**318**	442
Current liabilities			
Trade and other payables	*13*	**336,904**	308,174
Current income tax liabilities		**14,294**	9,721
Borrowings		**164,268**	79,333
		515,466	397,228
Total liabilities		**515,784**	397,670
Total equity and liabilities		**766,930**	633,404

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 Vista (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The immediate and ultimate holding company of the Group is Sky Halo Holdings Limited ("**Sky Halo**").

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 2017 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 2016, 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 2016, 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 2016.

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 2016.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue from the continuing operations recognised for the six months ended 30 June 2017 and 2016 is as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Apparel Supply Chain Servicing Business	**594,430**	488,872
Apparel Retail Business	**–**	–
Property Investment and Development Business	**–**	–
	594,430	488,872

(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 (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 2017:

	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	**594,430**	**–**	**–**	**594,430**
Segment results	**21,361**	**–**	**–**	**21,361**
Other gains — net				**1,694**
Net finance costs				**(2,782)**
Profit before income tax				**20,273**
Income tax expense				**(5,697)**
Profit for the period from continuing operations				**14,576**
Losses for the period from discontinued operations				**(1,188)**
Profit for the period				**13,388**

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	**2,036**	**–**	**–**	**2,036**
Amortisation of intangible assets	**78**	**–**	**–**	**78**
Allowance for inventory impairment	**451**	**–**	**–**	**451**

The segment results for the six months ended 30 June 2016 (restated):

	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	23,627	–	–	23,627
Other losses — net				(1,160)
Net finance costs				(2,011)
Profit before income tax				20,456
Income tax expense				(4,947)
Profit for the period from continuing operations				15,509
Losses for the period from discontinued operations				(5,383)
Profit for the period				10,126

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

	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	–	–	2,745
Amortisation of intangible assets	123	–	–	123

(c) Information about major customers

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

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**405,785**	348,821
Customer B	**59,572**	53,754

7. OPERATING PROFIT

Profit before taxation from the continuing operations is arrived at after charging:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Depreciation and amortisation	**2,114**	2,868
Employee benefit expenses	**28,634**	27,269
Rental expenses	**2,537**	2,550
Losses on disposal of property, plant and equipment	**–**	18

8. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance costs		
— Interest expense on bank borrowings	**(3,158)**	(2,737)
— Finance leases	**(12)**	(18)
	(3,170)	(2,755)
Finance income		
— Interest income on short-term bank deposits	**388**	744
Net finance costs	**(2,782)**	(2,011)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
— Hong Kong profits tax	**2,964**	3,081
— PRC corporate income tax	**2,485**	1,754
	5,449	4,835
Deferred tax	**64**	–
Withholding tax	**184**	112
Income tax expense	**5,697**	4,947

(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 2017 and 2016.

(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 2017 and 2016.

10. BASIC AND DILUTED EARNINGS/(LOSSES) 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	
	2017	2016
	(Unaudited)	(Unaudited) (Restated)
Profit/(loss) for the period attributable to equity holders of the Company arises from (HK$'000):		
Continuing operations	**14,576**	15,509
Discontinued operations	**(1,188)**	(4,748)
	13,388	10,761
Weighted average number of ordinary shares in issue	**600,000,000**	600,000,000
Basic and diluted earnings/(losses) per share (HK$)		
From continuing operations	**0.0243**	0.0258
From discontinued operations	**(0.0020)**	(0.0079)
From profit for the period	**0.0223**	0.0179

The Company did not have any potential dilutive ordinary shares outstanding as at 30 June 2017 and 2016. 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 2017 and 2016.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2017 *HK$'000* **(Unaudited)**	At 31 December 2016 *HK$'000* (Audited)
Trade receivable	**169,592**	197,761
Other receivables	**35,448**	16,332
Bill receivable	**7,056**	10,662
	212,096	224,755
Less: provision for impairment		
— Trade receivable	**(1,414)**	(1,414)
— Other receivables	**(364)**	(364)
	210,318	222,977

