

**CHINA SUPPLY CHAIN HOLDINGS LIMITED**

**中國供應鏈產業集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3708

**2023-2024**  
**INTERIM REPORT**



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## CORPORATE INFORMATION

*(As at the date of this report)*

### EXECUTIVE DIRECTORS

Ms. MA Huijun (*Chairman*)  
Mr. DAI Jian  
Mr. LAI Aizhong  
Mr. WONG Ka Shing

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHENG Haipeng  
Mr. WANG Xiaojia  
Ms. SUN Qunying

### AUDIT COMMITTEE

Mr. WANG Xiaojia (*Chairman*)  
Mr. ZHENG Haipeng  
Ms. SUN Qunying

### NOMINATION COMMITTEE

Ms. MA Huijun (*Chairman*)  
Mr. WANG Xiaojia  
Ms. SUN Qunying

### REMUNERATION COMMITTEE

Mr. ZHENG Haipeng (*Chairman*)  
Mr. WANG Xiaojia  
Ms. SUN Qunying

### COMPANY SECRETARY

Mr. HUNG Kai Ming

### AUTHORIZED REPRESENTATIVES

Mr. DAI Jian  
Mr. WONG Ka Shing

### INDEPENDENT AUDITOR

Linksfeld CPA Limited  
*Registered Public Interest Entity Auditor*

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

12/F, Guangdong Finance Building,  
88 Connaught Road West,  
Hong Kong

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrar Ltd  
Suites 3301-04, 33/F.,  
Two Chinachem Exchange Square,  
338 King's Road,  
North Point, Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman  
KY1-1108, Cayman Islands

### EMAIL

[info@chsc.com.hk](mailto:info@chsc.com.hk)

### COMPANY WEBSITE

<https://chsc.com.hk>

### STOCK CODE

03708

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

China Supply Chain Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a building maintenance and renovation service provider in Hong Kong.

The Group has been focusing on these two business segments since the track record period of its initial public offering (“**IPO**”) in early 2015 and continues so as the date of this announcement. For the six months period ended 31 December 2023 (the “**Period**”), the Group derived its entire (100%) revenue from these two business segments, in which approximately 90% of its revenue in the Period was from the building maintenance segment.

Sing Fat Construction Co., Limited (“**Sing Fat**”) is the sole principal operating subsidiary of the Company, which is a ‘Group M2 (confirmed status)’ building contractor for maintenance works category granted by the Hong Kong Housing Authority (“**Housing Authority**”) and an approved contractor listed in the building (maintenance works) category with a quality maintenance contractor status admitted by the Housing Authority. Building maintenance segment’s principal customers are from the public sector, which includes the Housing Authority, in Hong Kong.

Revenue for the Period was approximately HK\$269.5 million, representing an increase of approximately 22.4 million or 9.1% when compared to the corresponding period in 2022 of approximately HK\$247.1 million. It was mainly due to the increase in revenue from building maintenance segment.

#### ***Building maintenance services***

As at 31 December 2023, the Group had 3 building maintenance contracts on hand with a notional or estimated contract value of approximately HK\$1,236 million. As at 30 June 2023, the Group had 4 building maintenance contracts on hand with a notional or estimated contract value of approximately HK\$1,587 million. During the Period, the Group had completed 1 building maintenance contract.

#### ***Renovation services***

As at 31 December 2023, the Group had 13 renovation contracts on hand with a notional or estimated contract value of approximately HK\$155.49 million. As at 30 June 2023, the Group had 13 renovation contracts on hand with a notional or estimated contract value of approximately HK\$146.5 million. During the Period, the Group had completed 5 renovation contracts.

### RECENT DEVELOPMENT

#### ***Building maintenance services***

During the Period, for the core business of maintenance works in public sector, the Group had no new contracts has been awarded along the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Renovation services*

For renovation services, the Group was awarded 5 contracts with notional or estimated contract value of approximately HK\$21.86 million during the Period. All the newly awarded contracts have not commenced during the Period.

