ISP HOLDINGS LIMITED

昇柏控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 02340)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "Board") of directors (the "Directors") of ISP Holdings Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2024 (the "Reporting Period").

FINANCIAL OVERVIEW

	Six months ended 30 June		Change	
HK$' million	2024	2023	Amount	%
Revenue	**47.5**	79.2	**(31.7)**	↓ **40.0%**
Gross profit	**7.9**	4.9	**3.0**	↑ **61.2%**
Gross profit margin	**16.6%**	6.2%	**-**	↑ **10.4%**
Operating expenses	**(19.8)**	(14.7)	**(5.1)**	↑ **34.7%**
Operating loss	**(11.9)**	(9.8)	**(2.1)**	↑ **21.4%**
Other income and gain or loss	**1.4**	1.9	**(0.5)**	↓ **26.3%**
Loss for the period	**(10.5)**	(7.9)	**(2.6)**	↑ **32.9%**
LBITDA	**(9.4)**	(6.5)	**(2.9)**	↑ **44.6%**
Basic loss per share (HK cents)	**(2.5)**	(1.9)	**(0.6)**	↑ **31.6%**

The Group reported consolidated revenue of approximately HK$47.5 million for the Reporting Period, representing a decrease of 40.0% over the same period of last year (the "Corresponding Period") (2023: HK$79.2 million). Benefiting from cost saving of several completed projects with some subcontractors' final acceptance of more realistic final payment for their work performed, the gross profit still increased from approximately HK$4.9 million of the Corresponding Period to approximately HK$7.9 million, which in turn increased the gross profit margin by 10.4% as compared with that of the Corresponding Period. On the other hand, although there was no further provision for the cost order nisi for the Group to pay for the plaintiff's costs on an indemnity basis which had to be made in the Reporting Period, there was substantial legal costs incurred for completed projects of interiors and special projects business ("ISP Business") during the Reporting Period, which increased the operating expenses of the Group by 34.7% over the Corresponding Period (2023: HK$14.7 million) to approximately HK$19.8 million.

Taking into the consideration of the various factors above, the Group recorded a loss attributable to equity holders of the Company of approximately HK$10.5 million for the Reporting Period as compared to that of approximately HK$7.9 million for the Corresponding Period. Basic loss per share of the Group was 2.5 HK cents for the Reporting Period (2023: 1.9 HK cents)

BUSINESS REVIEW AND PROSPECTS

Business Overview

During the Reporting Period, ISP Business and property and facility management in China ("PFM China Business") were the two main business segments of the Group.

Business Results

	ISP Business Six months ended 30 June				PFM China Business Six months ended 30 June			
			Change				Change	
HK$' million	2024	2023	Amount	%	2024	2023	Amount	%
Revenue	**43.9**	**77.0**	**(33.1)**	↓ **42.9%**	**3.7**	**2.2**	**1.5**	↑ **68.2%**
Gross profit	**5.4**	**2.9**	**2.5**	↑ **86.2%**	**2.5**	**2.0**	**0.5**	↑ **25.0%**
Operating expenses	**(14.7)**	**(7.6)**	**(7.1)**	↑ **93.4%**	**(2.3)**	**(2.1)**	**(0.2)**	↑ **9.5%**
Operating (loss)/ profit	**(9.3)**	**(4.7)**	**(4.6)**	↑ **97.9%**	**0.2**	**(0.1)**	**0.3**	↑ **300.0%**
Others	**0.3**	**0.4**	**(0.1)**	↓ **25.0%**	**0.1**	**0.3**	**(0.2)**	↓ **66.7%**
(Loss)/profit for the period	**(9.0)**	**(4.3)**	**(4.7)**	↓ **109.3%**	**0.3**	**0.2**	**0.1**	↑ **50.0%**

ISP Business

ISP Business was the major business arm of the Group, which contributed over 90% revenue of the Group during past few years. The ISP Business, which has been in operation since 2006 before being acquired by the Group in 2012, has around 18 years of track record. Since the acquisition by the Group in late 2012, ISP Business had completed over 257 projects with a total contract sum of over HK$9.2 billion up to 30 June 2024 covering a large variety of services, including interior design, fitting-out, renovation and conservation, addition and alteration works ("A&A works"), construction, maintenance, and buildability and feasibility studies for building related projects, to its local customers.

