



# HSC Resources Group Limited

## 鴻盛昌資源集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1850)**

2024  
INTERIM REPORT

**CONTENTS**

Corporate Information	2
Financial Highlights	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Unaudited Condensed Consolidated Interim Financial Information	9
Management Discussion and Analysis	15
Other Information	23

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Executive Directors**

Mr. Li Junheng (*Chairman*)  
Mr. Li Shing Kuen Alexander  
(*Chief Executive Officer*)  
Ms. Chau Ngai Mo  
(appointed on 10 April 2024)

#### **Independent non-executive Directors**

Mr. Li Ka Chun Gordon  
Mr. Fu Wing Kwok Ewing  
(appointed on 9 April 2024)  
Mr. Ghansyam Adhikari  
(appointed on 5 June 2024)

#### **AUDIT COMMITTEE**

Mr. Fu Wing Kwok Ewing (*Chairman*)  
Mr. Li Ka Chun Gordon  
Mr. Ghansyam Adhikari

#### **REMUNERATION COMMITTEE**

Mr. Li Ka Chun Gordon (*Chairman*)  
Mr. Fu Wing Kwok Ewing  
Ms. Chau Ngai Mo

#### **NOMINATION COMMITTEE**

Mr. Fu Wing Kwok Ewing (*Chairman*)  
Mr. Li Ka Chun Gordon  
Ms. Chau Ngai Mo

#### **COMPANY SECRETARY**

Mr. Yau Yan Yuen

#### **AUTHORISED REPRESENTATIVES**

Mr. Li Shing Kuen Alexander  
Mr. Yau Yan Yuen

#### **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit 1603, 16/F., Tower 1  
Enterprise Square  
9 Sheung Yuet Road  
Kowloon Bay, Kowloon  
Hong Kong

#### **PRINCIPAL BANKERS**

The Hong Kong and Shanghai Banking  
Corporation Limited  
DBS Bank (Hong Kong) Limited

#### **AUDITOR**

Global Link CPA Limited

#### **SHARE REGISTRARS**

##### ***Cayman Islands Share Registrar and Transfer Office***

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

##### ***Hong Kong Branch Share Registrar and Transfer Office***

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road, Admiralty  
Hong Kong

#### **STOCK CODE**

1850

#### **COMPANY'S WEBSITE**

[www.windmill.hk](http://www.windmill.hk)

**FINANCIAL HIGHLIGHTS**

For the six months ended 31 October 2024, operating results of HSC Resources Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) were as follows:

- Revenue for the six months ended 31 October 2024 reached approximately HK\$271.5 million (2023: HK\$226.4 million), representing an increase of 19.9% as compared with that of the corresponding period in 2023;
- Profit for the six months ended 31 October 2024 amounted to approximately HK\$2.0 million (2023: profit of approximately HK\$1.8 million), representing a decrease of 11.1% as compared with that of corresponding period in 2023;
- Basic and diluted earnings per share for the six months ended 31 October 2023 based on weighted average number of ordinary shares of 172,800,000 shares (2023: 144,000,000 shares) in issue was HK1.23 cents per share (2023: HK1.81 cents per share); and
- The Directors have resolved not to declare an interim dividend for the six months ended 31 October 2024 (2023: Nil).

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2024**

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 31 October 2024 together with the comparative unaudited figures for the corresponding period in 2023 as follows:

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

*For the six months ended 31 October 2024*

	<i>Notes</i>	<b>Six months ended 31 October</b>	
		<b>2024</b>	<b>2023</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	3	<b>271,478</b>	226,352
Cost of sales		<b>(254,554)</b>	(213,493)
Gross profit		<b>16,924</b>	12,859
Other income		<b>446</b>	524
Other gain		<b>1</b>	2,900
Administrative expenses		<b>(11,557)</b>	(11,673)
Impairment loss under expected credit loss on trade receivables and contract assets, net		<b>(995)</b>	(272)
Finance costs		<b>(2,042)</b>	(2,048)
<b>Profit before taxation</b>		<b>2,777</b>	2,290
Taxation	5	<b>(759)</b>	(504)
		<b>2,018</b>	1,786
<b>Profit and total comprehensive income for the period attributable to:</b>	6		
Owners of the Company		<b>2,130</b>	2,195
Non-controlling interests		<b>(112)</b>	(409)
		<b>2,018</b>	1,786
<b>Earnings per share</b>			
Basic and diluted ( <i>HK cent</i> )	7	<b>1.23</b>	1.81