### FUTURE DEVELOPMENT

We will continue to focus on identifying opportunities for building maintenance projects, especially in the public sector, which is our core business. For renovation projects, with the growth in consciousness of building refurbishment in Hong Kong, we are confident in attaining new projects from the private sector.

### FINANCIAL REVIEW

#### *Revenue*

Revenue derived from building maintenance services increased by approximately HK\$56.4 million or 30.4% from approximately HK\$185.3 million for the corresponding period in 2022 to approximately HK\$241.7 million during the Period. The increase in revenue was mainly contributed by the increase in contract sum and as some respective revenue was recognised over the Period.

Revenue derived from renovation services decreased by approximately HK\$33.9 million or 54.9% from approximately HK\$61.8 million in the corresponding period in 2022 to approximately HK\$27.9 million during the Period. The decrease in revenue was mainly contributed by the contract of Vocational Training Council, which was almost completed during the prior period and most of the revenue has already been recognised in prior period.

#### *Gross profit and gross profit margin*

During the Period, the Group's gross profit amounted to approximately HK\$17.0 million (2022: HK\$12.2 million) representing an increase of approximately HK\$4.8 million. Gross profit margin for the Period was approximately 6.3% (2022: 4.9%). The increase in gross profit margin was caused by the increase in the gross profit margin for both building maintenance and renovation services.

Gross profit attributable to building maintenance services for the Period amounted to approximately HK\$15.4 million (2022: HK\$9.4 million). The Group's gross profit margin for building maintenance services for the Period was approximately 6.3% (2022: 5.1%). The increase in gross profit margin during the Period was attributable to the tight cost control implemented (e.g. other subcontracting fee) over the Period. It resulted the increase in gross profit for all the district term contracts after such expenses.

Gross profit attributable to renovation services for the Period amounted to approximately HK\$1.6 million (2022: HK\$2.8 million), representing a decrease of approximately HK\$1.2 million or 42.9%. Gross profit margin from renovation services during the Period was approximately 5.8%, which was higher than the corresponding period in 2022 of approximately 4.5%. The increase in gross profit margin was attributable implementation of cost control procedures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Other income***

During the Period, other income increased by approximately HK\$0.5 million or 33.3% from approximately HK\$1.5 million for the corresponding period in 2022 to approximately HK\$2 million for the Period.

### ***Administrative expenses***

Administrative expenses increased by approximately HK\$9.2 million or 76% from approximately HK\$12.1 million for the corresponding period in 2022 to approximately HK\$21.3 million for the Period. The increase was caused by the increase in the operating costs of the Company.

### ***Finance costs***

Finance costs of the Group was still maintained at a low level of approximately HK\$64,000 (2022: HK\$147,000). The decrease was mainly due to the decrease of lease liabilities during the Period.

### ***Loss for the Period***

The Group recorded loss for the Period of approximately HK\$2.4 million (2022: HK\$0.95 million). The change was mainly attributable to the increase in the administrative expense during the Period.

### ***Liquidity, financial resources and capital structure***

The Group generally finances its operation through cash from operations, bank borrowings and finance leases. As at 31 December 2023, the Group had total cash and bank balances of approximately HK\$58.4 million (30 June 2023: HK\$83.6 million). As at 31 December 2023, the Group had finance lease of approximately HK\$0.78 million (30 June 2023: HK\$0.02 million). All the cash and bank balances were denominated in Hong Kong dollar. As at 31 December 2023, the share capital and equity attributable to owners of the Company amounted to approximately HK\$11.2 million and HK\$128.9 million respectively (30 June 2023: HK\$11.2 million and HK\$131.4 million respectively).

### ***Foreign exchange risk***

The Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were denominated in Hong Kong dollar. With the insignificant portion of monetary assets denominated in foreign currencies, the Group did not engage in the any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Period.