Since the novel coronavirus subsided, the global economic environment remained uncertain and the challenging time of ISP Business has lasted for the past three years. Not only the influence of geopolitical tensions and sustained high interest rates, but also weakening economic growth momentum had poured cold water on investment appetites and investors' confidence, leading to our potential business operators' and property owners' adoption of a more prudent business approach and deferment or even abandonment of their original fitting-out, A&A works or new construction projects plans. There were fewer invitations to tenders in the market and the competition in the industry was fierce. In view of the atmosphere of these economic downturns, ISP Business was inevitably affected. Meanwhile, ISP Business has been cautious during the Reporting Period in tendering projects and more selective in tender opportunities due to the depressive environment. These resulted in only three small-scale new contracts being awarded last year, which was insufficient to replenish the workload for the Reporting Period. On the other hand, there was disruption of the work progress. Although notice of claims and extension of time were submitted for the delay to avoid any disputes in the future, our revenue recognition was still deferred. Another underlying reason for the decrease in revenue was the disruption of the work progress resulting from design and/or construction plan change and completion of certain substantial projects including residential development project on Peak Road and interior fitting-out subcontract on Wong Chuk Hang Road in the first quarter of 2024. All these factors caused the revenue to decrease by approximately 42.9% from HK$77.0 million for the Corresponding Period to approximately HK$43.9 million for the Reporting Period. Leverage of our experience and good tracking record in the industry, our existing employer and ex-employer awarded to us new contracts of extension works of our existing projects and new A&A works respectively in the second quarter of 2024, However, most of the new contracts would only be commenced in the second half of 2024 and no revenue could be recognized for them during the Reporting Period.

On the other hand, benefiting from savings from certain completed projects with some subcontractors' final acceptance of more realistic final payments for their performed works, the gross profit increased from approximately HK$2.9 million over the Corresponding Period to approximately HK$5.4 million for the Reporting Period despite lower revenue during the Reporting Period. As more legal costs incurred from the legal cases related to ISP Business, the operating expenses increased 93.4% to approximately HK$14.7 million for the Reporting Period. All these factors had led to an operating loss of approximately HK$9.3 million for the Reporting Period as compared to approximately HK$4.7 million for the Corresponding Period. Together with the interest income and other income, ISP Business recorded a loss for the Reporting Period of approximately HK$9.0 million.

Leaning on the good relationships with our existing employer and ex-employer and tracking record of our works, ISP Business was awarded three contracts in the first half of 2024 which include A&A work at a school in Ho Man Tin, landscaping and extension work at Peak Road and A&A work and extension work on Middle Gap Road. Besides new jobs awarded from our existing employer and ex-employer, ISP Business was also awarded two new contracts which include interiors and finishing connection of modular integrated construction and excavation and lateral support works at Middle Gap Road. Together with several small-scale renovation contracts of office in Kowloon Bay and residence at Happy Valley, ISP Business secured new contracts for a total amounting to over HK$85.0 million during the Reporting Period, marking great improvement as compared with the Corresponding Period during which only two small scale contracts were secured. With a good start of the first half of 2024, ISP Business would be more proactive but take a cautious and prudent approach in tendering in the second half year. As of the announcement date, ISP Business has tendered for projects pending for the results, including new build, fitting-out, and A&A works with the total contract sum of approximately HK$721.2 million. These new projects would bring substantial income to the Group in the next few years if awarded. Meanwhile, the total outstanding workload for contracts on hand as of 30 June 2024 was approximately HK$148.0 million, most of which is expected to be recognized in coming two years.