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***At 31 October 2024*

	<i>Notes</i>	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Plant and equipment	9	765	889
Goodwill		20,441	20,441
Intangible assets		6,655	680
Right-of-use assets	10	2,847	2,019
Deposit		–	528
		<u>24,718</u>	<u>24,557</u>
<b>Current assets</b>			
Trade receivables	11	76,096	78,299
Contract assets		196,258	164,389
Deposits, prepayments and other receivables		98,429	91,948
Tax recoverable		1	1
Pledged bank deposits		21,727	21,546
Bank balances and cash		3,180	16,324
		<u>395,691</u>	<u>372,507</u>
<b>Current liabilities</b>			
Trade and retention payables	12	41,193	36,634
Contract liabilities		3,415	3,415
Accruals and other payables		28,309	26,178
Lease liabilities		2,427	1,639
Bank borrowings		49,838	54,506
Tax payable		335	335
		<u>125,517</u>	<u>122,707</u>
<b>Net current assets</b>		<u>270,174</u>	<u>249,800</u>
<b>Total assets less current liabilities</b>		<u>294,892</u>	<u>274,357</u>

		<b>31 October</b>	30 April
		<b>2024</b>	2024
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liability</b>			
Lease liabilities		<u>457</u>	<u>457</u>
		<u>457</u>	<u>457</u>
<b>Net assets</b>		<b><u>294,435</u></b>	<b><u>273,900</u></b>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>34,560</b>	28,800
Reserves		<u>261,369</u>	<u>246,482</u>
		<b>295,929</b>	275,282
<b>Non-controlling interests</b>		<u>(1,494)</u>	<u>(1,382)</u>
<b>Total equity</b>		<b><u>294,435</u></b>	<b><u>273,900</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 31 October 2024*

	Share capital	Share premium	Other reserve	Retained profits	Sub-total	Non- controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 May 2024 (audited)	28,800	187,284	10,148	49,050	275,282	(1,382)	273,900
Profit and total comprehensive income for the period	-	-	-	2,130	2,130	(112)	2,018
Issue of shares upon placing of shares	5,760	13,536	-	-	19,296	-	19,296
Share issue costs	-	(779)	-	-	(779)	-	(779)
At 31 October 2024 (unaudited)	<u>34,560</u>	<u>200,041</u>	<u>10,148</u>	<u>51,180</u>	<u>295,929</u>	<u>(1,494)</u>	<u>294,435</u>
At 1 May 2023 (audited)	9,600	78,244	10,148	46,122	144,114	(662)	143,452
Profit and total comprehensive income for the period	-	-	-	2,195	2,195	(409)	1,786
Issue of shares pursuant to the rights issue	19,200	111,360	-	-	130,560	-	130,560
Share issue costs	-	(2,320)	-	-	(2,320)	-	(2,320)
At 31 October 2023 (unaudited)	<u>28,800</u>	<u>187,284</u>	<u>10,148</u>	<u>48,317</u>	<u>274,549</u>	<u>(1,071)</u>	<u>273,478</u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 31 October 2024*

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash used in operating activities</b>	<b>(23,808)</b>	<b>(135,057)</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(78)	(219)
Proceeds from sale of financial assets at FVTPL	–	7,211
<b>Net (used in)/cash from investing activities</b>	<b>(78)</b>	<b>6,992</b>
<b>Financing activities</b>		
Proceeds from issue of shares	19,296	130,560
Transaction costs for rights issue	(779)	(2,320)
Repayment of bank borrowings	(121,654)	(112,241)
Drawdown of bank borrowings	116,800	108,488
Payment of lease liabilities	(879)	(881)
Interest element of lease rentals paid	(19)	(37)
Bank interest paid	(2,023)	(2,011)
<b>Net cash generated from financing activities</b>	<b>10,742</b>	<b>121,558</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,144)</b>	<b>(6,507)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,324</b>	<b>20,475</b>
<b>Cash and cash equivalents at the end of the period represented by bank balances and cash</b>	<b>3,180</b>	<b>13,968</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*For the six months ended 31 October 2024*

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION

### Corporate information

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 August 2016. The shares of the Company were listed on Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 14 February 2019.