### ***Gearing ratio***

Gearing ratio is calculated based on the total debts divided by the total equity. The gearing ratio was approximately 1.1% and 1.3% as at 31 December 2023 and 30 June 2023, respectively. The decrease in gearing ratio is due to decrease in lease liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Charge over assets of the Group*

As at 31 December 2023, the Group had pledged bank deposits of approximately HK\$2.5 million (30 June 2023: HK\$2.5 million) to a bank to secure bank facilities performance guarantee in respect of a renovation project issued by the Group and is expected to be recovered in its normal operating cycle. In addition, the Group's obligations under finance leases were secured by the lessors' title to the leased motor vehicles with carrying value of HK\$0.78 million (30 June 2023: HK\$0.02 million).

### *Contingent liabilities*

#### (a) Contingent liabilities in respect of legal claims

One subsidiary of the Group is defendant in a number of claims, lawsuits and potential claims relating to employees' compensation cases and personal injuries claims. No provision for the contingent liabilities in respect of the litigations is necessary, after due consideration of each case and with reference to the legal advice, historical records and an outflow of economic benefit is not probable.

#### (b) Guarantee issued

At the end of each reporting period, the Group had provided guarantees to bank in respect of the following:

	<b>31 December 2023 HK\$'000 (Unaudited)</b>	30 June 2023 HK\$'000 (Audited)
Performance bonds in favor of its clients	<b>2,508</b>	2,498

As at 31 December 2023, HK\$2,508,000 (30 June 2023: HK\$2,498,000) of performance bonds were given by a bank in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the service contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the bank to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.

Save as disclosed above, the Group had no material contingent liabilities as at 31 December 2023 (30 June 2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Employees and remuneration policies*

As at 31 December 2023, the Group had approximately 139 employees (30 June 2023: 120). The staff related costs included salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave. The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages were subject to review on a regular basis. The emoluments of the Directors and senior management have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

### *Events after reporting period*

There are no important events affecting the Group which have occurred since the end of the Period.

### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2023 (2022: nil).

### **PROSPECT**

With the economic recovery and the continuous spending on infrastructure and residential building works by public sector, we are expecting stable growth in the building and maintenance and renovation contracting service industry in Hong Kong. Riding on our operating resources and experience, we believe that we can continue to maintain our competitive edge in the industry to capture the market share for building maintenance and renovation contracting services in Hong Kong.

The Board will continue to review the financial position and the operations of the Company and will formulate long-term business plans and strategies of the Company. The Board will explore other business opportunities and consider whether any asset disposals, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification may be appropriate in order to enhance the long-term growth potential of the Company.



## OTHER INFORMATION

### DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO (including interest or short positions which they had taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company 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") contained in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") were as follows:

#### Long position in the Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested	Total	Percentage of interest (Note 3)
Mr. DAI Jian	Interest of a controlled corporation (Note 1)	3,268,750,000	3,268,750,000	58.43%

#### Notes:

- These shares are held by Smart Paradise International Limited ("Smart Paradise"). Smart Paradise is owned as to 100% by Mr. DAI Jian and hence Mr. DAI Jian is deemed to be interested in 3,268,750,000 shares held by Smart Paradise under the SFO.
- The approximate percentages were calculated based on 5,594,000,000 shares in issue as at 31 December 2023.
- Ms. ZHAO Li is the spouse of Mr. DAI Jian. Therefore, Ms. ZHAO Li is deemed to be interested in all shares of 3,268,750,000 shares held by Smart Paradise by virtue of Part XV of the SFO.

Save as disclosed above, as at 31 December 2023, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they had 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, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2023, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) have interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO, to be entered in the register of the Company referred to therein:

Name	Capacity/Nature	Number of Shares held/interested	Percentage of interest (Note 2)
Smart Paradise	Beneficial owner	3,268,750,000	58.43%

Notes:

- Ms. Zhao Li is the spouse of Mr. Dai Jian and is deemed to be interested in the Shares which are interested by Mr. Dai Jian under the SFO.
- The approximate percentages were calculated based on 5,594,000,000 shares in issue as at 31 December 2023.

