

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

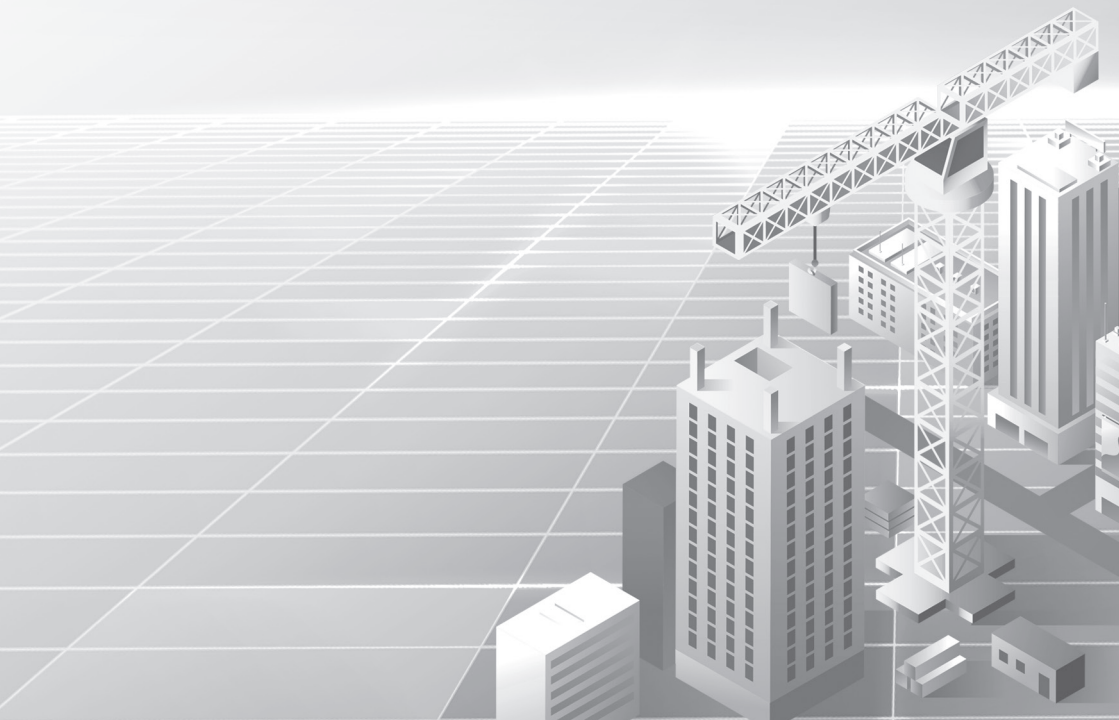
2024-2025

INTERIM REPORT



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CORPORATE INFORMATION

(As at the date of this report)

EXECUTIVE DIRECTORS

Mr. LAI Aizhong
Mr. WONG Ka Shing
Mr. YANG Hongwei

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. HUNG Kai Ming

AUTHORIZED REPRESENTATIVES

Mr. WONG Ka Shing
Mr. HUNG Kai Ming

INDEPENDENT AUDITOR

Linksfield 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
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KY1-1108, Cayman Islands

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COMPANY WEBSITE

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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 2024 (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\$314.6 million, representing an increase of approximately HK\$45.1 million or 16.7% when compared to the corresponding period in 2023 of approximately HK\$269.5 million. It was mainly due to the increase in revenue from building maintenance segment.

Building maintenance services

As at 31 December 2024, the Group had 3 building maintenance contracts on hand with a notional or estimated contract value of approximately HK\$1,345.7 million. As at 30 June 2024, the Group had 4 building maintenance contracts on hand with a notional or estimated contract value of approximately HK\$1,610.4 million. During the Period, the Group had completed 1 building maintenance contract.

Renovation services

As at 31 December 2024, the Group had 22 renovation contracts on hand with a notional or estimated contract value of approximately HK\$240.3 million. 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. During the Period, the Group had completed 6 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 13 contracts with notional or estimated contract value of approximately HK\$120.0 million during the Period. 2 out of the 13 renovation contracts have been 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\$40.9 million or 16.9% from approximately HK\$241.7 million for the corresponding period in 2023 to approximately HK\$282.6 million during the Period. The increase in revenue was mainly contributed by increase in contract sum and as so respective revenue recognised over the Period.

