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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

		For the six months ended 30 June		Change
		2023 (Unaudited)	2022 (Unaudited)	
Revenue	<i>(HK\$'million)</i>	179.7	205.1	-12.4%
Gross profit	<i>(HK\$'million)</i>	20.1	9.7	107.2%
Gross profit margin		11.2%	4.7%	
Loss for the period attributable to equity holders of the Company	<i>(HK\$'million)</i>	(4.0)	(20.9)	-80.9%
Net loss margin attributable to equity holders of the Company		-2.2%	-10.2%	
Basic and diluted losses per share attributable to equity holders of the Company for the period	<i>(HK\$ per share)</i>	(0.0066)	(0.0348)	

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 2023, together with the comparative figures for the corresponding period in 2022.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	6	179,688	205,108
Cost of sales		(159,597)	(195,432)
Gross profit		20,091	9,676
Selling and marketing expenses		(468)	(1,978)
Administrative expenses		(21,897)	(26,575)
Other income		1,142	1,423
Other gains/(losses) – net		1,036	(1,239)
Operating loss	7	(96)	(18,693)
Finance income	8	1,390	340
Finance costs	8	(3,428)	(2,631)
Finance costs – net	8	(2,038)	(2,291)
Loss before income tax		(2,134)	(20,984)
Income tax (expenses)/credit	9	(1,836)	96
Loss for the period attributable to equity holders of the Company		(3,970)	(20,888)
Basic and diluted losses per share attributable to equity holders of the Company for the period (expressed in HK\$ per share)	10	(0.0066)	(0.0348)
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		(605)	(2,376)
Total comprehensive loss for the period attributable to equity holders of the Company		(4,575)	(23,264)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		At 30 June 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		23,484	27,604
Right-of-use assets		585	2,617
Intangible assets		23	16
Deferred tax assets		2,588	2,580
		<u>26,680</u>	<u>32,817</u>
Current assets			
Inventories		67,876	48,147
Trade and other receivables	12	66,027	71,160
Prepayments		10,083	7,013
Cash and cash equivalents		113,058	160,720
		<u>257,044</u>	<u>287,040</u>
Total assets		<u>283,724</u>	<u>319,857</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		60,000	60,000
Share premium		53,441	53,441
Other reserves		14,491	15,096
Accumulated losses		(57,076)	(53,106)
Total equity		<u>70,856</u>	<u>75,431</u>

		At 30 June 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		–	331
Deferred tax liabilities		<u>1,971</u>	<u>1,996</u>
		<u>1,971</u>	<u>2,327</u>
Current liabilities			
Trade and other payables	<i>13</i>	65,737	83,791
Contract liabilities		262	523
Current tax liabilities		3,422	3,868
Trade loans		58,168	43,301
Bank borrowings		82,654	108,311
Lease liabilities		<u>654</u>	<u>2,305</u>
		<u>210,897</u>	<u>242,099</u>
Total liabilities		<u>212,868</u>	<u>244,426</u>
Total equity and liabilities		<u><u>283,724</u></u>	<u><u>319,857</u></u>

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 the apparel supply chain servicing business which includes offering a wide range of woven wear, cut-and-sewn knitwear and sweater knitwear products to a number of owners or agents of global reputable brands (the “**Apparel Supply Chain Servicing Business**”).

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2023 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 2022, 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 2022, as described in those annual financial statements.

(a) Amended standards adopted by the Group

The Group has adopted the following amendments to standards which are effective for the Group’s financial year beginning on 1 January 2023:

HKFRS 17 and Amendments to HKFRS 17	Insurance contracts (including Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies
Amendments to HKAS 8	Definition of accounting estimates
Amendment to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

The adoption of the above amendments to standards did not result in substantial changes to the Group’s accounting policies or financial results.

(b) New and amended standard have been issued but not yet effective

The Group has not early applied the new and amended standards and interpretations that have been issued but not yet effective. The adoption of these are not expected to have a material impact on the financial results of the Group.

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 2022.