Save as disclosed above, as at 31 December 2023, the Directors were not aware of any other persons who had any interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

Pursuant to the written resolutions of the then sole shareholder of the Company on 18 December 2014, the Company adopted a share option scheme (the "Scheme") to attract and retain high quality staff, to provide additional incentive to employees (full-time or part-time), directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The total number of Shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the Shares in issue at any point in time, without prior approval from the shareholders. The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the shareholders of the Company. Options granted to substantial shareholders or independent non-executive Directors or any of their respective close associates (including a discretionary trust whose discretionary objects include a substantial shareholders, independent non-executive Directors, or any of their respective close associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

## OTHER INFORMATION

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. The exercise price is determined by the Directors, and will be at least the higher of (i) the closing price of the shares of the Company on the date of grant, (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

The Scheme will remain in force for a period of ten years commencing on the date of the adoption date (i.e. 18 December 2014) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

No share options were granted since the adoption of the Scheme and there are no outstanding share options at the end of the Period.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## CORPORATE GOVERNANCE

The Company has adopted and complied with code provisions (the “**Code Provisions**”) as set out under the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. During the Period, the Company has complied with all the Code Provisions of the CG Code, except as follows:

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company has not held an annual general meeting since 4 December 2020. Accordingly, none of the Directors retired at the annual general meeting nor re-elected by the Shareholders. The Company will hold an annual general meeting at which the Directors will retire and offer themselves for re-election.

Code provision C.1.6 of the CG Code provides that generally independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Also, under the code provision F.2.2 of the CG Code, the chairman of the board, the chairmen of the audit, remuneration, nomination committees and the external auditor should attend the annual general meeting. As no general meeting had been held since 4 December 2020, the aforesaid requirements had not been fulfilled.

Save as disclosed, in the opinion of the Directors, the Company was in compliance with all the relevant code provisions under the CG Code throughout the Period.

## OTHER INFORMATION

### COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules regarding securities transactions for its Directors. After having made specific enquiries through current board members, all of them confirmed that they have complied with the required standard of dealings set out in the Model Code throughout the Period.

### DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, update in the information of the Directors is set out below:

Saved for the Company’s announcements dated 30 June 2023, 1 December 2023 and 20 February 2024, there is no update in the information of the Directors.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float as required under the Listing Rules during the Period.

### AUDIT COMMITTEE

The Company has an audit committee (the “**Audit Committee**”) established in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code. The responsibilities of the Audit Committee include reviewing financial statements, monitoring the appointment of and non-audit work undertaken by external auditors and reviewing the effectiveness of the internal controls of the Group. As at the date of this announcement, our Audit Committee consists of Mr. Wang Xiaojia (Chairman), Mr. Zheng Haipeng and Ms. Sun Qunying. The interim financial results of the Group for the Period are unaudited but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

By order of the Board  
**Ma Huijun**  
*Chairman*

Hong Kong, 27 February 2024

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Notes	Six months ended 31 December	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	269,527	247,060
Cost of sales		(252,572)	(234,852)
Gross profit		16,955	12,208
Other income		1,957	1,461
Resumption related expenses		–	(2,439)
Administrative expenses		(21,275)	(12,079)
Finance costs	4	(64)	(147)
Loss before taxation		(2,427)	(996)
Income tax (expenses)/credit	5	(8)	43
Loss for the period	6	(2,435)	(953)
Other comprehensive income for the period		–	–
Total comprehensive loss for the period		(2,435)	(953)
(Loss)/profit for the period attributable to:			
– Owners of the Company		(2,436)	(969)
– Non-controlling interests		1	16
		(2,435)	(953)
Total comprehensive (loss)/income for the period			
– Owners of the Company		(2,436)	(969)
– Non-controlling interests		1	16
		(2,435)	(953)
Loss per share attributable to the owners of the Company (in HK cents)			
Basic and diluted	8	(0.04)	(0.02)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2023*