For Apparel Supply Chain Servicing Business: credit terms granted to customers by the Group were usually 30 to 90 days. Aging analysis of trade receivable as at 30 June 2017 and 31 December 2016 based on invoice date is as follows:

	At 30 June 2017 *HK$'000* **(Unaudited)**	At 31 December 2016 *HK$'000* (Audited)
0–30 days	**86,353**	104,766
31–90 days	**70,513**	77,440
91–180 days	**6,609**	11,752
Over 180 days	**6,117**	3,803
	169,592	197,761

13. TRADE AND OTHER PAYABLES

	At 30 June 2017 HK$'000 (Unaudited)	At 31 December 2016 HK$'000 (Audited)
Trade payable — due to third parties	**223,657**	199,591
Bill payables *(Note (a))*	**82,326**	56,744
Advances from customers	**15,021**	31,848
Other payables	**11,511**	6,798
Accrued payroll	**4,389**	10,170
Other taxes payable	**–**	2,739
Due to related parties	**–**	284
	336,904	308,174

Notes:

(a) The bills payables were guaranteed by companies within the Group, which had to be 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 payable by invoice date is as follows:

	At 30 June 2017 HK$'000 (Unaudited)	At 31 December 2016 HK$'000 (Audited)
0–30 days	**151,834**	74,240
31–90 days	**55,088**	109,881
91–180 days	**3,045**	6,989
Over 180 days	**13,690**	8,481
	223,657	199,591

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	Six months ended 30 June	
	2017	2016
	HK$ million	*HK$ million*
	(Unaudited)	(Unaudited)
Revenue	**594.4**	488.9
— *Apparel Supply Chain Servicing Business*	***594.4***	*488.9*
— *Apparel Retail Business*	**–**	–
— *Property Investment and Development Business*	**–**	–
Gross profit	**54.3**	54.1
— *Apparel Supply Chain Servicing Business*	***54.3***	*54.1*
— *Apparel Retail Business*	**–**	–
— *Property Investment and Development Business*	**–**	–
Profit for the period attributable to equity holders of the Company	**13.4**	10.8

The Group's revenue for the six months ended 30 June 2017 was approximately HK$594.4 million, representing an increase of approximately 21.6% over the last corresponding period. The increase in the Group's revenue was mainly due to increase in revenue under the Apparel Supply Chain Servicing Business as a result of increase in customers' demand. During the six months ended 30 June 2017, the end consumers' sentiment turned better in the worldwide apparel retail market, therefore more orders to us were placed.

The Group's overall gross profit margin for the six months ended 30 June 2017 decreased (January to June 2017: 9.1%; January to June 2016: 11.1%) mainly due to increase in the prices from the suppliers while the impact cannot be shifted to the customers during the six months ended 30 June 2017.

The Group recorded a profit attributable to equity holders of the Company of approximately HK$13.4 million for the six months ended 30 June 2017 as compared to approximately HK$10.8 million for the last corresponding period. The increase 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$2.5 million, increase in other gains — net of approximately HK$2.9 million, increase in net finance costs of approximately HK$0.8 million, increase in income tax expense of approximately HK$0.8 million and decrease in losses from discontinued operations of approximately HK$4.2 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 2017, we have provided many designs of apparel products to our customers and our designs are well appreciated by the customers. Due to the increase in demand from the customers, revenue under the Apparel Supply Chain Servicing Business increased by 21.6% to approximately HK$594.4 million during the six months ended 30 June 2017 (January to June 2016: HK$488.9 million).

No material fluctuation was noted for the gross profit under the Apparel Supply Chain Servicing Business (January to June 2017: HK$54.3 million; January to June 2016: HK$54.1 million) while the gross profit margin decreased (January to June 2017: 9.1%; January to June 2016: 11.1%) mainly due to the increase in the prices from the suppliers while the impact cannot be shifted to the customers during the six months ended 30 June 2017.