Revenue derived from renovation services increased by approximately HK\$4.0 million or 14.3% from approximately HK\$27.9 million in the corresponding period in 2023 to approximately HK\$31.9 million during the Period. The increase in revenue was mainly caused by the increase in contract sum for several contracts during the Period.

Gross profit and gross profit margin

During the Period, the Group's gross profit amounted to approximately HK\$17.5 million (2023: HK\$17.0 million) representing a slightly increase of approximately HK\$0.5 million. Gross profit margin for the Period was approximately 5.6% (2023: 6.3%). The decrease in gross profit margin was caused by the decrease in the gross profit margin for building maintenance.

Gross profit attributable to building maintenance services for the Period amounted to approximately HK\$15.7 million (2023: HK\$15.3 million). The Group's gross profit margin for building maintenance services for the Period was approximately 5.5% (2023: 6.3%). The decline in gross profit margin during the Period was attributable to the stiff competition among contractors for district term contract projects and resulted in lower contract price and so as gross profit margin.

Gross profit attributable to renovation services for the Period amounted to approximately HK\$1.8 million which was remained in the similar level as compared to the corresponding period in 2023 of approximately HK\$1.6 million. Gross profit margin from renovation services during the Period was approximately 5.8%, which was remained in the similar level as compared to the corresponding period in 2023 of approximately 5.8%.



MANAGEMENT DISCUSSION AND ANALYSIS

Other income

During the Period, other income decreased by approximately HK\$0.1 million or 5% from approximately HK\$2.0 million for the corresponding period in 2023 to approximately HK\$1.9 million for the Period.

Administrative expenses

Administrative expenses decreased by approximately HK\$4.1 million or 19.2% from approximately HK\$21.3 million for the corresponding period in 2023 to approximately HK\$17.2 million for the Period. The decrease was caused by the decrease in the operating costs of the Company.

Finance costs

Finance costs of the Group was still maintained at a low level of approximately HK\$131,000 (2023: HK\$64,000). The increase was mainly due to the increase of lease liabilities during the Period.

Profit/(Loss) for the Period

The Group recorded profit for the Period of approximately HK\$2.0 million (2023: loss HK\$2.4 million). The change was mainly attributable to the decrease in the administrative expenses 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 2024, the Group had total cash and bank balances of approximately HK\$40.0 million (30 June 2024: HK\$46.7 million). As at 31 December 2024, the Group had finance lease of approximately HK\$1.84 million (30 June 2024: HK\$0.55 million). All the cash and bank balances were denominated in Hong Kong dollar. As at 31 December 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$11.2 million and HK\$135.8 million respectively (30 June 2024: HK\$11.2 million and HK\$133.8 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 3.5% and 3.3% as at 31 December 2024 and 30 June 2024, respectively. The increase in gearing ratio is due to increase in lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Charge over assets of the Group

As at 31 December 2024, the Group had pledged bank deposits of approximately HK\$0.8 million (30 June 2024: HK\$1.4 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\$1.84 million (30 June 2024: HK\$0.55 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:

	31 December 2024 HK\$'000 (Unaudited)	30 June 2024 HK\$'000 (Audited)
Performance bonds in favor of its clients	758	1,250

As at 31 December 2024, HK\$758,000 (30 June 2024: HK\$1,250,000) 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 2024 (30 June 2024: nil).



MANAGEMENT DISCUSSION AND ANALYSIS

Employees and remuneration policies

As at 31 December 2024, the Group had approximately 150 employees (30 June 2024: 148). 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

On 27 January 2025, a total of 1,118,800,000 Subscription Shares with the Revised Subscription Price of HK\$0.0121 per Subscription Share were issued under general mandate pursuant to the Subscription Agreements and the Supplemental Subscription Agreements dated 6 January 2025. The net proceeds from the Subscription was approximately HK\$13.5 million. The Group intends to apply HK\$9.5 million for general working capital of the Group and HK\$4.0 million for investments in potential new projects/business opportunities to be identified by the Group in the future. Please refer to the Company's announcements dated 6 January 2025 and 27 January 2025 for details.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2024 (2023: 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 2024, 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
—	—	—	—	—

Save as disclosed above and so far as known to the Directors, as at 31 December 2024, 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 (i) 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 (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) to be notified to the Company and the Stock Exchange under the Model Code.