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 2022.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group's revenue is recognised at a point in time when a group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured. During the six months ended 30 June 2023 and 2022, the Group's revenue was derived from the Apparel Supply Chain Servicing Business.

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

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	83,407	100,800
Customer B	71,198	62,673
Customer C	*	21,701
	<hr/>	<hr/>
	154,605	185,174
	<hr/> <hr/>	<hr/> <hr/>

* Less than 10%

The revenue recognised in the current financial year relating to carried-forward contract liabilities as at 1 January 2023 was approximately HK\$524,000 (2022: HK\$5,428,000).

(b) **Segment information**

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the six months ended 30 June 2023 and 2022, the Group is principally engaged in the Apparel Supply Chain Servicing Business. Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services and the method used to provide their services is same in different regions.

7. OPERATING LOSS

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation and amortisation	5,098	6,221
Employee benefit expenses	27,700	28,753
Rental expenses	3,101	3,695
	<u>3,101</u>	<u>3,695</u>

8. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance costs		
– Interest expense on bank borrowings	(3,389)	(2,488)
– Leases liabilities	(39)	(143)
	<u>(3,428)</u>	<u>(2,631)</u>
Finance income		
– Interest income on short-term bank deposits	1,390	340
	<u>1,390</u>	<u>340</u>
Finance costs – net	<u>(2,038)</u>	<u>(2,291)</u>

9. INCOME TAX (EXPENSES)/CREDIT

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax (“CIT”)	(1,836)	96
	<hr/>	<hr/>
Income tax (expenses)/credit	<u>(1,836)</u>	<u>96</u>

(i) Cayman Islands profits tax

The Company had not been subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the group companies which are subject to Hong Kong profits tax incurred tax losses for the six months ended 30 June 2023 and 2022.

(iii) PRC CIT

CIT 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 CIT Law, as there is a tax treaty arrangement between the 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 2023 and 2022.

(v) Cambodia profits tax

Pursuant to the Cambodia tax laws, Agile Sweater (Cambodia) Co. Ltd, one of the wholly-owned subsidiaries of the Group, is subject to 20% profits tax rate or Minimum Tax at 1% of total revenue exclusive of value added tax, whichever is higher. During the six months ended 30 June 2023 and 2022, the subsidiary was loss-making and maintained proper accounting records in accordance with the tax regulations that they are exempted from Income Tax and Minimum Tax.

10. BASIC AND DILUTED LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss 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	
	2023 (Unaudited)	2022 (Unaudited)
Loss for the period attributable to equity holders of the Company (<i>HK\$'000</i>)	(3,970)	(20,888)
Weighted average number of ordinary shares in issue	<u>600,000,000</u>	<u>600,000,000</u>
Basic and diluted losses per share (<i>HK\$</i>)	<u>(0.0066)</u>	<u>(0.0348)</u>

The Company did not have any potential dilutive ordinary shares outstanding as at 30 June 2023 and 2022. Diluted losses per share is equal to basic loss per share.

11. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2023 (2022: Nil).

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
Trade receivable	57,265	67,249
Other receivables	<u>9,008</u>	<u>12,345</u>
	66,273	79,594
Less: provision for impairment		
– Trade receivable	(246)	(246)
– Other receivable	<u>–</u>	<u>(8,188)</u>
	<u>66,027</u>	<u>71,160</u>

For Apparel Supply Chain Servicing Business, credit terms granted to customers by the Group were usually 30 to 90 days and which are mainly due from customers with good credit history and low default late. Aging analysis of trade receivable as at 30 June 2023 and 31 December 2022 based on invoice date is as follows:

	At 30 June 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
0-30 days	50,348	42,973
31-90 days	6,159	18,873
91-180 days	372	5,147
Over 180 days	386	256
	<u>57,265</u>	<u>67,249</u>

13. TRADE AND OTHER PAYABLES

	At 30 June 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
Trade payable – due to third parties (<i>Note (b)</i>)	47,251	66,525
Other payables	5,752	5,307
Accrued payroll	10,253	10,433
Other taxes payable	2,481	1,526
	<u>65,737</u>	<u>83,791</u>

Notes:

- (a) Fair value of trade and other payables

The carrying amounts of trade and other payables are considered to be approximate to their fair values, due to their short-term natures.