For the second half of 2024, the construction industry and global economic environment are still expected to be unstable and challenging. In light of the uncertain business environment, our potential business operators and property owners have not regained the confidence and still temporize, which has a collateral impact on the number of invitations to tenders for construction or fitting-out project available in the market. Furthermore, global inflation, the continuance of international geopolitical tension and elevated interest rates are the adverse factors that aggravate the difficulties of the business environment of the construction industry. Although challenge remains, our ISP Business will continue to adopt an active approach to completing the existing projects as originally scheduled while simultaneously tendering for new projects to replenish our workload during the tough time. We would continue to focus our market strategy on the luxury residential sector and fitting-out projects, which are relatively less susceptible to this economic downturn.

Furthermore, by virtue of our enhanced financial resources, long standing reputation, experience and good tracking records in the industry and taking into account our satisfactory number of contracts on hand and the tenders that the team submitted recently as well as more sizable tenders which we plan to submit in the second half of this year, our Directors are confident that there will be considerable business opportunities and growth impetus in the market for ISP Business to achieve steady growth. At the same time, ISP Business is well positioned to capture new business opportunities and market growth in the near future.

PFM China Business

Driven by the implementation of equipment renewal policies and the recovery of external demand, the China's economy has seen strengthened recovery momentum in the first half of 2024. PFM China Business benefited from the China's economy recovery and was awarded a one-year property management contract in Qingdao and a consultancy contract in Shanghai. Together with recognition of revenue of a leasing service contract in Beijing, which was awarded last year, PFM China recorded an increase of revenue by 68.2% to approximately HK$3.7 million (2023: HK$2.2 million) and gross profit by 25.0% to approximately HK$2.5 million (2023: HK$2.0 million) as compared with the Corresponding Period respectively. After considering all operating expenses, PFM China Business recorded an increase in profit of 50.0% from approximately HK$0.2 million for the Corresponding Period to approximately HK$0.3 million for the Reporting Period.

Looking ahead, although all the key indicators showed a recovery in business prospects in China, the external environment is still complicated and unstable and challenges still persist in the property and management sector. The high youth unemployment rate in China, China property developers' woes and the impact of the US presidential election on US-China relations cast an uncertain shadow on China's economy. Against this backdrop and keen competition faced by PFM China Business, the Group will adopt a conservative approach to maintain the existing structure while simultaneously explore new or alternative business development opportunities to increase revenue streams of PFM China Business.

Outlook of the Group

Looking forward, owing to the lack of confidence of our potential business operators and property owners, elevated global inflation and the local economic downturn, we expect the local economy will remain challenging. Under this hostile environment, our ISP Business will inevitably suffer from these negative impacts. In the midst of economic uncertainty, we are well-equipped to target the opportunity on the relatively steady development and rehabilitation of luxury residential sector as well as commercial and local residential property. Leveraging on our good historical track records and experience in the industry, diversified professional team and our strengthened liquidity and financial position, we are capable of undertaking more sizable projects in the coming year and striving to maintain a continuous business growth in the future.

To provide an overview of the Group, we take a positive attitude that the overall financial performance of the Group will remain stable with steady growth and the ability to create a long-term value to shareholders in the years to come. Same as the past, alongside improving financial performance, we must continue to adopt a transparent, responsible and embracing approach to business so that we can continue our journey to sustainable development. Aligning our values with customer focus, integrity, teamwork, innovation and pursuit of excellence, sustainability is our core business strategy. We are committed to enhancing customer satisfaction through better communication with clients and continual improvement of our services. Besides, with the rapid change of business environment, we will take appropriate measures to mitigate various operational and financial risks. Leveraging its solid foundation and committed management team, the Group has full confidence in overcoming all the difficulties ahead of us.

Financial Position and Financial Risk Management

As at 30 June 2024, there was no outstanding bank loan for the Group. During the Reporting Period, the Group's sources of fund were supported by retained earnings from its business operation.

With regard to the current portfolio of businesses, management expects that financial requirements in the foreseeable future will be met from a combination of shareholders' equity and banking facilities. The existing cash and cash equivalents balance are proposed to be deployed towards further strengthening the competitive advantage of the Group with extra cash for the purchase of surety bonds and payment of upfront costs, which will enable the Group to tender for larger and/or more projects. They in turn can contribute to increase in tender success rate and facilitate the expansion of ISP Business. The management of the Group would continue to proactively monitor the financial position and capital structure on a regular basis in order to maintain sufficient working capital and liquidity in the way that can enable us to capture more business opportunities in the market when they arise, thus improving our profitability.