OTHER INFORMATION

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

As at 31 December 2024, 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)
Smart Paradise International Limited	Beneficial owner	3,268,750,000	58.43%
Wen Ting	Beneficial owner	507,450,000	9.07%

Note: The approximate percentages were calculated based on 5,594,000,000 shares in issue as at 31 December 2024.

Save as disclosed above and so far as is known to the Directors, as at 31 December 2024, the Directors were not aware of any other entity which or person other than a Director and the chief executive of the Company who had, or was deemed to have an interest or a short position in the shares or the underlying shares or debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the 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 adopted by the Company on 18 December 2014 has expired on the tenth anniversary of its adoption (i.e. 18 December 2024). 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:

(a) 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.

(b) Code provision C.2

According to Code Provision C.2 of the Part 2 of Corporate Governance Code, there are two key aspects of the management of a listed company – the management of the board and the day-to-day management of business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual. The roles of chairman and chief executive should be separate and should not be performed by the same individual.

Before 30 December 2024, the Company has separated the above two roles and the Chairman and CEO are Ms. Ma Huijun ("Ms. Ma") and Mr. Wong Ka Shing respectively. However, Ms. Ma ceased to be the executive Director of the Company, the chairman of the Board of the Company and the chairman of the nomination committee of the Company with effect from 30 December 2024. After the step down of Ms. Ma, the responsibilities of the chairman of the Board of the Company have been taken up by the other members of the Board and senior management of the Company.

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 December 2024 and 6 January 2025, 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
Lai Aizhong
Executive Director

Hong Kong, 26 February 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Notes	Six months ended 31 December	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	314,567	269,527
Cost of sales		(297,039)	(252,572)
Gross profit		17,528	16,955
Other income		1,909	1,957
Administrative expenses		(17,178)	(21,275)
Finance costs	4	(131)	(64)
Profit/(Loss) before taxation		2,128	(2,427)
Income tax expenses	5	(163)	(8)
Profit/(Loss) for the period	6	1,965	(2,435)
Other comprehensive income for the period		–	–
Total comprehensive income/(loss) for the period		1,965	(2,435)
Profit/(Loss) for the period attributable to:			
– Owners of the Company		1,952	(2,436)
– Non-controlling interests		13	1
		1,965	(2,435)
Total comprehensive income/(loss) for the period			
– Owners of the Company		1,952	(2,436)
– Non-controlling interests		13	1
		1,965	(2,435)
Profit/(Loss) per share attributable to the owners of the Company (in HK cents)			
Basic and diluted	8	0.03	(0.04)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 HK\$'000 (Unaudited)	30 June 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	1,993	2,286
Right-of-use assets		5,672	10,000
Financial assets at fair value through other comprehensive income ("FVOCI")		10,000	4,650
Rental deposits		457	457
		18,122	17,393
Current assets			
Trade and other receivables	10	71,564	66,359
Loan and interest receivables		32,187	32,561
Contract assets		74,890	69,861
Pledged bank deposits	15	780	1,350
Cash and cash equivalents		40,031	46,677
		219,452	216,808
Current liabilities			
Trade and other payables	11	95,350	94,282
Lease liabilities		3,597	2,597
		98,947	96,879
Net current assets		120,505	119,929
Total assets less current liabilities		138,627	137,322

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Notes	31 December 2024 HK\$'000 (Unaudited)	30 June 2024 HK\$'000 (Audited)
Non-current liabilities			
Long service payment obligations		636	636
Lease liabilities		1,131	1,871
Deferred income tax liabilities		483	403
		2,250	2,910
Net assets		136,377	134,412
EQUITY			
Share capital	12	11,189	11,189
Reserves		124,590	122,638
Equity attributable to:			
Owners of the Company		135,779	133,827
Non-controlling interests		598	585
Total equity		136,377	134,412

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share Premium	Other reserve (Note)	Translation reserve	Retained profits	Sub Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2023 (audited)	11,189	77,790	(480)	-	42,859	131,358	633	131,991
(Loss)/profit for the period	-	-	-	-	(2,436)	(2,436)	1	(2,435)
Dividend paid	-	-	-	-	-	-	(78)	(78)
Total comprehensive loss for the period	-	-	-	-	(2,436)	(2,436)	(77)	(2,513)
At 31 December 2023 (unaudited)	11,189	77,790	(480)	-	40,423	128,922	556	129,478
At 1 July 2024 (audited)	11,189	77,790	(480)	(1,388)	46,716	133,827	585	134,412
Profit for the period	-	-	-	-	1,952	1,952	13	1,965
Total comprehensive income for the period	-	-	-	-	1,952	1,952	13	1,965
At 31 December 2024 (unaudited)	11,189	77,790	(480)	(1,388)	48,668	135,779	598	136,377