During the six months ended 30 June 2017, we recorded a segmental profit before other gains — net, net finance costs and income tax expense of approximately HK$21.4 million, representing a decrease of approximately HK$2.2 million comparing to that of approximately HK$23.6 million for the last corresponding period.

Apparel Retail Business

There was neither revenue nor gross profit from our Apparel Retail Business and only limited expenses were incurred during the six months ended 30 June 2017. In February 2017, the Company and a purchaser have entered into the agreement pursuant to which the Company had agreed to sell and the purchaser had agreed to purchase 100% of the total issued share capital of Halo Cyrpess Investment Limited and Speedy Global Commercial Limited (collectively as the "**Target**"), at the consideration of HK$8,000 in cash. The Target and its subsidiaries (the "**Target Group**") were principally engaged in the Apparel Retail Business while their sales operations had been ceased by the end of May 2015 already. The disposal of the Target Group was completed by the end of February 2017.

Property Investment and Development Business

There was neither revenue, gross profit and expense from our Property Investment and Development Business during the six months ended 30 June 2017 as the subsidiaries which were engaged in the property development and investment for the land at Xinmi City were fully disposed of in 2016.

Selling Expenses

Selling expenses mainly represented promotion expenses and freight charges incurred during the six months ended 30 June 2017. Selling expenses increased by 238.8% to approximately HK$3.5 million during the six months ended 30 June 2017 due to increase in promotion charges to the customer of approximately HK$2.5 million during the six months ended 30 June 2017.

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 2017.

Other Income

Other income mainly represented rental income from subcontractors.

Other Gains/(Losses) — Net

Other gains — net mainly represented net foreign exchange gains of approximately HK$1.7 million while last period's amount mainly represented net foreign exchange losses.

Finance Income and Costs

Finance income decreased by 47.8% to approximately HK$0.4 million primarily because less time deposits were made during the six months ended 30 June 2017.

Finance costs increased by 15.1% to approximately HK$3.2 million primarily due to increase in average bank borrowings to finance the general operation during the six months ended 30 June 2017.

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 15.2% to approximately HK$5.7 million primarily as current period's amount included an under-provision of profit tax for the prior period of approximately HK$0.8 million.

Inventories

Inventories balance increased from approximately HK$120.0 million as at 31 December 2016 to approximately HK$134.6 million as at 30 June 2017 mainly because more goods were purchased before the six months ended 30 June 2017 for the expected sales in the coming months.

There was no material change in the inventory turnover days (30 June 2017: 43 days; 31 December 2016: 40 days).

Trade Receivable

Trade receivable balance decreased from approximately HK$197.8 million as at 31 December 2016 to approximately HK$169.6 million as at 30 June 2017 primarily because less sales were noted and faster settlements were noted before the end of the six months ended 30 June 2017.

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 receivable turnover days decreased (30 June 2017: 56 days; 31 December 2016: 68 days) because faster settlements from customers were noted before the six months ended 30 June 2017.

Trade Payable

Trade payable balance increased from approximately HK$199.6 million as at 31 December 2016 to approximately HK$223.7 million as at 30 June 2017 primarily because of the increase in purchase before the six months ended 30 June 2017.

We generally enjoy a credit term of up to 90 days to settle payment. Our trade payable turnover days as at 30 June 2017 was 71 days (31 December 2016: 78 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 2017 in the sum of approximately HK$164.0 million (31 December 2016: HK$79.0 million). All bank borrowings were made from banks in Hong Kong at floating interest rates. As at 30 June 2017, all bank borrowings were repayable within one year or repayable on demand. Furthermore, the Group had finance lease liabilities of approximately HK$0.6 million as at 30 June 2017 (31 December 2016: HK$0.8 million). The carrying amounts of bank borrowings were denominated in Hong Kong dollar ("**HK$**"). 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 2017, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2017, cash and cash equivalents amounted to approximately HK$375.3 million, of which approximately HK$267.2 million were denominated in HK$, approximately HK$101.5 million were denominated in Renminbi, approximately HK$6.5 million were denominated in United States dollar and approximately HK$0.1 million in other currencies. As at 30 June 2017, the current ratio of the Group was approximately 1.5 (31 December 2016: 1.5). The Group was in a strong net cash position as at 30 June 2017. 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 2017, 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 2017. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitments

As at 30 June 2017, the Group did not have any significant capital commitments (31 December 2016: Nil).

