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## **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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2024**

#### **RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of China Supply Chain Holdings Limited (the “**Company**”) is pleased to present the consolidated audited results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 June 2024 (the “**Year**”) as follows:

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

*For the year ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	<b>528,910</b>	486,378
Cost of sales		<b>(495,430)</b>	(459,672)
Gross profit		<b>33,480</b>	26,706
Other income and gains		<b>4,465</b>	4,112
Reversal of impairment loss on financial and contract assets, net		<b>115</b>	3,952
Administrative expenses		<b>(34,071)</b>	(35,745)
Operating profit/(loss)		<b>3,989</b>	(975)
Finance costs	4	<b>(113)</b>	(250)
Profit/(loss) before income tax		<b>3,876</b>	(1,225)
Income tax credit/(expense)	5	<b>12</b>	(69)
<b>Profit/(loss) for the year</b>		<b>3,888</b>	(1,294)

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Other comprehensive loss</b>			
Item that may not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations		<u>(1,388)</u>	<u>—</u>
<b>Other comprehensive loss for the year, net of income tax</b>		<u>(1,388)</u>	<u>—</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>2,500</u></u>	<u><u>(1,294)</u></u>
<b>Profit/(loss) the year attributable to:</b>			
— Owners of the Company		3,857	(1,326)
— Non-controlling interests		<u>31</u>	<u>32</u>
		<u><u>3,888</u></u>	<u><u>(1,294)</u></u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
— Owners of the Company		2,469	(1,326)
— Non-controlling interests		<u>31</u>	<u>32</u>
		<u><u>2,500</u></u>	<u><u>(1,294)</u></u>
<b><i>Profit/(loss) per share attributable to the owners of the Company (in HK cents)</i></b>			
Basic and diluted	7	<u><u>0.07</u></u>	<u><u>(0.02)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,286</b>	2,959
Right-of-use assets		<b>4,650</b>	2,125
Financial assets at fair value through other comprehensive income		<b>10,000</b>	—
Rental deposits	8	<b>457</b>	—
		<u><b>17,393</b></u>	<u>5,084</u>
<b>Current assets</b>			
Trade and other receivables	8	<b>66,359</b>	64,231
Loan and interest receivables		<b>32,561</b>	—
Contract assets	9	<b>69,861</b>	70,330
Tax recoverable		—	91
Pledged bank deposits		<b>1,350</b>	2,498
Cash and cash equivalents		<b>46,677</b>	83,604
		<u><b>216,808</b></u>	<u>220,754</u>
<b>Total assets</b>		<u><b>234,201</b></u>	<u>225,838</u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		<b>11,189</b>	11,189
Reserves		<b>122,638</b>	120,169
		<u><b>133,827</b></u>	<u>131,358</u>
Non-controlling interests		<b>585</b>	633
<b>Total equity</b>		<u><b>134,412</b></u>	<u>131,991</u>

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long services payment obligations		<b>636</b>	503
Lease liabilities		<b>1,871</b>	—
Deferred income tax liabilities		<b>403</b>	415
		<u><b>2,910</b></u>	<u>918</u>
<b>Current liabilities</b>			
Trade and other payables	<i>10</i>	<b>94,282</b>	91,168
Lease liabilities		<b>2,597</b>	1,761
		<u><b>96,879</b></u>	<u>92,929</u>
<b>Total liabilities</b>		<u><b>99,789</b></u>	<u>93,847</u>
<b>Total equity and liabilities</b>		<u><b>234,201</b></u>	<u>225,838</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

China Supply Chain Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is 12/F, Guangdong Finance Building, 88 Connaught Road West, Hong Kong.

The Company acts as an investment holding company and the principal activities of its subsidiaries are provision of building maintenance and renovation services.

The consolidated financial statements are presented in thousands of Hong Kong dollar (“**HKS’000**”), unless otherwise stated.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through other comprehensive income, which is carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

The consolidated financial statements are prepared by on a going concern basis.

**(a) New standards, amendments to standards and interpretation adopted by the Group**

The Group has applied the following new and amended standards for its annual reporting period commencing 1 July 2023:

HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies (amendments)
HKAS 8	Definition of Accounting Estimates (amendments)
HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction (amendments)
HKAS 12	International Tax Reform — Pillar Two Model Rules (amendments)
HKFRS 17	Insurance Contracts
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New and amended standards and interpretations not yet adopted**

The following new standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
HKAS 1	Classification of Liabilities as Current or Non-Current (amendments)	1 January 2024
HKAS 1	Non-current liabilities with Covenants (amendments)	1 January 2024
HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKAS 7 and HKFRS 7	Supplier Finance Arrangements (amendments)	1 January 2024
HKAS 21	Lack of Exchangeability (amendments)	1 January 2025
HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The directors of the Company is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except from the above, the directors of the Company have assessed the financial impact on the Group of the adoption of the above new standards, amendments to existing standards and interpretations. These standards, amendments and interpretations are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements. The Group intends to adopt the above new standards, amendments to existing standards and interpretations when they become effective.

