

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)

INTERIM REPORT

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Shing Kuen Alexander
(*Chief Executive Officer*)

Mr. Wang Le
(appointed on 21 November 2025)

Ms. Ma Man Chi
(appointed on 12 December 2025)

Independent non-executive Directors

Mr. Li Ka Chun Gordon
Ms. Ye Liping
(appointed on 21 November 2025)
Ms. Li Fang
(appointed on 21 November 2025)

AUDIT COMMITTEE

Mr. Li Ka Chun Gordon (*Chairman*)
Ms. Ye Liping
Ms. Li Fang

REMUNERATION COMMITTEE

Mr. Li Ka Chun Gordon (*Chairman*)
Ms. Ye Liping
Ms. Li Fang

NOMINATION COMMITTEE

Mr. Li Ka Chun Gordon (*Chairman*)
Ms. Ye Liping
Ms. Li Fang

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 501, 5/F
The Cendas
15 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

FINANCIAL HIGHLIGHTS

For the six months ended 31 October 2025, 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 2025 reached approximately HK\$268.8 million (2024: HK\$271.5 million), representing a decrease of 1.0% as compared with that of the corresponding period in 2024;
- Loss for the six months ended 31 October 2025 amounted to approximately HK\$3.0 million (2024: profit of approximately HK\$2.0 million), representing a decrease of 250.0% as compared with that of corresponding period in 2024;
- Basic and diluted loss per share for the six months ended 31 October 2025 based on weighted average number of ordinary shares of 172,800,000 shares (2024: 172,800,000 shares) in issue was HK1.72 cents per share (2024: earnings of HK1.23 cents per share); and
- The Directors have resolved not to declare an interim dividend for the six months ended 31 October 2025 (2024: Nil).

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2025

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 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 October 2025

		Six months ended 31 October	
	<i>Notes</i>	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	268,769	271,478
Cost of sales		(254,506)	(254,554)
Gross profit		14,263	16,924
Other income		684	446
Other gain		16	1
Administrative expenses		(15,126)	(11,557)
Impairment loss under expected credit loss on trade receivables and contract assets, net		(513)	(995)
Finance costs		(1,460)	(2,042)
(Loss)/profit before taxation		(2,136)	2,777
Taxation	5	(856)	(759)
		(2,992)	2,018
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:	6		
Owners of the Company		(2,970)	2,130
Non-controlling interests		(22)	(112)
		(2,992)	2,018
(Loss)/earnings per share			
Basic and diluted (HK cent)	7	(1.72)	1.23

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2025

		31 October 2025	30 April 2025
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Plant and equipment	9	1,499	971
Goodwill		19,687	19,687
Intangible assets		521	561
Right-of-use assets	10	4,052	1,783
Deposit		342	34
		26,101	23,036
Current assets			
Trade receivables	11	155,020	105,634
Contract assets		169,381	183,393
Deposits, prepayments and other receivables		80,067	91,795
Tax recoverable		1	1
Pledged bank deposits		21,922	21,863
Bank balances and cash		24,862	8,843
		451,253	411,528
Current liabilities			
Trade and retention payables	12	34,452	36,384
Contract liabilities		58	84
Accruals and other payables		29,351	43,263
Lease liabilities		4,271	1,244
Bank borrowings		34,575	44,502
Tax payable		438	1,096
Other borrowings		14,200	14,200
		117,345	140,773
Net current assets		333,908	270,755
Total assets less current liabilities		360,009	293,791

	31 October 2025	30 April 2025
<i>Note</i>	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Non-current liability		
Provisions	16	16
Lease liabilities	—	590
	16	606
Net assets	359,993	293,185
Capital and reserves		
Share capital	<i>13</i>	1,728
Reserves		34,560
	359,469	259,807
Non-controlling interests	361,197	294,367
	(1,204)	(1,182)
Total equity	359,993	293,185

