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## **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)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2025**

### **FINANCIAL HIGHLIGHTS**

For the year ended 30 April 2025, operating results of HSC Resources Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) were as follows:

- Revenue reached to approximately HK\$374.3 million (2024: approximately HK\$394.5 million), representing a decrease of approximately 5.1% from last year;
- Profit for the year was approximately HK\$0.7 million (2024: approximately HK\$2.2 million). It was mainly due to a decrease in gross profit margin and a decrease in other gain and loss during the year;
- Basic and diluted earnings per share for the year based on weighted average number of ordinary shares of 171,458,630 shares (2024: 125,290,504 shares) in issue was HK\$0.003 (2024: HK\$0.02); and
- The Directors do not recommend the payment of a final dividend for the year ended 30 April 2025 (2024: Nil).

## ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2025

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce the audited condensed consolidated results of the Group for the year ended 30 April 2025 together with the comparative figures for the preceding financial year as follows:

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

*For the year ended 30 April 2025*

		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	<i>Notes</i>		
Revenue	4	374,347	394,537
Cost of sales		(348,435)	(365,537)
Gross profit		25,912	29,000
Other income		2,353	979
Other gain and loss		(22)	2,900
Reversal of (impairment loss) under expected credit loss on trade receivables, other receivables and contract assets, net		668	(2,007)
Impairment loss on goodwill		(754)	(780)
Administrative expenses		(22,567)	(22,218)
Finance costs		(4,061)	(4,020)
Profit before taxation	7	1,529	3,854
Taxation	6	(761)	(1,646)
		<b>768</b>	<b>2,208</b>
Profit/(loss) and total comprehensive income/ (expense) for the year attributable to:			
Owners of the Company		568	2,928
Non-controlling interests		200	(720)
		<b>768</b>	<b>2,208</b>
Earnings per share attributable to owners of the Company:			
Basic and diluted ( <i>HK\$</i> )	8	<b>0.003</b>	0.02

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 30 April 2025*

		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Plant and equipment		<b>971</b>	889
Goodwill		<b>19,687</b>	20,441
Intangible assets		<b>561</b>	680
Right-of-use assets		<b>1,783</b>	2,019
Deposits		<b>34</b>	528
		<b>23,036</b>	24,557
<b>Current assets</b>			
Trade receivables	10	<b>105,634</b>	78,299
Contract assets		<b>183,393</b>	164,389
Deposits, prepayments and other receivables		<b>91,795</b>	91,948
Tax recoverable		<b>1</b>	1
Pledged bank deposits		<b>21,863</b>	21,546
Bank balances and cash		<b>8,842</b>	16,324
		<b>411,528</b>	372,507
<b>Current liabilities</b>			
Trade and retention payables	11	<b>36,384</b>	36,634
Contract liabilities		<b>84</b>	3,415
Accruals and other payables		<b>43,262</b>	26,178
Lease liabilities		<b>1,244</b>	1,639
Bank borrowings		<b>44,502</b>	54,506
Tax payables		<b>1,097</b>	335
Other borrowings		<b>14,200</b>	–
		<b>140,773</b>	122,707
<b>Net current assets</b>		<b>270,755</b>	249,800
<b>Total assets less current liabilities</b>		<b>293,791</b>	274,357

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Provisions		16	–
Lease liabilities		590	457
Deferred tax liabilities		–	–
		<u>606</u>	<u>457</u>
<b>Net assets</b>		<b><u>293,185</u></b>	<b><u>273,900</u></b>
<b>Capital and reserves</b>			
Share capital	12	34,560	28,800
Reserves		<u>259,807</u>	<u>246,482</u>
Equity attributable to owners of the Company		294,367	275,282
Non-controlling interests		<u>(1,182)</u>	<u>(1,382)</u>
<b>Total equity</b>		<b><u>293,185</u></b>	<b><u>273,900</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

*For the year ended 30 April 2025*

## 1. GENERAL INFORMATION

HSC Resources Group Limited (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. Its ultimate holding company and immediate holding company is Standard Dynamic Enterprises Limited, which is incorporated in the British Virgin Islands (the “**BVI**”). The shares of the Company were listed on Main Board of The Stock Exchange of Hong Kong (the “**Stock Exchange**”) on 14 February 2019.

The addresses 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. The principal activities of the subsidiaries of the Company are design, supply and installation of fire safety systems for buildings under construction or re-development, maintenance and repair of fire safety systems for built premises and trading of fire service accessories.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Accounting Standards and the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 May 2024 for the preparation of the consolidated financial statements:

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 Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

## New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied any new and revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 May 2024. These new and revised HKFRSs include the following which may be relevant to the Group.