### 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 (2023: 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 of the operating segment.

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

- (i) building maintenance; and
- (ii) renovation

#### Segment revenue and results

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

**For the year ended 30 June 2024**

	<b>Building maintenance HK\$’000</b>	<b>Renovation HK\$’000</b>	<b>Total HK\$’000</b>
Segment revenue	<u>482,944</u>	<u>45,966</u>	<u>528,910</u>
Segment results	<u>30,376</u>	<u>2,823</u>	33,199
Other income and gains			4,465
Provision for impairment loss on financial assets, net			(40)
Administrative expenses			(33,659)
Finance costs			<u>(89)</u>
Profit before income tax			<u>3,876</u>



**For the year ended 30 June 2023**

	Building maintenance <i>HK\$'000</i>	Renovation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>377,186</u>	<u>109,192</u>	<u>486,378</u>
Segment results	<u>22,122</u>	<u>5,342</u>	27,464
Other income and gains			4,112
Reversal of impairment loss on financial assets, net			2,977
Administrative expenses			(35,534)
Finance costs			<u>(244)</u>
Loss before income tax			<u>(1,225)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of other income and gains, (provision for)/reversal of impairment loss on financial assets, net, administrative expenses 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 years ended 30 June 2024 and 2023.

**Geographical information**

The Group's revenue from external customers by location of operations and non-current assets by geographical location are all derived and located in Hong Kong (place of domicile) for the years ended 30 June 2024 and 2023.

**Information about major customers**

For the year ended 30 June 2024, there was one customer (2023: two customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from each of these customers was as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<b>482,944</b>	377,187
Customer B	<u>N/A</u>	<u>72,476</u>

#### 4. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interests on lease liabilities	<u>113</u>	<u>250</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits tax: Deferred income tax	<u>12</u>	<u>(69)</u>
Income tax credit/(expense)	<u>12</u>	<u>(69)</u>

#### 6. DIVIDENDS

No dividend was paid or proposed by the Company for the year ended 30 June 2024 (2023: Nil).

#### 7. PROFIT/(LOSS) PER SHARE

##### (a) Basic profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Profit/(loss) attributable to the owners of the Company <i>(HK\$'000)</i>	3,857	(1,326)
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	5,594,000	5,594,000
Basic profit/(loss) per share <i>(HK cents)</i>	<u>0.07</u>	<u>(0.02)</u>

##### (b) Diluted profit/(loss) per share

For the years ended 30 June 2024 and 2023, diluted profit/(loss) per share is the same as basic profit/(loss) per share as there were no potential dilutive ordinary shares.

## 8. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	64,559	62,405
Less: impairment loss on trade receivables	<u>(85)</u>	<u>(182)</u>
Trade receivables, net	<u>64,474</u>	<u>62,223</u>
Prepayments, deposits and other receivables:		
— Expenses prepaid	199	327
— Payment in advance	<u>—</u>	<u>87</u>
Prepayments	<u>199</u>	<u>414</u>
Deposits and other receivables	<u>2,143</u>	<u>1,594</u>
Prepayments, deposits and other receivables, net	<u>2,342</u>	<u>2,008</u>
Total trade and other receivables, net	<u>66,816</u>	<u>64,231</u>
<b>Less: non-current portion</b>		
Rental deposits	<u>(457)</u>	<u>—</u>
<b>Current portion</b>	<u><u>66,359</u></u>	<u><u>64,231</u></u>

The Group does not hold any collateral over the above balances.

The Group normally grants credit terms to its customers ranging from 30 to 45 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	60,647	26,222
91 to 180 days	2,443	16,473
181 to 365 days	994	8,567
1 to 2 years	87	8,576
Over 2 years	<u>303</u>	<u>2,385</u>
	<u><u>64,474</u></u>	<u><u>62,223</u></u>

## 9. CONTRACT ASSETS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Total contract assets:</b>		
— Building maintenance services	68,409	58,093
— Renovation services	1,452	12,237
	<u>69,861</u>	<u>70,330</u>
<b>Comprising:</b>		
Unbilled revenue of building maintenance services	68,409	58,093
Unbilled revenue of renovation services	345	11,295
Retention receivables of renovation services	1,107	942
	<u>69,861</u>	<u>70,330</u>

Contract assets are related to both building maintenance services and renovation services contracts. The balance of contract assets decreased as there were less services provided for renovation services but yet to be billed as at 30 June 2024.