- (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 2023 <i>HK\$'000</i> (Unaudited)	At 31 December 2022 <i>HK\$'000</i> (Audited)
0-30 days	32,449	33,764
31-90 days	9,455	27,370
91-180 days	1,612	523
Over 180 days	3,735	4,868
	<u>47,251</u>	<u>66,525</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	Six months ended 30 June	
	2023	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(Unaudited)	(Unaudited)
Revenue	179.7	205.1
Gross profit	20.1	9.7
Loss for the period attributable to equity holders of the Company	(4.0)	(20.9)

The Group's overall revenue for the six months ended 30 June 2023 was approximately HK\$179.7 million, representing a decrease of approximately 12.4% over the last corresponding period. The decrease in the Group's revenue was mainly due to reduction of sales orders from part of the existing customers.

The Group's overall gross profit margin increased to 11.2% for the six months ended 30 June 2023 (January to June 2022: 4.7%) mainly because of (i) the downsizing of the scale of operation of our loss-making subsidiary, which recorded a gross loss of approximately HK\$4.1 million for the six months ended 30 June 2022; and (ii) the decrease in cost of sales of the Group as a result of the effective cost control measures implemented within the Group during the six months ended 30 June 2023.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses mainly represented employees' wages and transportation charges incurred during the six months ended 30 June 2023. Selling and marketing expenses decreased by approximately 76.3% to approximately HK\$0.5 million comparing to the last corresponding period mainly because of the reduction in employees' wages and transportation charges.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly represented employee benefit expenses for our management, finance and administrative personnel, entertainment expenses, rental expenses for our office premises, depreciation and travelling expenses. The decrease in the administrative expenses during the six months ended 30 June 2023 was mainly due to (i) the downsizing of the operation of our loss-making subsidiary and (ii) the effective cost control measures implemented by the Group which resulted in a decrease of employee benefit expenses by approximately HK\$4.0 million for the six months ended 30 June 2023 compared to the corresponding period in 2022.

OTHER GAINS/(LOSSES) – NET

Other gains/(losses) – net mainly represented the foreign exchange gains/(losses).

During the six months ended 30 June 2023, majority of the Group’s purchase from suppliers in the PRC were settled in RMB. The Group recognised other gains – net of approximately HK\$1.0 million as a result of the weak performance of RMB (2022 other losses – net: HK\$1.2 million).

FINANCE INCOME AND COSTS

Finance income increased by approximately 308.8% to approximately HK\$1.4 million primarily due to because (i) the Group placed more idle cash in bank and (ii) the increase in the deposit interest rates during the six months ended 30 June 2023.

Finance costs increased by approximately 30.3% to approximately HK\$3.4 million primarily due to the increase in interest rates during the six months ended 30 June 2023.

INCOME TAX (EXPENSES)/CREDIT

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. During the six months ended 30 June 2023, income tax expenses was approximately HK\$1.8 million (2022: tax credit HK\$96,000).

NET LOSS

As a result of the foregoing, the Group recorded a net loss of approximately HK\$4.0 million for the six months ended 30 June 2023 (January to June 2022: net loss of approximately HK\$20.9 million), representing a decrease of approximately 80.9% over the last corresponding period.

INVENTORIES

Inventories balance increased from approximately HK\$48.1 million as at 31 December 2022 to approximately HK\$67.9 million as at 30 June 2023 mainly due to the increasing number of raw materials purchased in contemplation for shipment in the second half of 2023, resulting in an increase in the inventory turnover days to 67 days for the six months ended 30 June 2023 (31 December 2022: 33 days).

TRADE AND BILLS RECEIVABLE

Trade and bills receivable balance decreased from approximately HK\$67.2 million as at 31 December 2022 to approximately HK\$57.3 million as at 30 June 2023 which is in line with the decrease in revenue for the six months ended 30 June 2023.

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.