Financial position (HK$'000)	30 June 2024	31 December 2023
Total assets	**313,416**	**348,600**
Account and other receivables, retention receivables and other assets	187,012	199,273
Restricted cash deposits, pledged bank deposits/ deposits with original maturities over three months and cash and cash equivalents	123,657	147,255
Current assets	**310,669**	**346,528**
Current liabilities	**139,124**	**163,493**
Non-current liabilities	**555**	**679**
Net assets	**173,737**	**184,428**
Net assets per share (HK cents)	**34.4**	**36.5**
Current ratio	**2.2**	**2.1**

The Group adopts a conservative approach in the management of its financial risks and resources, under the supervision of the Directors.

The Group's business is conducted primarily in Hong Kong and its majority assets and liabilities are denominated in Hong Kong Dollars. Therefore, the Group has minimal foreign currency exposure. The growth of the Group's business in China has been funded by permanent capital injection for the long-term and as such, foreign currency hedging is considered unnecessary.

There were no material investments, capital commitments or contingent liabilities as at 30 June 2024 and up to the date of this announcement, other than a writ of summons received by ISP Construction (Engineering) Limited, an indirect wholly-owned subsidiary of the Company, from the employer of the factory development at Yuen Long, details of which were set out in the announcement of the Company dated 18 January 2021.

Cash Management

The Group operates a centralised cash management system. Surplus cash balances to meet immediate business requirements are mainly placed as short-term bank deposits with licensed banks in Hong Kong.

Human Resources

As at 30 June 2024, the Group employed a total of 311 staff (including Directors of the Company) in Hong Kong and China (31 December 2023: 312 staff).

The economy, business and the job market in Hong Kong saw a slight recovery after the end of the pandemic. Human resources are continuously playing a major role in supporting the Group. To promote workplace wellness programs to achieve employees' well-being and work-life balance, we have been instrumental in maintaining business continuity and preparing the Group for sustainable growth. Being more flexible, remote-friendly and following digital working norms, improvements in processes, workspaces, collaboration systems, and employee wellness are indispensable. In order to sustain our quality services, it is always our long-term goal to retain top talent for the Group. We put a lot of efforts in ensuring our staff members are enjoying competitive remuneration and benefits through market research for regular benchmarking review. Our Human Resources team always strives their best to keep track of changes in the latest market conditions for attracting more high caliber candidates to join our winning team. In addition, aiming for the mutual growth of the staff and the Group, we do our utmost to invest and share resources with our staff. We do believe our staff will reward the Company and customers through providing quality services, thus gaining more appreciation and recognition from the customers.

INTERIM DIVIDEND

The Board resolved not to declare interim dividend for the Reporting Period (2023: nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited	
		Six months ended 30 June	
		2024	2023
	Note	**HK$'000**	HK$'000
Revenue	3	**47,547**	79,205
Cost of sales and service		**(39,658)**	(74,300)
Gross profit		**7,889**	4,905
Other income and gain or loss	4	**1,380**	1,855
General and administrative expenses		**(20,839)**	(15,667)
Interest expenses		**(34)**	(30)
Net reversal for impairment losses on receivables and contract assets		**1,112**	1,002
Loss before taxation	5	**(10,492)**	(7,935)
Taxation	6	**3**	19
Loss for the period		**(10,489)**	(7,916)
Other comprehensive loss:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**(202)**	(899)
Total comprehensive loss for the period attributable to equity holders of the Company		**(10,691)**	(8,815)
Loss per share for loss attributable to the equity holders of the Company			
- basic (HK cents)	7	**(2.5)**	**(1.9)**
- diluted (HK cents)	7	**(2.1)**	**(1.6)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	**Unaudited 30 June 2024 HK$'000**	Audited 31 December 2023 HK$'000
Non-current assets			
Property, plant and equipment		**2,524**	1,844
Deferred tax assets		**223**	228
Total non-current assets		**2,747**	2,072
Current assets			
Contract assets		**73,208**	85,572
Account and other receivables and retention receivables	9	**87,756**	87,254
Deposits and prepayments		**1,734**	1,904
Financial assets at fair value through profit or loss ("Financial assets at FVTPL")	10	**24,268**	24,497
Tax recoverable		**46**	46
Restricted cash deposits	11	**62,620**	62,620
Pledged bank deposits / deposits with original maturities over three months		**19,549**	16,394
Cash and cash equivalents		**41,488**	68,241
Total current assets		**310,669**	346,528
Current liabilities			
Payables and accruals	12	**135,892**	160,207
Contract liabilities		**1,800**	2,200
Lease liabilities		**1,432**	1,086
Total current liabilities		**139,124**	163,493
Net current assets		**171,545**	183,035
Total assets less current liabilities		**174,292**	185,107