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 31 October 2025*

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 May 2025 (audited)	34,560	200,041	10,148	49,618	294,367	(1,182)	293,185
Loss and total comprehensive income for the period	-	-	-	(2,970)	(2,970)	(22)	(2,992)
Issue of shares pursuant to the capital reorganisation and right issue	(32,832)	106,102	-	-	73,270	-	73,270
Share issue costs	-	(3,470)	-	-	(3,470)	-	(3,470)
At 31 October 2025 (unaudited)	<u>1,728</u>	<u>302,673</u>	<u>10,148</u>	<u>46,648</u>	<u>361,197</u>	<u>(1,204)</u>	<u>359,993</u>
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>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 31 October 2025*

	Six months ended 31 October	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(39,872)	(23,808)
Investing activities		
Purchase of plant and equipment	(791)	(78)
Net cash used in investing activities	(791)	(78)
Financing activities		
Proceeds from issue of shares	73,270	19,296
Transaction costs for rights issue	(3,470)	(779)
Repayment of bank borrowings	(103,637)	(121,654)
Drawdown of bank borrowings	92,601	116,800
Payment of lease liabilities	(622)	(879)
Interest element of lease rentals paid	(19)	(19)
Bank interest paid	(1,441)	(2,023)
Net cash generated from financing activities	56,682	10,742
Net increase/(decrease) in cash and cash equivalents	16,019	(13,144)
Cash and cash equivalents at the beginning of the period	8,843	16,324
Cash and cash equivalents at the end of the period represented by bank balances and cash	24,862	3,180

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 31 October 2025

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 501, 5/F, The Cendas, 15 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 2025, 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 2025.

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 2025:

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:

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from design, supply and installation services	264,205	268,460
Revenue from maintenance and repair services	4,539	2,999
Trading of fire service accessories	25	19
	<hr/>	<hr/>
	268,769	271,478
	<hr/>	<hr/>
Timing of revenue recognition		
At a point in time	25	19
Over time	268,744	271,459
	<hr/>	<hr/>
	268,769	271,478
	<hr/>	<hr/>

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

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	232,319	237,828
Macau	36,450	33,650
	268,769	271,478

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:

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	30,483	135,114

5. TAXATION

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	856	759

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 2025. 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. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period has been arrived at after charging:		
Interest expense on lease liabilities	19	19
Amortisation of intangible assets	112	15
Depreciation of plant and equipment	92	204
Depreciation of right-of-use assets	376	414
	=====	=====

7. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 31 October	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/profit for the period attributable to owners of the Company		
for the purpose of basic earnings per share	(2,970)	2,130
	=====	=====
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of		
basic earnings per share	172,800	172,800
	=====	=====

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no diluted potential ordinary shares outstanding during the six months ended 31 October 2025 (2024: nil).

8. DIVIDEND

The Directors do not declare the payment of interim dividend for the six months ended 31 October 2025 (2024: 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 2025, the Group acquired approximately HK\$791,000 (2024: HK\$78,000) of plant and equipment.

10. RIGHT-OF-USE ASSETS

Additions to the right-of-use assets for the six months ended 31 October 2025 amounted to approximately HK\$2,269,000 (2024: HK\$828,000), due to new leases of office premise.

11. TRADE RECEIVABLES

	31 October 2025 HK\$'000 (Unaudited)	30 April 2025 HK\$'000 (Audited)
Trade receivables	177,991	127,536
Less: impairment loss	(22,971)	(21,902)
	155,020	105,634

The Group does not hold any collateral over these balances.

The Group allows a credit period of 30–60 days (30 April 2024: 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:

	31 October 2025 HK\$'000 (Unaudited)	30 April 2025 HK\$'000 (Audited)
0 to 30 days	153,497	105,534
31 to 60 days	1,523	100
	155,020	105,634

12. TRADE AND RETENTION PAYABLES

	31 October 2025 HK\$'000 (Unaudited)	30 April 2025 HK\$'000 (Audited)
Trade payables	11,251	13,386
Retention payables	23,201	22,998
	34,452	36,384