Trade receivable turnover days remained relatively stable at 63 days for the six months ended 30 June 2023 (31 December 2022: 58 days).

TRADE PAYABLE

Trade payable balance decreased from approximately HK\$66.5 million as at 31 December 2022 to approximately HK\$47.3 million as at 30 June 2023 primarily because of the partial settlements during the six months ended 30 June 2023.

We generally enjoy a credit term of up to 90 days to settle payment. The trade payable turnover days increased to 65 days for the six months ended 30 June 2023 which was primarily attributable to the delay of settlement to the suppliers (31 December 2022: 54 days).

BANK BORROWINGS

The Group had bank borrowings in the sum of approximately HK\$140.8 million as at 30 June 2023 (31 December 2022: HK\$151.6 million). All bank borrowings were made from banks in Hong Kong at floating interest rates. As at 30 June 2023, approximately HK\$135.2 million was repayable within one year, approximately HK\$0.6 million was repayable between one to two years, approximately HK\$1.9 million was repayable between two to five years, approximately HK\$3.2 million was repayable over five years, and all subject to repayable on demand clauses. All 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 as at 30 June 2023.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2023, the Group maintained a healthy liquidity position, with working capital financed by both internal resources and bank borrowings. As at 30 June 2023, cash and cash equivalents amounted to approximately HK\$113.1 million, of which approximately HK\$75.4 million was denominated in HK\$, approximately HK\$22.9 million in Renminbi (“**RMB**”), approximately HK\$14.5 million in United States dollar (“**USD**”) and approximately HK\$0.2 million in other currencies respectively. As at 30 June 2023, the current ratio of the Group was approximately 1.2 (31 December 2022: 1.2). Despite the decrease of cash and cash equivalents of approximately HK\$47.7 million mainly attributable to (i) the purchase of raw materials in contemplation for shipment in the second half of 2023 and (ii) repayment of bank borrowings during the six months ended 30 June 2023, 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 RMB or US dollars as their functional currency, foreign exchange risk arises primarily from translation of amounts denominated in foreign currencies. 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 2023, 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 2023. The capital of the Company comprises ordinary shares and other reserves.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group did not have any significant capital commitments (31 December 2022: Nil).

INFORMATION ON EMPLOYEES

As at 30 June 2023, the Group had a total of 1,240 employees, including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK\$30.8 million, as compared to approximately HK\$35.0 million for the last corresponding period. Out of the total staff costs of approximately HK\$30.8 million, staff costs of approximately HK\$3.0 million were capitalised as inventories as at 30 June 2023. 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 and Cambodia rules and regulations and the prevailing regulatory requirements.

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 26 May 2022 ("**Share Option Scheme**") where options to subscribe for shares may be granted to the Directors and employees of the Group.

SHARE OPTION SCHEME

The Company has adopted Share Option Scheme on 26 May 2022. 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 2023, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2023, 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 2023, the Group did not have plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

CHARGE OF ASSETS

There was no charge on the Group's assets as at 30 June 2023 (31 December 2022: Nil).

CONTINGENT LIABILITIES

The Group has received tax reassessments from the tax authority in Cambodia for a subsidiary of the Company for the period from 1 January 2019 to 31 March 2022. The potential maximum tax exposure (including penalty and interest) of the Group is estimated to be approximately USD2 million (equivalent to approximately HK\$15.7 million).

The Group considers that the Cambodia tax authorities' position is unfound and has challenged the reassessments. It is not practical to estimate the potential financial effect of the tax reassessment results but the Group considers that it is not probable that a material liability will arise if the Group can well defend its position with the tax authorities. Therefore the Group has not recognised a provision in relation to the tax reassessment results in these consolidated financial statements.

On 23 August 2023, the Group received a final tax reassessment letter from tax authority of Cambodia for the potential tax exposure of USD1.1 million. According to the final tax reassessment results, the Group is liable for tax amount of approximately USD34,000. The tax amount was settled on 29 August 2023. It is not expected that the final tax reassessment results have any material impact to the operation and financial position of the Group.