The address of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1603, 16/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong, respectively.

The Company is an investment holding company while the principal subsidiaries, Windmill Engineering Company Limited and Gain Success Engineering Company Limited, are mainly engaged in design, supply and installation of fire safety systems and other engineering and construction related aspects for buildings under construction or re-development, maintenance and repair of fire safety systems for built premises and trading of fire service accessories.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Group.

### Basis of preparation

This unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provision of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The unaudited condensed consolidated interim financial information should be read in conjunctions with annual consolidated financial statements for year ended 30 April 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards, HKAS and interpretations (collectively, the “HKFRSs”) issued by the HKICPA.

## 2. PRINCIPAL ACCOUNTING POLICIES AND CHANGE IN ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The accounting policies used in this unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 April 2024.

In the current interim period, the Group has applied, for the first time, the following new standards, amendments and interpretation (“new HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 May 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The directors of the Company anticipate that the application of amendments to HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial information.

### 3. REVENUE

Revenue represents the amounts received and receivable arising on services provided and sales of goods in the normal course of business, net of discounts. An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from design, supply and installation services	<b>268,460</b>	219,487
Revenue from maintenance and repair services	<b>2,999</b>	6,758
Trading of fire service accessories	<b>19</b>	107
	<u><b>271,478</b></u>	<u>226,352</u>
Timing of revenue recognition		
At a point in time	<b>19</b>	107
Over time	<u><b>271,459</b></u>	<u>226,245</u>
	<u><b>271,478</b></u>	<u>226,352</u>

### 4. SEGMENT INFORMATION

The Group's operating activities are mainly attributable to an operating segment focusing on the design, supply and installation of fire safety systems and other engineering and construction related aspects for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs that is regularly reviewed by the directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance. The CODM monitors the revenue from the engagement in design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises with no discrete information available to the CODM. The CODM reviews the profit for the period of the Group as a whole for performance assessment.

#### **Geographical information**

The Group's operations are located in Hong Kong and Macau.

The Group's geographical segments are classified according to the location of customers. There are two customer-based geographical segments. Segment revenue from external customers by the location of customers during the period is as follows:

**Revenue from external customers**

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Hong Kong	237,828	192,197
Macau	33,650	34,155
	<u>271,478</u>	<u>226,352</u>

Non-current assets of the Group based on the location of assets are all located in Hong Kong. Accordingly, no segment analysis by geographical information is presented.

**Information about major customers**

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Customer A	135,114	60,556
Customer B	N/A <sup>1</sup>	33,272
Customer C	N/A <sup>1</sup>	29,708
Customer D	N/A <sup>1</sup>	22,170
	<u>                    </u>	<u>                    </u>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

**5. TAXATION**

	<b>Six months ended 31 October</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
Hong Kong Profits Tax	<u>759</u>	<u>504</u>

Hong Kong Profits Tax is calculated under the two-tiered profits tax rates regime where the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5% for the six months ended 31 October 2024. Hong Kong Profits Tax of the qualified entity of the Company is calculated in accordance with the two-tiered profits tax rates regime.

Pursuant to the rules and regulation of the BVI and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

**6. PROFIT FOR THE PERIOD**

	<b>Six months ended 31 October</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Profit for the period has been arrived at after charging:</b>		
Interest expense on lease liabilities	19	37
Amortisation of intangible assets	15	15
Depreciation of plant and equipment	204	465
Depreciation of right-of-use assets	414	828
	<u>414</u>	<u>828</u>

**7. EARNINGS PER SHARE**

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

	<b>Six months ended 31 October</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	<u>2,130</u>	<u>2,195</u>
	<b>2024</b>	2023
	<b>'000</b>	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>172,800</u>	<u>121,358</u>

The diluted earnings per share is the same as the basic earnings per share as there were no diluted potential ordinary shares outstanding during the six months ended 31 October 2024 (2023: nil).

**8. DIVIDEND**

The Directors do not declare the payment of interim dividend for the six months ended 31 October 2024 (2023: nil).