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	**Unaudited 30 June 2024 HK$'000**	Audited 31 December 2023 HK$'000
Non-current liabilities			
Long service payment liabilities		**256**	256
Lease liabilities		**299**	415
Deferred tax liabilities		**-**	8
Total non-current liabilities		**555**	679
Net assets		**173,737**	184,428
Equity attributable to equity holders of the Company			
Share capital	13	**50,486**	50,486
Reserves		**123,251**	133,942
Total equity		**173,737**	184,428

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Except as described below, the accounting policies used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those set out in the annual report for the year ended 31 December 2023.

The Hong Kong Institute of Certified Public Accountants has issued a number of interpretations and amendments to standards which are effective for accounting period beginning 1 January 2024:

Amendments to HKFRS16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*
Hong Kong Interpretation 5 (Revised)	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The adoption of the amendments to Hong Kong Financial Reporting Standards ("HKFRSs") has no material impact on the Group's condensed consolidated interim financial statements.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities. Cash flow forecast is performed in the operating segments of the Group and aggregated by corporate finance team taking into account the Group's history of refinancing, its available banking facilities and its assets backing. Corporate finance team monitors forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to operate and meet its liabilities as and when they fall due.

2 Critical Accounting Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

3 Segment Information

In accordance with the Group's internal financial reporting provided to the chief operating decision-makers, identified as the Executive Committee of the Company, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments and their results are as below:

- interiors and special projects business ("ISP Business"); and
- property and facility management business in China ("PFM China Business").

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in these condensed consolidated financial statements.

Segment Results (in HK$'000)

Six months ended 30 June 2024	ISP Business	PFM China Business	Subtotal	Corporate Overhead (Note)	Total
Revenue					
- Over time	43,887	3,660	47,547	-	47,547
	43,887	3,660	47,547	-	47,547
Gross profit	5,381	2,508	7,889	-	7,889
Gross profit margin	***12.3%***	***68.5%***	***16.6%***	***-***	***16.6%***
Operating expenses	(14,701)	(2,300)	(17,001)	(2,726)	(19,727)
Operating (loss)/profit	(9,320)	208	(9,112)	(2,726)	(11,838)
Operating (loss)/profit margin	***-21.2%***	***-5.7%***	***-19.2%***	***-***	***-24.9%***
Interest expenses for lease liabilities	(21)	(13)	(34)	-	(34)
Other income and gain or loss	314	93	407	973	1,380
(Loss)/profit before taxation	(9,027)	288	(8,739)	(1,753)	(10,492)
Taxation	3	-	3	-	3
(Loss)/profit for the period	(9,024)	288	(8,736)	(1,753)	(10,489)