Information on Employees

As at 30 June 2017, the Group had a total of 425 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$28.6 million, as compared to approximately HK$27.3 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 2017, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

Significant Investments Held

During the six months ended 30 June 2017, the Group did not hold any significant investment in equity interest in any other company.

Future Plans for Material Investments and Capital Assets

As at 30 June 2017, the Group did not have plan for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2017.

Charge of Assets

There was no charge on the Group's assets as at 30 June 2017 (31 December 2016: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2017 (31 December 2016: 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 2017, no proceed was utilised. As at 30 June 2017, the unutilised net proceeds amounted to HK$25.7 million.

Important Event After the Reporting Period

Reference is made to the announcements dated 3 January 2017, 25 January 2017, 23 February 2017, 23 March 2017, 24 April 2017, 2 May 2017, 2 June 2017, 4 July 2017 and 28 July 2017 where Sky Halo, Mr. Chan Hung Kwong Patrick, Ms. Tang Wai Shan and Mr. Au Wai Shing (together "**Selling Shareholders**") as sellers entered into a second memorandum of understanding on 28 July 2017 with an independent third party as purchaser regarding the possible sale of an aggregate of 402,550,665 shares of the Company, representing approximately 67.09% of the entire issued share capital of the Company held by the Selling Shareholders, to such purchaser. No formal sale and purchase agreement for the possible sale has been entered into at the date of this announcement.

Save as disclosed in this announcement, there is no important event affecting the Company and its subsidiaries which has occurred after the reporting period.

Prospects

We expect the business environment for our Apparel Supply Chain Servicing Business remains challenging in the second half of the year 2017. 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 in 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.

After completion of the disposal of the Target Group, we no longer held any interest in the Target Group which ceased to be a subsidiary of the Company. We keep looking for other retail business opportunity with a better profitability for the Group's Apparel Retail Business.

We are still closely monitoring 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 THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2017, 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.

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

As at 30 June 2017, the Company's Directors and chief executives had the following interests and short positions 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 (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 ordinary shares (L)	54.54%
Mr. Chan Hung Kwong, Patrick	Our Company	Beneficial owner	33,031,758 ordinary shares (L)	5.51%
Mr. Au Wai Shing	Our Company	Beneficial owner	26,847,366 ordinary shares (L)	4.47%
Ms. Tang Wai Shan	Our Company	Beneficial owner	15,428,853 ordinary shares (L)	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 which was in turn wholly owned by Mr. Huang, an executive Director as at 30 June 2017. Therefore, Mr. Huang was deemed to be interested in the interest of Sky Halo 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	Beneficial owner	10,000 ordinary shares	100.00%

Note:

1. The disclosed interest represented the interest in Sky Halo which was wholly owned by Mr. Huang as at 30 June 2017.

Save as disclosed above, as at 30 June 2017, 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 2017, so far as was known to the Directors, the following persons/entity (other than the Directors 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 were 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 *(Note 2)*	Our Company	Beneficial owner	327,242,688 ordinary shares (L)	54.54%
Ms. Cheuk Wai Ying *(Note 3)*	Our Company	Family	327,242,688 ordinary shares (L)	54.54%
Mr. Cheuk Lim Fai	Our Company	Beneficial owner	30,204,000 ordinary shares (L)	5.03%

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 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 2017.

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 2017, 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 2017, 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 Mr. Chang Cheuk Cheung, Terence, independent non-executive directors of the Company, did not attend the Company's 2017 extraordinary general meeting due to other business engagements while Mr. Chang Cheuk Cheung, Terence, an independent non-executive Director of the Company, did not attend the Company's 2016 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 2017.

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 2017 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 2017 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 2017.

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 2017 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, 28 August 2017

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.