	Notes	<b>31 December 2023 HK\$'000 (Unaudited)</b>	30 June 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>2,482</b>	2,959
Right-of-use assets		<b>1,655</b>	2,125
		<b>4,137</b>	5,084
<b>Current assets</b>			
Trade and other receivables	10	<b>69,078</b>	64,231
Loan and interest receivables		<b>43,197</b>	–
Contract assets		<b>69,156</b>	70,330
Tax recoverable		–	91
Pledged bank deposits	15	<b>2,508</b>	2,498
Cash and cash equivalents		<b>58,362</b>	83,604
		<b>242,301</b>	220,754
<b>Current liabilities</b>			
Trade and other payables	11	<b>114,551</b>	91,168
Lease liabilities		<b>1,181</b>	1,761
		<b>115,732</b>	92,929
Net current assets		<b>126,569</b>	127,825
Total assets less current liabilities		<b>130,706</b>	132,909

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

As at 31 December 2023

		<b>31 December 2023 HK\$'000 (Unaudited)</b>	30 June 2023 HK\$'000 (Audited)
	Notes		
<b>Non-current liabilities</b>			
Long service payment obligations		<b>503</b>	503
Lease liabilities		<b>302</b>	–
Deferred income tax liabilities		<b>423</b>	415
		<b>1,228</b>	918
Net assets		<b>129,478</b>	131,991
<b>EQUITY</b>			
Share capital	12	<b>11,189</b>	11,189
Reserves		<b>117,733</b>	120,169
Equity attributable to:			
Owners of the Company		<b>128,922</b>	131,358
Non-controlling interests		<b>556</b>	633
Total equity		<b>129,478</b>	131,991

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Attributable to owners of the Company					Non-controlling interests	Total
	Share capital	Share Premium	Other reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022 (audited)	11,189	77,790	(480)	44,185	132,684	601	133,285
(Loss)/profit for the period	-	-	-	(969)	(969)	16	(953)
Total comprehensive income for the period	-	-	-	(969)	(969)	16	(953)
At 31 December 2022 (unaudited)	11,189	77,790	(480)	43,216	131,715	617	132,332
At 1 July 2023 (audited)	<b>11,189</b>	<b>77,790</b>	<b>(480)</b>	<b>42,859</b>	<b>131,358</b>	<b>633</b>	<b>131,991</b>
(Loss)/profit for the period	-	-	-	<b>(2,436)</b>	<b>(2,436)</b>	<b>1</b>	<b>(2,435)</b>
Dividend paid	-	-	-	-	-	<b>(78)</b>	<b>(78)</b>
Total comprehensive loss for the period	-	-	-	<b>(2,436)</b>	<b>(2,436)</b>	<b>(77)</b>	<b>(2,513)</b>
At 31 December 2023 (unaudited)	<b>11,189</b>	<b>77,790</b>	<b>(480)</b>	<b>40,423</b>	<b>128,922</b>	<b>556</b>	<b>129,478</b>

Note: Other reserve represented the difference between the nominal value of the issued share capital of Sing Fat Construction Co., Limited and ABO Group Limited ("ABO") in aggregate amount of approximately HK\$9,310,000 over nominal value of the share capital of the Company in amount of HK\$9,790,000 issued in exchange thereof, pursuant to the group reorganisation.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 31 December 2023*

	<b>Six months ended 31 December</b>	
	<b>2023</b> <b>HK\$'000</b> <b>(unaudited)</b>	2022 HK\$'000 (unaudited)
Net cash used in operating activities	<b>(25,973)</b>	<b>(11,448)</b>
Net cash generated from investing activities	<b>1,922</b>	<b>5,231</b>
Net cash used in financing activities	<b>(1,191)</b>	<b>(1,216)</b>
Net decrease in cash and cash equivalents	<b>(25,242)</b>	<b>(7,433)</b>
Cash and cash equivalents at the beginning of the period	<b>83,604</b>	<b>41,829</b>
Cash and cash equivalents at the end of the period	<b>58,362</b>	<b>34,396</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 December 2023*

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of China Supply Chain Holdings Limited and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2023 have been prepared in accordance with the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2023.