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

	31 October 2025 HK\$'000 (Unaudited)	30 April 2025 HK\$'000 (Audited)
0 to 30 days	8,960	8,722
31 to 60 days	797	790
61 to 90 days	654	840
Over 90 days	840	3,034
	<hr/>	<hr/>
	11,251	13,386
	<hr/>	<hr/>

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 2024: 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:

	Number of ordinary shares	Share capital HK\$'000
Authorised:		
At 31 October 2025 (unaudited) (ordinary shares of HK\$0.01 each)	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	4,000,000,000	40,000
At 30 April 2025 (audited)		
(ordinary shares of HK\$0.20 each)	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	200,000,000	40,000
Issued and fully paid:		
At 30 April 2025 (audited)	172,800,000	34,560
Issue of shares pursuant to the capital reorganisation and right issue	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	–	(32,832)
At 31 October 2025 (unaudited)	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	172,800,000	1,728

14. CONTINGENT LIABILITIES

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

	31 October 2025 HK\$'000 (Unaudited)	30 April 2025 HK\$'000 (Audited)
Guarantees in respect of performance bonds in favour of its clients	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	11,661	8,271

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 2025 (30 April 2025: 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 2025 recorded amounted to approximately HK\$268.8 million which represented a decrease of approximately HK\$2.7 million or 1.0% from approximately HK\$271.5 million for the six months ended 31 October 2024. The decrease in total revenue was mainly due to a decrease from installation services amounted to approximately HK\$4.3 million.

Analysis of revenue is as follows:

	Six months ended 31 October			
	2025		2024	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Installation services	264,205	98.2	268,460	98.8
Maintenance services	4,539	1.7	2,999	1.1
	268,744	99.9	271,459	99.9
Others	25	0.1	19	0.1
Total	268,769	100.0	271,478	100.0

Installation services

Revenue decreased by approximately 1.6% from approximately HK\$268.5 million for the six months ended 31 October 2024 to approximately HK\$264.2 million for the six months ended 31 October 2025. The decrease by approximately HK\$4.3 million was mainly due to the decrease in installation projects by the Group during the six months ended 31 October 2025 as compared to the corresponding 2024 reporting period.

Maintenance services

Revenue increased by approximately 50.0% from approximately HK\$3.0 million for the six months ended 31 October 2024 to approximately HK\$4.5 million for the six months ended 31 October 2025. The increase by approximately HK\$1.5 million was mainly due to the start of maintenance contracts as compared to the corresponding 2024 reporting period.

Others

For the six months ended 31 October 2025, revenue recorded amounted to approximately HK\$25,000 (2024: HK\$19,000).

Cost of sales

Our cost of sales decreased by approximately 0.1% from approximately HK\$254.6 million for the six months ended 31 October 2024 to approximately HK\$254.5 million for the six months ended 31 October 2025. The decrease was mainly attributed to the decrease in subcontracting costs resulting from the installation contracts undertaken by the Group during the six months ended 31 October 2025.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK\$2.6 million or 15.4% from approximately HK\$16.9 million for the six months ended 31 October 2024 to approximately HK\$14.3 million for the six months ended 31 October 2025. During the six months ended 31 October 2025, the gross profit margin was approximately 5.3% (2024: 6.2%). The decrease was mainly attributed to the decrease in gross profit margin of the installation projects commenced the six months ended 31 October 2025.

Other income

The Group recorded other income of approximately HK\$0.7 million for the six months ended 31 October 2025 (2024: HK\$0.4 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 increased by approximately HK\$3.5 million or 30.2% from approximately HK\$11.6 million for the six months ended 31 October 2024 to approximately HK\$15.1 million for the six months ended 31 October 2025. The increase was mainly attributable to an increase in legal and professional fees for the six months ended 31 October 2025.

Other gain

HK\$16,000 (2024: HK\$1,000) was mainly arose from the exchange difference for the period ended 31 October 2025.

Finance costs

The Group recorded finance costs of approximately HK\$1.5 million for the six months ended 31 October 2025 (2024: HK\$2.0 million). The decrease was mainly arose from less drawdown of bank borrowings for normal operation during the year.