Six months ended 30 June 2023	ISP Business	PFM China Business	Subtotal	Corporate Overhead (Note)	Total
Revenue					
- Over time	77,016	2,189	79,205	-	79,205
	77,016	2,189	79,205	-	79,205
Gross profit	2,925	1,980	4,905	-	4,905
Gross profit margin	*3.8%*	*90.5%*	*6.2%*	*-*	*6.2%*
Operating expenses	(7,573)	(2,121)	(9,694)	(4,971)	(14,665)
Operating loss	(4,648)	(141)	(4,789)	(4,971)	(9,760)
Operating loss margin	*-6.0%*	*-6.4%*	*-6.0%*	*-*	*-12.3%*
Interest expenses for lease liabilities	(17)	(13)	(30)	-	(30)
Other income and gain or loss	395	287	682	1,173	1,855
(Loss)/profit before taxation	(4,270)	133	(4,137)	(3,798)	(7,935)
Taxation	19	-	19	-	19
(Loss)/profit for the period	(4,251)	133	(4,118)	(3,798)	(7,916)

Note: Corporate overhead mainly represents corporate and administrative activities, and shared services.

4 Other Income and Gain or Loss

	Unaudited Six months ended 30 June 2024 HK$'000	2023 HK$'000
Miscellaneous income	**245**	363
Bank interest income	**952**	1,959
Dividend derived from financial assets at FVTPL	**358**	375
Fair value change on financial assets at FVTPL	**(229)**	(1,083)
Exchange gain	**54**	241
	1,380	1,855

5 Loss Before Taxation

	Unaudited Six months ended 30 June 2024 HK$'000	2023 HK$'000
Loss before taxation is arrived after charging:		
Staff costs, including directors' emoluments	**22,428**	25,188
Depreciation of property, plant and equipment	**1,095**	1,405

6 Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period after application of available tax losses brought forward for both periods. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK$'000	HK$'000
Deferred taxation	**(3)**	(19)

7 Loss Per Share

(i) Basic loss per share is calculated by dividing the Group's unaudited loss attributable to the equity holders less dividends (if any) to convertible preference shareholders by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2024	2023
Loss for the period attributable to equity holders (HK$'000)	**(10,489)**	(7,916)
Less: dividends to convertible preference shareholders (HK$'000)	**-**	-
Loss for the period attributable to ordinary shareholders (HK$'000)	**(10,489)**	(7,916)
Weighted-average number of ordinary shares issued ('000)	**424,850**	424,850
Basic loss per share (HK cents)	**(2.5)**	(1.9)

(ii) Diluted loss per share for the Period is calculated by dividing the Group's unaudited loss attributable to the equity holders by the weighted-average number of ordinary shares outstanding after adjusting for the potential ordinary shares to be issued on convertible preference shares. The calculation of the diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Unaudited Six months ended 30 June	
	2024	2023
Loss		
Loss for the purposes of basic loss per share (HK$'000)	**(10,489)**	(7,916)
Number of share		
Weighted-average number of ordinary shares issued ('000)	**424,850**	424,850
Effect of dilutive potential ordinary shares:		
- Convertible preference shares ('000)	**80,000**	80,000
Weighted-average ordinary shares for calculating diluted loss per share ('000)	**504,850**	504,850
Diluted loss per share (HK cents)	**(2.1)**	(1.6)

8 Dividend

At a Board of Directors ("Board") meeting held on 22 August 2024, the Board resolved not to declare interim dividend for the six months ended 30 June 2024 (2023: the Board resolved not to declare dividend).

9 Account and other receivables and retention receivables

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days. (31 December 2023: 30 to 60 days) and the majority of the Group's accounts receivable are denominated in Hong Kong dollars. The aging analysis of accounts receivable by invoice date is as follows:

	Unaudited 30 June 2024 HK$'000	Audited 31 December 2023 HK$'000
Accounts receivable		
0 to 30 days	**6,452**	1,026
31 to 60 days	**1,918**	1,984
61 to 90 days	**388**	2,997
Over 90 days	**28,111**	28,310
	36,869	34,317
Other receivables	**10,941**	10,703
	47,810	45,020
Impairment of account and other receivables	**(4,101)**	(4,648)
	43,709	40,372
Retention receivables	**44,316**	47,371
Impairment of retention receivable	**(269)**	(489)
	44,047	46,882

Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 30 June 2024, retention receivables from customers for contract works amounting to approximately HK$8,640,000 (31 December 2023: HK$7,988,000) are expected to be recovered or settled in more than 12 months from the end of the reporting period, all of the remaining balances are expected to be recovered or settled within one year. Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycle.