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 2024*

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net cash used in operating activities	(5,569)	(25,973)
Net cash generated from investing activities	755	1,922
Net cash used in financing activities	(1,832)	(1,191)
Net decrease in cash and cash equivalents	(6,646)	(25,242)
Cash and cash equivalents at the beginning of the period	46,677	83,604
Cash and cash equivalents at the end of the period	40,031	58,362



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

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 2024 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 2024.

All HKFRSs effective for the accounting periods commencing from 1 July 2024 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 (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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

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 2024

	Building maintenance HK\$'000 (Unaudited)	Renovation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	282,620	31,947	314,567
Segment profit	15,682	1,846	17,528
Unallocated corporate income			1,909
Central administration costs			(17,178)
Finance costs			(131)
Profit before taxation			2,128

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)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

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 2024 and 2023.

(b) Segment assets and liabilities

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

	31 December 2024 HK\$'000 (unaudited)	30 June 2024 HK\$'000 (Audited)
Segment assets		
Building maintenance	146,268	129,517
Renovation	2,659	7,656
Total segment assets	148,927	137,173
Unallocated corporate assets	88,647	97,028
Total assets	237,574	234,201
Segment liabilities		
Building maintenance	83,585	77,821
Renovation	3,389	8,137
Total segment liabilities	86,974	85,958
Unallocated corporate liabilities	14,223	13,831
Total liabilities	101,197	99,789

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

4. FINANCE COSTS

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on:		
– Lease liabilities	131	64

5. INCOME TAX EXPENSES

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	–	–
Deferred tax	(163)	(8)
	(163)	(8)

6. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Bank interest income	(485)	(325)
Loan interest income	(1,004)	(1,364)
Other income	(420)	(268)
Loss on disposal of property, plant and equipment	18	94
Depreciation of property, plant and equipment	195	396
Depreciation of right-of-use assets	1,351	1,067

7. DIVIDENDS

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 31 December 2024 (2023: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

8. PROFIT/(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	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Profit/(Loss)		
Profit/(Loss) for the purpose of basic loss per share	1,952	(2,436)

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	5,594,000	5,594,000
Basic profit/(loss) per share (in HK cents)	0.03	(0.04)

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 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2024, the Group disposed of property, plant and equipment with a net carrying value of approximately HK\$98,395 for cash proceeds of HK\$80,000.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

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:

	31 December 2024 HK\$'000 (unaudited)	30 June 2024 HK\$'000 (Audited)
Within 90 days	63,138	60,647
91 to 180 days	3,474	2,443
181 to 365 days	2,341	994
1 to 2 years	532	87
Over 2 years	344	303
	69,829	64,474

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:

	31 December 2024 HK\$'000 (unaudited)	30 June 2024 HK\$'000 (Audited)
Within 90 days	66,178	69,445
91 to 180 days	7,872	6,544
181 to 365 days	684	2,314
1 to 2 years	1,840	926
Over 2 years	2,358	1,032
	78,932	80,261

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2024

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 2024 (audited) and 31 December 2024 (unaudited)	10,000,000,000	20,000
Issued and fully paid:		
Ordinary share of HK\$0.002 each at 30 June 2024 (audited) and 31 December 2024 (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.

The Scheme adopted by the Company on 18 December 2014 has expired on the tenth anniversary of its adoption (i.e. 18 December 2024). No share options are granted since the adoption of the share option scheme and there are no outstanding share options as at 31 December 2024 and 30 June 2024.

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 (CONTINUED)

For the six months ended 31 December 2024

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:

	31 December 2024 HK\$'000 (unaudited)	30 June 2024 HK\$'000 (Audited)
Performance bonds in favor of its clients	758	1,250

As at 31 December 2024, HK\$758,000 (30 June 2024: HK\$1,250,000) 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 2024, the Group had pledged bank deposits of approximately HK\$0.8 million (30 June 2024: HK\$1.4 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\$1.84 million (30 June 2024: HK\$0.55 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:

	Six months ended 31 December	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term benefits	8,312	5,716