No dividend has been paid or proposed by the Company since the end of the reporting period.

**9. PLANT AND EQUIPMENT**

During the six months ended 31 October 2024, the Group acquired approximately HK\$78,000 (2023: HK\$219,000) of plant and equipment.

**10. RIGHT-OF-USE ASSETS**

Additions to the right-of-use assets for the six months ended 31 October 2024 amounted to approximately HK\$828,000 (2023: HK\$1,197,000), due to new leases of office premise.

**11. TRADE RECEIVABLES**

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
Trade receivables	98,242	99,893
Less: impairment loss	<u>(22,146)</u>	<u>(21,594)</u>
	<b><u>76,096</u></b>	<b><u>78,299</u></b>

The Group does not hold any collateral over these balances.

The Group allows a credit period of 30–60 days (30 April 2023: 30–60 days) to its customers. The following is an ageing analysis of trade receivables net of impairment, presented based on the date of progress certificates or completion certificates and invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
0 to 30 days	60,984	75,952
31 to 60 days	13,385	377
61 to 90 days	1,469	1,764
Over 90 days	<u>258</u>	<u>206</u>
	<b><u>76,096</u></b>	<b><u>78,299</u></b>

**12. TRADE AND RETENTION PAYABLES**

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
Trade payables	19,874	18,685
Retention payables	<u>21,319</u>	<u>17,949</u>
	<b><u>41,193</u></b>	<b><u>36,634</u></b>

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

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
0 to 30 days	10,095	9,350
31 to 60 days	4,290	3,934
61 to 90 days	2,314	2,592
Over 90 days	3,175	2,809
	<u>19,874</u>	<u>18,685</u>

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by suppliers and subcontractors were stipulated in the relevant contracts and the payables were usually due for the settlement within 30–60 days (30 April 2023: 30–60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame.

### 13. SHARE CAPITAL

Authorised and issued share capital of the Company are as follows:

	<b>Number of ordinary shares</b>	<b>Share capital HK\$'000</b>
<b>Authorised:</b>		
At 30 April 2024 (audited) and 31 October 2024 (unaudited) (ordinary shares of HK\$0.20 each)	200,000,000	40,000
<b>Issued and fully paid:</b>		
At 30 April 2024 (audited)	144,000,000	28,800
Issue of shares upon placing of shares	28,800,000	5,760
At 31 October 2024 (unaudited)	172,800,000	34,560,000

### 14. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had provided the following guarantees:

	<b>31 October 2024 HK\$'000 (Unaudited)</b>	30 April 2024 HK\$'000 (Audited)
Guarantees in respect of performance bonds in favour of its clients	<u>8,271</u>	<u>3,856</u>

In the opinion of the Directors, it was not probable that a claim would be made against the Group under the guarantees. Therefore, no provision for such guarantee was made for the six months ended 31 October 2024 (30 April 2024: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

We are a registered fire service installation contractor, qualified to undertake works in respect of the installation, maintenance, repair or inspection of fire safety systems and other engineering and construction related aspects in Hong Kong and Macau. Fire safety systems mainly consist of fire alarm systems, water and gas expression systems, fire hydrant and hose reel systems, emergency lighting systems and portable fire equipment.

Our services mainly include (i) design, supply and installation of fire safety systems and other engineering and construction related aspects for building under construction or re-development (referred to as “installation services”); (ii) maintenance and repair of fire safety systems for built premises (referred to as “maintenance services”); and (iii) trading of fire service accessories including branded fire services equipment under a distributorship agreement with an internationally branded fire service equipment supplier (referred to as “others”).

It is still in a challenging year for HSC Resources Group Limited (the “Company”, together with its subsidiaries the “Group”) due to the challenging economic environment in Hong Kong and PRC.

Having said that, we will continue to explore the opportunities to further expand and increase the Group’s capacity in providing our services by identifying suitable business opportunities with potential customers and the Group has also committed to undertake new installation and maintenance projects.

In addition, the Group will also continually seek potential opportunities to expand and develop our business further to other overseas markets by seeking strategic and financial partners which can potentially assist the Group in various aspects to achieve this goal. Furthermore, the Group will also continue to look at opportunities to strengthen our investor and shareholder base to support our Group’s business and expansion plans.