The retention receivables are contract assets under HKFRS 15 until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

The maximum exposure to credit risk at the reporting date is the carrying value of the account and other receivables and retention receivables mentioned above. The Group does not hold any collateral as security.

10 Financial assets at FVTPL

	Unaudited 30 June 2024 HK$'000	Audited 31 December 2023 HK$'000
Listed equity securities in Hong Kong	**24,268**	24,497

The listed equity securities are classified as current assets as the management expects to realise these financial assets within 12 months after the Reporting Period.

Fair value of the Group's financial assets are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance with the Group's accounting policy.

	30 June 2024			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Financial asset				
Financial assets at FVTPL				
- Listed equity investment	**24,268**	-	-	**24,268**

	31 December 2023			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial asset				
Financial assets at FVTPL				
- Listed equity investment	24,497	-	-	24,497

During the period, there was no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31 December 2023: Nil).

The valuation techniques and input used in the fair value measurement of financial instrument are as set out below:

Financial asset	**Fair value of**	**Fair value hierarchy**	**Valuation technique and key input**
Financial asset at FVTPL			
- Listed equity securities in Hong Kong	HK$24,268,000 (31 December 2023: HK$24,497,000)	Level 1	Quoted closing price in an active market

11 Restricted Cash Deposits

	Unaudited 30 June 2024 HK$'000	Audited 31 December 2023 HK$'000
Restricted cash deposits	**62,620**	62,620

During the year ended 31 December 2023, the Group's restricted cash deposits are placed in two restricted bank accounts in accordance with the court judgement made on 21 April 2023 amounting to HK$58,880,000 and the arrangement after the consent summons filed to the court on 18 July 2023 amounting to HK$3,740,000, respectively.

These cash deposits were placed in the designated interest-bearing bank accounts in Hong Kong under the custodian's arrangement. They can be only used to settle potential future claims related to the court cases against the custodian, as specified in the surety bonds entered between the Group and custodian in early years. The restricted cash deposits will be released and repaid to the Group upon the settlement of the relevant court cases or by further court order.

As at 30 June 2024, the restricted cash deposits have not been released.

12 Payables and Accruals

The credit period of the Group's accounts payable generally ranges from 30 to 60 days. (31 December 2023: 30 to 60 days). The aging analysis of accounts payable by invoice date is as follows:

	Unaudited 30 June 2024 HK$'000	Audited 31 December 2023 HK$'000
Accounts payable		
0 to 30 days	**46,297**	61,795
31 to 60 days	**3,628**	3,070
61 to 90 days	**2,573**	3,114
Over 90 days	**17,030**	18,542
	69,528	86,521
Retention payables, other payables and accruals	**66,364**	73,686
	135,892	160,207

Retention payables in respect of the contracting business are settled in accordance with the terms of the respective contracts.

13 Share Capital

	Number of shares '000	Amount HK$'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024		
Authorised:		
- Ordinary shares of HK$0.1 each	**9,000,000**	**900,000**
- Convertible preference shares (“CPS”) of HK$0.1 each	**1,000,000**	**100,000**
	10,000,000	**1,000,000**
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024		
Issued and fully paid:		
- Ordinary shares of HK$0.1 each	**424,850**	**42,486**
- CPS of HK$0.1 each	**80,000**	**8,000**
	504,850	**50,486**

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There is no event after the Reporting Period which would have a material impact on the Company's financial position.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the Reporting Period have been reviewed by the audit committee of the Company and the Company's external auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by the Directors. In response to specific enquiries by the Company, all the Directors confirmed they have complied with the required standard set out in the Model Code throughout the Reporting Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

By order of the Board
ISP Holdings Limited
Kingston Chu Chun Ho
Chairman

Hong Kong, 22 August 2024

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman) as Executive Director; Mr. Lam Chun Kit as Non-executive Director; and Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Mr. To Chun Wai as Independent Non-executive Directors.