## 10. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	80,261	79,211
Retention money payables	1,040	885
Accrued expenses and other payables	12,124	10,293
Dividend payable to non-controlling interests	857	779
	<u>94,282</u>	<u>91,168</u>

The ageing analysis of the trade payables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	69,445	50,858
91 to 180 days	6,544	21,081
181 to 365 days	2,314	3,132
1 to 2 years	926	2,394
Over 2 years	1,032	1,746
	<u>80,261</u>	<u>79,211</u>

The carrying amounts of trade and other payables approximately to their fair values, due to the short-term nature and are denominated in HK\$ as at 30 June 2024 and 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

The Group is a building maintenance and renovation service provider in Hong Kong. All (100%) revenue for the Year was derived from provision of building maintenance and renovation services in Hong Kong.

The Group has been focusing on these two business segments since its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2015 and continues so as the date of this report. Sing Fat Construction Company, 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 had accounted for over 65% of the Group’s revenue for the past few years and its principal customers are from the public sector, which includes the Housing Authority, in Hong Kong.

Revenue for the Year was approximately HK\$528.9 million, representing an increase of approximately HK\$42.5 million or 8.7% when compared to the same period last year of approximately HK\$486.4 million. It was mainly due to the increase in revenue from building maintenance segment.

Profit for the Year was approximately HK\$3.9 million, representing an increase of approximately HK\$5.2 million or 400% when compared to the same period as loss for the last year of approximately HK\$1.3 million. It was mainly due to the increase in revenue for the Year.

### **Building maintenance services**

As at 30 June 2024, the Group had 4 building maintenance contracts on hand with a notional or estimated contract value of approximately HK\$1,610 million. As at 30 June 2023, the Group had 4 building maintenance contracts on hand with a notional or estimated contract value of HK\$1,587 million. The Group has completed 1 building maintenance contract during the Year.

### **Renovation services**

As at 30 June 2024, the Group had 15 renovation contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contract value of approximately HK\$152.7 million. As at 30 June 2023, the Group had 13 renovation contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contact value of approximately HK\$146.5 million. The Group have completed 8 renovation contracts during the Year.

## **RECENT DEVELOPMENT**

### **Building maintenance services**

During the Year, the Group had been successfully awarded a contract with a notional or estimate contract value of approximately HK\$374.1 million, which was commenced in July 2024.

### **Renovation services**

During the Year, the Group had been successfully awarded 10 contracts with a notional or estimate contract value of approximately HK\$34.13 million. 4 out of the 10 renovation contracts have been commenced during the Year.

## **FUTURE DEVELOPMENT**

During the year, there was a decrease in renovation services in Hong Kong due to the project for Vocational Training Council, which was almost completed during the year and most of the revenue has already been recognised in prior years and decrease in the number of new contracts in renovation services. We will 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\$105.7 million or 28% from approximately HK\$377.2 million for the year ended 30 June 2023 to approximately HK\$482.9 million during the Year. The increase in revenue was caused by more work orders have been completed over the year.

Revenue derived from renovation services decreased by approximately HK\$63.2 million or 58% from approximately HK\$109.2 million for the year ended 30 June 2023 to approximately HK\$46.0 million during the Year. The significant decrease in revenue was mainly contributed by the project for Vocational Training Council, which was almost completed during the year and most of the revenue has already been recognised in prior years.

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

During the Year, the Group's gross profit amounted to approximately HK\$33.5 million (2023: HK\$26.7 million) representing an increase of approximately HK\$6.8 million, which is mainly due to the increase of gross profit margin. Gross profit margin for the Year was approximately 6.4% (2023: 5.5%). 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 Year amounted to approximately HK\$30.8 million (2023: HK\$22.1 million). The Group's gross profit margin for building maintenance services for the Year was approximately 6.4% (2023: 5.9%). The increase in gross profit margin during the Year was attributable to the tight cost control implemented (e.g. other subcontracting fee) over the year. It resulted the increase in gross profit for all the district term contract after such expenses.

Gross profit attributable to renovation services for the Year amounted to approximately HK\$2.8 million (2023: HK\$5.3 million), representing a decrease of approximately HK\$2.5 million or 47.2%. The decrease in gross profit was caused by the decrease in contribution from the project for the Vocational Training Council, which has lower gross profit than other renovation projects. The Group's gross profit margin for renovation services for the Year was approximately 6.1% (2023: 4.9%).

## **Other income and gains**

During the Year, other income increased by approximately HK\$0.4 million or 9.8% from approximately HK\$4.1 million for the same period in 2023 to approximately HK\$4.5 million for the Year, which was mainly due to the net effect of increase in bank and loan interests income and decrease in the income from waive of directors' emoluments and government subsidy during the Year.

## **Administrative expenses**

Administrative expenses decreased by approximately HK\$1.6 million or 4.5% from approximately HK\$35.7 million for the same period in 2023 to approximately HK\$34.1 million for the Year. The decrease was caused by the decrease in the operating costs of the Company, including but not limited to, the decrease in the professional and other related fees.