Income tax expense

Our income tax expense increased from approximately HK\$0.8 million for the six months ended 31 October 2024 to approximately HK\$0.9 million for the six months ended 31 October 2025. The increase was due to the increase in taxable profits.

(Loss)/profit for the period attributable to owners of the Company

As a result of the foregoing, the (loss)/profit attributable to owners of the Company decreased from profit of approximately HK\$2.1 million for the six months ended 31 October 2024 to loss of approximately HK\$3.0 million for the six months ended 31 October 2025.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 31 October 2025	As at 30 April 2025
Current ratio	3.8	2.9
Gearing ratio*	14.7	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, other borrowings and total lease liabilities.

The current ratio of the Group as at 31 October 2025 was 3.8 times as compared to that of 2.9 times as at 30 April 2025. The gearing ratio of the Group as at 31 October 2025 was 14.7% as compared to that of 20.7% as at 30 April 2024. 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 2025.

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 2025, the Group has no capital commitments (30 April 2025: Nil).

PLEDGE OF ASSETS

As at 31 October 2025, the Group pledged its bank deposit to banks of HK\$21.9 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 2025, performance bonds of approximately HK\$11.7 million (30 April 2025: HK\$8.3 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 2025, 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 19 December 2024, the Company announced the proposed rights issue, by way of the issue of up to 138,240,000 Shares (the “Rights Shares”), on the basis of four rights shares for every one Consolidated Share held on 14 August 2025 at the subscription price of HK\$0.53 per Rights Share (the “Rights Issue”). Upon completion of the Rights Issue on 24 September 2025, a total of 138,240,000 Rights Shares were issued pursuant to the terms of the Rights Issue and the number of the Company’s ordinary Shares in issue became 172,800,000.

The net proceeds from the Rights Issue which were completed on 24 September 2025, after deduction of the relevant fees paid by the Company in connection therewith, were approximately HK\$69.8 million.

The Company intends to apply the net proceeds from the Rights Issue in the same proportion and in the same manner as shown in the prospectus of the Company dated 15 August 2025. 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 2025	Unutilised amount as at 31 October 2025
Support of the forthcoming fire safety systems projects and its ancillary services	HK\$59.3 million	85.0%	HK\$38.7 million	HK\$20.6 million
General working capital	HK\$10.5 million	15.0%	HK\$10.5 million	—
Total	HK\$69.8 million	100.0%	HK\$49.2 million	HK\$20.6 million

As at 31 October 2025, the net proceeds of HK\$49.2 million raised have been utilised as intended. The unutilised proceeds is expected to be used in the year ending 30 April 2026.

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 2025.

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 right issue which was completed on 24 September 2025, there has been no change in the capital structure of the Group during the six months ended 31 October 2025. 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 2025, there was no significant investment held by the Group (30 April 2025: 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 2025, 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 2025.

DIVIDENDS

The Board does not declare the payment of dividend for the six months ended 31 October 2025 (2024: 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 2025, 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

Name of Director	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Li Junheng	Beneficial owner	Long position	2,878,000	1.67%

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 2025 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 2025, the following person (other than Directors or chief executive of the Company) were interested in 5% or more of the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Name of Shareholder	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Wang Le	Beneficial Owner	Long position	18,000,000	10.42%

Save as disclosed above, as at 31 October 2025, 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 2025.

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 2025.

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 2025, 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 2025.

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. Li Ka Chun Gordon, Ms. Ye Liping and Ms. Li Fang. The chairman of the Audit Committee is Mr. Li Ka Chun Gordon. The unaudited condensed consolidated results of the Group for the six months ended 31 October 2025 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) and the Company (www.windmill.hk). The interim report for the six months ended 31 October 2025 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 Shing Kuen Alexander
Executive Director

Hong Kong, 31 December 2025

As at the date of this report, the Executive Directors are Mr. Li Shing Kuen Alexander, Mr. Wang Le and Ms. Ma Man Chi; and the Independent Non-executive Directors are Mr. Li Ka Chun Gordon, Ms. Ye Liping and Ms. Li Fang.

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