## FINANCIAL REVIEW

### Revenue

The Group's revenue for the six months ended 31 October 2024 recorded amounted to approximately HK\$271.5 million which represented an increase of approximately HK\$45.1 million or 19.9% from approximately HK\$226.4 million for the six months ended 31 October 2023. The increase in total revenue was mainly due to an increase from installation services amounted to approximately HK\$49.0 million.

Analysis of revenue is as follows:

	<b>Six months ended 31 October</b>			
	<b>2024</b>		<b>2023</b>	
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>
Installation services	<b>268,460</b>	<b>98.8</b>	219,487	96.9
Maintenance services	<b>2,999</b>	<b>1.1</b>	6,758	3.0
	<b>271,459</b>	<b>99.9</b>	226,245	99.9
Others	<b>19</b>	<b>0.1</b>	107	0.1
Total	<b>271,478</b>	<b>100.0</b>	226,352	100.0

#### *Installation services*

Revenue increased by approximately 22.3% from approximately HK\$219.5 million for the six months ended 31 October 2023 to approximately HK\$268.5 million for the six months ended 31 October 2024. The increase by approximately HK\$49.0 million was mainly due to the increase in installation projects by the Group during the six months ended 31 October 2024 as compared to the corresponding 2023 reporting period.

#### *Maintenance services*

Revenue decreased by approximately 55.9% from approximately HK\$6.8 million for the six months ended 31 October 2023 to approximately HK\$3.0 million for the six months ended 31 October 2024. The decrease by approximately HK\$3.8 million was mainly due to the completion of maintenance contracts as compared to the corresponding 2023 reporting period.

**Others**

For the six months ended 31 October 2024, revenue recorded amounted to approximately HK\$19,000 (2023: HK\$107,000).

**Cost of sales**

Our cost of sales increased by approximately 19.3% from approximately HK\$213.5 million for the six months ended 31 October 2023 to approximately HK\$254.6 million for the six months ended 31 October 2024. The increase was mainly attributed to the increase in subcontracting costs resulting from the installation contracts undertaken by the Group during the six months ended 31 October 2024.

**Gross profit and gross profit margin**

Our gross profit increased by approximately HK\$4.0 million or 31.0% from approximately HK\$12.9 million for the six months ended 31 October 2023 to approximately HK\$16.9 million for the six months ended 31 October 2024. During the six months ended 31 October 2024, the gross profit margin was approximately 6.2% (2023: 5.7%). The increase was mainly attributed to the increase in gross profit margin of the installation projects commenced the six months ended 31 October 2024.

**Other income**

The Group recorded other income of approximately HK\$0.4 million for the six months ended 31 October 2024 (2023: HK\$0.5 million).

**Administrative expenses**

Administrative expenses mainly represented the salaries and benefits of the administrative and management staff, rental expenses, insurance, legal and professional fees, depreciation of plant and equipment and other miscellaneous administrative expenses. Our administrative expenses decreased by approximately HK\$0.1 million or 0.9% from approximately HK\$11.7 million for the six months ended 31 October 2023 to approximately HK\$11.6 million for the six months ended 31 October 2024. The decrease was mainly attributable to a decrease in legal and professional fees for the six months ended 31 October 2024.

**Other gain**

HK\$1,000 (2023: HK\$2.9 million) was mainly arose from the exchange difference for the period ended 31 October 2024.

**Finance costs**

The Group recorded finance costs of approximately HK\$2.0 million for the six months ended 31 October 2024 (2023: HK\$2.0 million). The increase was mainly arose from drawdown of bank borrowings for normal operation during the year.

**Income tax expense**

Our income tax expense increased from approximately HK\$0.5 million for the six months ended 31 October 2023 to approximately HK\$0.8 million for the six months ended 31 October 2024. The increase was due to the increase in taxable profits.

**Profit for the period attributable to owners of the Company**

As a result of the foregoing, the profit attributable to owners of the Company decreased from approximately HK\$2.2 million for the six months ended 31 October 2023 to approximately HK\$2.1 million for the six months ended 31 October 2024.

**LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY**

	<b>As at 31 October 2024</b>	As at 30 April 2024
Current ratio	<b>3.2</b>	3.0
Gearing ratio*	<b>17.9</b>	20.7

\* Calculated based on total debts at the end of the period/year divided by total equity at the end of the period/year. Total debts are defined as bank borrowings and total lease liabilities.

The current ratio of the Group as at 31 October 2024 was 3.2 times as compared to that of 3.0 times as at 30 April 2024. The gearing ratio of the Group as at 31 October 2024 was 17.9% as compared to that of 20.7% as at 30 April 2023. The increase in current ratio and decrease in gearing ratio were mainly due to increase in current assets and the decrease in bank borrowings during the six months ended 31 October 2024.

The Group's finance department closely monitors the Group's cash flow position to ensure the Group has sufficient working capital available to meet the operational needs. The finance department takes into account the trade receivables, trade payables, pledged bank deposit, bank borrowings, bank balances and cash, administrative and capital expenditures to prepare the cash flow forecast to forecast the Group's future financial liquidity.

The Group generally finance its operations through a combination of owner's equity, internally generated cash flows, net proceeds from the share offer of the Company's shares, other reserve and bank borrowing from the international banks.

## **CAPITAL COMMITMENTS**

As at 31 October 2024, the Group has no capital commitments (30 April 2024: Nil).

## **PLEDGE OF ASSETS**

As at 31 October 2024, the Group pledged its bank deposit to banks of HK\$21.3 million as collateral to secure bank facilities granted to the Group. Save for the above disclosed, the Group did not have any charges on its assets.

## **CONTINGENT LIABILITIES**

As at 31 October 2024, performance bonds of approximately HK\$8.3 million (30 April 2024: HK\$3.9 million), were given by the bank in favour of some of our customers as a security for the due performance and observance of our obligations under the contracts entered into between us and our customers. If the Group fails to provide satisfactory performance to our 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 bank accordingly. The performance bonds will be released upon completion of the contract work. The performance bonds were granted under the banking facilities. As at 31 October 2024, in the opinion of the Directors, it was not probable that a claim would be made against our Group under the guarantees, and hence no provision for such guarantees was made in respect of the aforesaid performance bonds.

## USE OF PROCEEDS

On 17, 18 and 30 April 2024, the Company and the Placing Agent entered into the Placing Agreements pursuant to which the Company conditionally agreed to issue up to 28,800,000 Shares (the “Placing Shares”), and the Placing Agent conditionally agreed, on a best effort basis, to procure the Placees to subscribe for the Placing Shares at HK\$0.67 per Placing Share (the “Placing Price”) and on the terms and subject to the conditions set out in the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate and will be allotted to not less than six Placees. The conditions of the Placing have been fulfilled and Completion took place on 17 May 2024. All the Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement.

The net proceeds from the Placing of Shares which were completed on 17 May 2024, after deduction of the relevant fees paid by the Company in connection therewith, were approximately HK\$18.5 million.

The Company intends to apply the net proceeds from the Share Placing in the same proportion and in the same manner as shown in the announcements of the Company dated 17, 18 and 30 April 2024. An analysis of the utilisation of the net proceeds during the Reporting Period is set out below:

Intended application of the Net Proceeds	Approximate amount of Net Proceeds allocated	Approximate percentage of Net Proceeds allocated	Utilised amount for the period ended 31 October 2024	Unutilised amount as at 31 October 2024
Repayment of shareholders loans	HK\$3.0 million	16%	HK\$3.0 million	–
Business expansion	HK\$11.0 million	59%	HK\$11.0 million	–
General working capital	HK\$4.5 million	25%	HK\$4.5 million	–
<b>Total</b>	<b>HK\$18.5 million</b>	<b>100%</b>	<b>HK\$18.5 million</b>	<b>–</b>

As at 31 October 2024, the net proceeds of HK\$18.5 million raised have been fully utilised as intended.

## EVENT AFTER THE REPORTING PERIOD

As of the approval date on these unaudited condensed consolidated financial statements, there were no important events after the Reporting Period and up to the date of this report.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 31 October 2024.

## **CAPITAL STRUCTURE**

The Group's shares were successfully listed on GEM on the Listing Date and have been transferred from GEM to the Main Board of the Stock Exchange on 14 February 2019. Save for the placing of shares which was completed on 17 May 2024, there has been no change in the capital structure of the Group since that Listing Date. The capital of the Group only comprises of bank borrowings, net of bank balances and cash, issued share capital and reserves.