## **Finance costs**

Finance costs for the Year amounted to approximately HK\$0.1 million (2023: HK\$0.3 million). The decrease was mainly due to the decrease in the Group's obligations under finance leases.

### **Income tax credit/(expense)**

The effective tax rates were approximately 0.31% and -5.6% for the Year and the same period in 2023, respectively. The income tax credit for the Year was mainly due to the deferred income tax movement.

### **Profit for the Year**

The Group's profit for the Year was approximately HK\$3.9 million (2023: loss HK\$1.3 million), which was mainly due to the increase in revenue in building maintenance and increase in gross profit margin for both segments.

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

The Group generally finances its operation through cash from operations, bank borrowings and finance leases. As at 30 June 2024, the Group had total cash and bank balances of approximately HK\$46.7 million (2023: HK\$83.6 million). There were no bank borrowings in the Group as at 30 June 2024 and 30 June 2023. The Group had finance lease of approximately HK\$0.55 million and HK\$0.02 million as at 30 June 2024 and 30 June 2023, respectively. All the cash and bank balances was denominated in Hong Kong dollar and Renminbi as at 30 June 2024. As at 30 June 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$11.2 million and HK\$133.8 million respectively (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 major 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 Year.

### **Gearing ratio**

Gearing ratio is calculated based on the total debts divided by the total equity. Total debts represented lease liabilities. The gearing ratio was approximately 3.3% and 1.3% as at 30 June 2024 and 30 June 2023, respectively. The increase in gearing ratio is due to the significant increase of lease liabilities during the Year.

### **Charge over assets of the Group**

As at 30 June 2024, the Group had pledged bank deposits of approximately HK\$1.4 million (2023: HK\$2.5 million) to a bank to secure bank facilities and performance guarantee in respect of a renovation project issued by the Group and is expected to be recovered in its normal operating cycle. As at 30 June 2024, the Group had motor vehicle under finance lease of a HK\$0.55 million (2023: HK\$0.02 million).



## Contingent liabilities

### *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 legal advice, historical records and an outflow of economic benefits is not probable.

### Guarantee issued

At the end of the reporting year, the Group had obtained guarantees from a bank in respect of the following:

	<b>30 June 2024 HK\$'000</b>	30 June 2023 HK\$'000
Performance bonds in favor of its clients	<u><b>1,250</b></u>	<u>2,449</u>

As at 30 June 2024, HK1,250,000 (2023: HK2,449,000) 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 30 June 2024 (2023: nil).

### Employees and remuneration policies

As at 30 June 2024, the Group had approximately 148 employees (2023: 120). The staff related costs included salaries, wages and other staff benefits, contributions and retirement schemes, provisions for long services 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.

## **DIVIDENDS**

The Board does not recommend the payment of final dividend for the Year (2023: nil).

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

During the Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

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 Year, the Company has complied with all the Code Provisions of the CG Code, except as follows:

### **Code provision C.5.8**

It is required that an agenda and accompanying board papers should be sent, in full, to all Directors for regular board meetings and as far as practicable in all other cases. These papers should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period). Due to the practical reasons, agenda and related board papers have not been sent, in full, in 3 days in advance to certain meetings of the Board or Board Committee. Save for the disclosure of certain inside information which required timely publication of announcements, the Company Secretary used the best endeavours to fulfil the above practice of three days advance notice.

Save for the deviation as mentioned above, in the opinion of the Directors, the Company was in compliance with all the relevant code provisions under the CG Code throughout the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

### **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 Year.

## **Securities Transactions by Senior Management and Staff**

The senior management and staff have been individually notified and advised about the Model Code by the Company.

## **AUDIT COMMITTEE**

The Audit Committee was established on 17 December 2014 in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. As at the date of this announcement, our Audit Committee consists of Mr. Wang Xiaojia (chairman), Mr. Zheng Haipeng and Ms. Sun Qunying.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the Year.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Linksfeld CPA Limited ("**Linksfeld**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Linksfeld in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Linksfeld on preliminary announcements.

## **PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE**

This announcement will be published on the respective websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://chsc.com.hk>). The annual report for the Year containing all the information required by the Listing Rules will be published on the respective websites of the Company and the Stock Exchange and despatched to the Shareholders in due course.

By order of the Board  
**China Supply Chain Holdings Limited**  
**Ma Huijun**  
*Chairman*

Hong Kong, 26 September 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Ma Huijun (Chairman), Mr. Lai Aizhong and Mr. Wong Ka Shing (Chief Executive Officer); and three independent non-executive Directors, namely Mr. Zheng Haipeng, Mr. Wang Xiaojia and Ms. Sun Qunying.*