As at the date of this announcement, the remaining potential maximum tax exposure (including penalty and interest) of the Group is estimated to be approximately USD1.0 million (equivalent to approximately HK\$7.8 million).

Save as disclosed above, the Group had no material contingent liabilities as at 30 June 2023.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

Save as discussed in this announcement, there are no material subsequent events undertaken by the Company or the Group since 30 June 2023 up to the date of this announcement.

NEW BUSINESS OPPORTUNITY

There was no New Business Opportunity (as defined in the section headed “Relationship with Controlling Shareholders – New Business Opportunity” in the prospectus of the Company dated 31 December 2012) referred by the controlling shareholders of the Company as provided under the non-competition undertaking.

PROSPECTS

Looking ahead to the second half of 2023, the Group will continue to pay close attention to the development of the domestic and international economy and changes in the markets to agilely respond and take appropriate actions.

In order to explore for more new opportunities with the existing and potential customers, the Group will continuously enhance product innovation and creativity. For production management, the Group will continue to enhance the operating efficiency by simplifying the production processes which will result 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. Moreover, we will try to simplify the Group’s organisation structure with each operating process in order to save costs.

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

During the six months ended 30 June 2023, 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 2023, 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%
Ms. Huang Li Hun, Serlina	Our Company	Beneficial owner	92,000 ordinary shares (L)	0.02%

Notes:

- The letter "L" denotes the Directors' long position in the shares of our Company or the relevant associated corporation.
- 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 2023. 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:

- The disclosed interest represented the interest in Sky Halo which was wholly-owned by Mr. Huang as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, 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 2023, 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. Chan Hung Kwong, Patrick	Our Company	Beneficial owner	33,031,758 ordinary shares (L)	5.51%
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 2023.
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 2023, 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 Part 2 of Appendix 14 to the Listing Rules (“**Code Provisions**”) throughout the six months ended 30 June 2023, except for the followings:

- (i) Code Provision B.2.4(b) stipulates that the Board should appoint a new independent non-executive Director at the forthcoming annual general meeting where all the independent non-executive Directors have served more than nine year on the Board. At the annual general meeting of the Company held on Friday, 30 June 2023 (“**AGM**”), all independent non-executive Directors have served more than nine years on the Board.

References are made to the announcements of the Company dated 3 January 2023, 30 January 2023, 6 February 2023, 24 February 2023, 24 March 2023, 27 April 2023, 19 May 2023, 2 June 2023 and 16 June 2023, in relation to, among others, the memorandum of understanding (the “**MOU**”) entered into by Sky Halo, Mr. Chan Hung Kwong, Patrick and other Shareholders (the “**Selling Shareholders**”) with an independent third party regarding the possible sale of 402,550,665 ordinary shares in the share capital of the Company held by the Selling Shareholders (the “**Possible Transaction**”). The Directors consider that it was inappropriate to change the composition of the Board when the Possible Transaction was still on-going. On 16 June, 2023 the Board has been informed by the Selling Shareholders that the MOU was terminated and the discussion between the Selling Shareholders and the potential purchaser in respect of the termination of the Possible Transaction. Due to the aforesaid reason and time constraint, the Company did not propose to appoint a new independent non-executive Director at the AGM.

The Company understands the importance to comply with the Code Provision B.2.4(b) and initiated candidate selection process upon being informed of the termination of the Possible Transaction. As at the date of this announcement, the Board has appointed Mr. Chan Tsang Mo as an independent non-executive Director with effect from 31 August 2023. For details, please refer to the announcement of the Company dated 31 August 2023.

- (ii) Code Provision C.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 C.2.1 and will continue to consider the feasibility of appointing a separate chief executive officer.

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 2023.

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 D.3.3 to D.3.7 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 2023 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 2023 is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2023.

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 2023 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, 31 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. Huang Chih Shen and Ms. Huang Li Hun, Serlina; the independent non-executive directors of the Company are Mr. Wong Ting Kon, Ms. Pang Yuen Shan, Christina and Mr. Chang Cheuk Cheung, Terence.