## **SIGNIFICANT INVESTMENTS**

As at 31 October 2024, there was no significant investment held by the Group (30 April 2024: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Please refer to the section headed "Event After the Reporting Period" above.

## **FOREIGN CURRENCY EXPOSURE**

During the six months ended 31 October 2024, the Group's monetary assets and transactions were mainly denominated in HK\$. The Group's exposure to exchange rate fluctuation was not significant and therefore the Group currently does not have a foreign currency hedging policy.

## **EMPLOYEES AND EMOLUMENT POLICY**

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to build good staff relations and retention. The Group continues to provide training for new staff and existing staff to enhance their technical knowledge. The Directors believe such initiatives have contributed to increase productivity and efficiency.

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability and the staff performance, the Group may also provide a discretionary bonus to employees as an incentive for their contributions to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up for reviewing the Group's emolument policy and the structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company adopted a share option scheme (the "Share Option Scheme") to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

## OTHER INFORMATION

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct governing dealings by all Directors in the securities of the Company on terms no less exacting than the required standard of dealings as set out in the Model Code. After specific enquiries have been made with all Directors, all Directors declared that they have complied with the required standards as set out in the Model Code throughout the six months ended 31 October 2024.

### DIVIDENDS

The Board does not declare the payment of dividend for the six months ended 31 October 2024 (2023: nil).

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

As at 31 October 2024, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

#### The Company

<b>Name of Director</b>	<b>Capacity/ Nature of Interest</b>	<b>Long/Short position</b>	<b>Number of shares held</b>	<b>Approximate percentage of shareholding in the Company</b>
Mr. Li Junheng	Beneficial owner	Long position	14,390,000	8.33%



Save as disclosed above, none of the Directors and their respective associates had 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this report pursuant to the Takeovers Code.

### **DIRECTORS’ RIGHT TO ACQUIRE SHARES**

At no time during the six months ended 31 October 2024 was the Company, or its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

### **SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 31 October 2024, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **COMPETING INTERESTS**

None of the Directors or the controlling shareholders of the Company and their respective close associates had any interest in a business which competes or may compete with the business of the Group.

### **DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transaction, arrangement or contract of significance to which the Company, any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director and a connected entity of a Director had a material interest, subsisted at the end of the period or at any time during the six months ended 31 October 2024.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 October 2024.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme on 27 March 2017. The Share Option Scheme will remain effective following the Transfer of Listing. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Main Board Listing Rules. Further details of the Share Option Scheme are set in the paragraph headed "Share Option Scheme" under the section headed "Statutory and General Information" of the Prospectus.

For the six months ended 31 October 2024, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules during the six months ended 31 October 2024.

## **AUDIT COMMITTEE**

The Company has established its audit committee (the "Audit Committee") on 27 March 2017 with terms of reference in compliance with the Listing Rules and CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to, without limitation, to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee has three members comprising the Company's three independent non-executive Directors, namely Mr. Fu Wing Kwok Ewing, Mr. Li Ka Chun Gordon and Mr. Ghanshyam Adhikari. The chairman of the Audit Committee is Mr. Fu Wing Kwok Ewing. The unaudited condensed consolidated results of the Group for the six months ended 31 October 2024 have not been audited by the auditor of the Company but have been reviewed by the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This report will be published on the respective websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.windmill.hk](http://www.windmill.hk)). The interim report for the six months ended 31 October 2024 containing all the information required by the Listing Rules will be published on the website of the Company and the Stock Exchange and despatched to the Company's shareholders in due course.

By order of the Board  
**HSC Resources Group Limited**  
**Li Junheng**  
*Chairman*

Hong Kong, 31 December 2024

*As at the date of this report, the executive Directors are Mr. Li Junheng, Mr. Li Shing Kuen Alexander and Ms. Chau Ngai Mo; and the independent non-executive Directors are Mr. Li Ka Chun Gordon, Mr. Fu Wing Kwok Ewing and Mr. Ghanshyam Adhikari.*

*In case of any inconsistency, the English text of this report shall prevail over the Chinese text.*