All HKFRSs effective for the accounting periods commencing from 1 July 2023 and relevant to the Group, have been adopted by the Group in the preparation of the unaudited condensed consolidated results. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s results and financial position.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs in current or future reporting periods, these new HKFRSs are not expected to have a material impact on its results of operations and financial position.

All significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

### 3. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“**CODM**”).

The Company’s executive Directors monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

The CODM has been identified as the executive Directors of the Company. The executive Directors consider the segment from a business perspective. The Group has two (2022: two) operating segments that qualify as reporting segment under HKFRS 8 and the information that is regularly reviewed by the executive Directors for the purposes of allocating resources and assessing performance.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### 3. SEGMENT INFORMATION (CONTINUED)

The executive Directors assess the performance based on a measure of loss before income tax, and consider all businesses are included in the two segments:

- (i) Building maintenance; and
- (ii) Renovation

#### (a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

#### For the six months ended 31 December 2023

	Building maintenance HK\$'000 (Unaudited)	Renovation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	241,669	27,858	269,527
Segment profit	15,340	1,615	16,955
Unallocated corporate income			1,957
Central administration costs			(21,275)
Finance costs			(64)
Loss before taxation			(2,427)

#### For the six months ended 31 December 2022

	Building maintenance HK\$'000 (Unaudited)	Renovation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	185,257	61,803	247,060
Segment profit	9,433	2,775	12,208
Unallocated corporate income			1,461
Central administration costs			(14,518)
Finance costs			(147)
Loss before taxation			(996)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 3. SEGMENT INFORMATION (CONTINUED)

**(a) Segment revenue and results (CONTINUED)**

The accounting policies of the reporting and operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of certain unallocated corporate income, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. There were no inter-segment sales between different business segments for the six months ended 31 December 2023 and 2022.

**(b) Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	<b>31 December 2023 HK\$'000 (unaudited)</b>	30 June 2023 HK\$'000 (Audited)
<b>Segment assets</b>		
Building maintenance	<b>116,587</b>	95,051
Renovation	<b>22,547</b>	39,699
Total segment assets	<b>139,134</b>	134,750
Unallocated corporate assets	<b>107,304</b>	91,088
Total assets	<b>246,438</b>	225,838
<b>Segment liabilities</b>		
Building maintenance	<b>85,554</b>	61,867
Renovation	<b>22,694</b>	21,926
Total segment liabilities	<b>108,248</b>	83,793
Unallocated corporate liabilities	<b>8,712</b>	10,054
Total liabilities	<b>116,960</b>	93,847

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### 4. FINANCE COSTS

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on:		
– Lease liabilities	64	147

### 5. INCOME TAX (EXPENSES)/CREDIT

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	–	–
Deferred tax	(8)	43
	(8)	43

### 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Bank interest income	(325)	(200)
Loan interest income	(1,364)	–
Other income	(268)	(1,261)
Loss on disposal of property, plant and equipment	94	191
Depreciation of property, plant and equipment	396	340
Depreciation of right-of-use assets	1,067	1,001
Reversal of impairment of trade and other receivables (Note i)	–	(4)

Note:

- i. Reversal of impairment of trade and other receivables credited in administrative expenses.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### 7. DIVIDENDS

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 31 December 2023 (2022: nil).

### 8. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the following data:

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>Loss</b>		
Loss for the purpose of basic loss per share	<b>(2,436)</b>	(969)

	Six months ended 31 December	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	<b>5,594,000</b>	5,594,000
Basic loss per share (in HK cents)	<b>(0.04)</b>	(0.02)

The diluted loss per share is equal to the loss per share as there were no dilutive potential ordinary shares during the six months ended 31 December 2023 and 2022.

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group disposed of property, plant and equipment with a net carrying value of approximately HK\$550,025 for cash proceeds of HK\$456,000. Property, plant and equipment amounting to approximately HK\$469,012 were transferred from right-of-use assets.

During the six months ended 31 December 2022, property, plant and equipment with a net carrying value of approximately HK\$223,000 were disposed of by the Group for cash proceeds of HK\$32,000. Property, plant and equipment amounting to approximately HK\$675,000 were transferred from right-of-use assets.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### 10. TRADE AND OTHER RECEIVABLES

The Group normally grants credit term to its customers ranging from 30 to 45 days. The following is an ageing analysis of trade receivables, presented based on the certified report and/or based on invoice dates which approximate revenue recognition date at the end of the reporting period:

	<b>31 December 2023 HK\$'000 (unaudited)</b>	30 June 2023 HK\$'000 (Audited)
Within 90 days	<b>41,148</b>	26,222
91 to 180 days	<b>9,074</b>	16,473
181 to 365 days	<b>11,764</b>	8,567
1 to 2 years	<b>4,461</b>	8,576
Over 2 years	<b>684</b>	2,385
	<b>67,131</b>	62,223

### 11. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>31 December 2023 HK\$'000 (unaudited)</b>	30 June 2023 HK\$'000 (Audited)
Within 90 days	<b>70,553</b>	50,858
91 to 180 days	<b>19,739</b>	21,081
181 to 365 days	<b>4,057</b>	3,132
1 to 2 years	<b>5,478</b>	2,394
Over 2 years	<b>1,869</b>	1,746
	<b>101,696</b>	79,211

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

## 12. SHARE CAPITAL

Ordinary share	Number of Ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised:		
Ordinary share of HK\$0.002 each at		
30 June 2023 (audited) and		
31 December 2023 (unaudited)	10,000,000,000	20,000
Issued and fully paid:		
Ordinary share of HK\$0.002 each at		
30 June 2023 (audited) and		
31 December 2023 (unaudited)	5,594,000,000	11,189

## 13. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to the written resolution passed on 18 December 2014 to attract and retain high quality staff, to provide additional incentive to eligible participants and to promote the success of the business of the Group.

Eligible participants of the share option scheme include employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group.

No share options are granted since the adoption of the share option scheme and there are no outstanding share options as at 31 December 2023 and 30 June 2023.

## 14. CONTINGENT LIABILITIES

**(a) Contingent liabilities in respect of legal claims**

One subsidiary of the Group is defendant in a number of claims, lawsuits and potential claims relating to employees' compensation cases and personal injuries claims. The directors of the Company considered that the possibility of any outflow in settling the legal claims was remote as these claims were well covered by insurance and subcontractors' indemnity. Accordingly, no provision for the contingent liabilities in respect of the litigations is necessary, after due consideration of each case and with reference to the legal opinion.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### 14. CONTINGENT LIABILITIES (CONTINUED)

#### (b) *Guarantee issued*

At the end of each reporting period, the Group had provided guarantees to bank in respect of the following:

	<b>31 December 2023 HK\$'000 (unaudited)</b>	30 June 2023 HK\$'000 (Audited)
Performance bonds in favor of its clients	<b>2,508</b>	2,498

As at 31 December 2023, HK\$2,508,000 (30 June 2023: HK\$2,498,000) of performance bonds were given by a bank in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the service contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the bank to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.

### 15. PLEDGE OF ASSETS

As at 31 December 2023, the Group had pledged bank deposits of approximately HK\$2.5 million (30 June 2023: HK\$2.5 million) to a bank to secure performance bonds in respect of a renovation project issued by the Group and are expected to be recovered in its normal operating cycle and therefore classified as current asset. In addition, the Group's obligations under finance leases were secured by the lessors' title to the leased motor vehicles with carrying value of approximately HK\$0.78 million (30 June 2023: HK\$0.02 million).

### 16. RELATED PARTY TRANSACTIONS

#### *Compensation of key management personnel*

The remuneration of directors of the Company and other members of key management personnel during the period were as follows:

	<b>Six months ended 31 December 2023 HK\$'000 (unaudited)</b>	2022 HK\$'000 (unaudited)
Short-term benefits	<b>5,716</b>	428