HKFRS 18	Presentation and Disclosure in Financial Statement <sup>s</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include all applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

#### 4. REVENUE

Revenue represents the revenue arising on services provided and sales of goods in the normal course of business. An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major services lines:		
– Revenue from design, supply and installation services	367,007	383,784
– Revenue from maintenance and repair services	7,308	10,499
– Trading of fire service accessories	32	254
	<u>374,347</u>	<u>394,537</u>

Disaggregation of revenue by timing of recognition:

	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
At a point in time	32	254
Over time	<u>374,315</u>	<u>394,283</u>
	<u>374,347</u>	<u>394,537</u>

#### Transaction price allocated to the remaining performance obligations

As at 30 April 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$892,000,000 (2024: HK\$516,703,000). The amount represents revenue expected to be recognised in the future from construction contracts. The Group will recognise this revenue as the service is completed, which is expected to occur over the next 12–36 months (2024: next 12–36 months).

#### 5. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on the 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. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRS Accounting Standards, that is regularly reviewed by the executive 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 year of the Group as a whole for performance assessment.

## Geographical information

The Group's revenue from external customers based on the location of the operation is derived in Hong Kong and Macau (place of domicile). Non-current assets of the Group based on the location of assets are all located in Hong Kong. Accordingly, no analysis by geographical information is presented.

## Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A <sup>1</sup>	240,782	170,404
Customer B <sup>1</sup>	111,365	77,500
Customer C <sup>1, 2</sup>	N/A	38,061

*Note:*

- 1 Revenue from design, supply and installation services
- 2 The corresponding revenue in 2025 did not contribute 10% or more of the total revenue of the Group

## 6. TAXATION

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong Profits Tax	761	1,705
Deferred taxation	—	(59)
	<u>761</u>	<u>1,646</u>

Hong Kong Profits Tax was 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 was taxed at 16.5%. Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the year.

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.



## 7. PROFIT BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Profit before taxation has been arrived at after charging		
Staff costs		
– Salaries, allowances and other benefits	31,617	32,833
– Contributions to the MPF Scheme	888	1,207
	<hr/>	<hr/>
Total staff costs (excluding directors' emoluments)	32,505	34,040
	<hr/>	<hr/>
Auditor's remuneration	580	580
Amount of inventories recognised as expenses	47,080	73,267
Amortisation of intangible assets (included in administrative expenses)	226	190
Depreciation of plant and equipment	397	671
Depreciation of right-of-use assets	1,718	1,656
Loss on disposal of plant and equipment	22	–
	<hr/> <hr/>	<hr/> <hr/>

## 8. EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
<b>Earnings</b>		
Earnings for the year attributable to owners of the Company for the purpose of basic earnings per share	568	2,928
	<hr/> <hr/>	<hr/> <hr/>
	2025	2024
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	171,458,630	125,290,504
	<hr/> <hr/>	<hr/> <hr/>

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 30 April 2025 and 2024.

## 9. DIVIDEND

No dividend has been paid or proposed by the Company during the years ended 30 April 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

# 10. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables, gross	127,536	99,893
Less: impairment allowance	(21,902)	(21,594)
Trade receivables, net	<u>105,634</u>	<u>78,299</u>

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

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	105,534	75,952
31 to 60 days	100	377
61 to 90 days	–	1,764
91 to 180 days	–	1
Over 180 days	–	205
	<u>105,634</u>	<u>78,299</u>

# 11. TRADE AND RETENTION PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	13,386	18,685
Retention payables ( <i>note</i> )	22,998	17,949
	<u>36,384</u>	<u>36,634</u>

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

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	8,722	9,350
31 to 60 days	790	3,934
61 to 90 days	840	2,592
Over 90 days	3,034	2,809
	<u>13,386</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 to 60 days (2024: 30 to 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame.

## 12. SHARE CAPITAL

	Notes	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.2 each (2024: HK\$0.01 each)			
<b>Authorised:</b>			
At 30 April 2023 and 1 May 2023		4,000,000,000	40,000
Share consolidation		(3,800,000,000)	–
		<u>200,000,000</u>	<u>40,000</u>
At 30 April 2024, 1 May 2024 and 30 April 2025		<u>200,000,000</u>	<u>40,000</u>
<b>Issued and fully paid:</b>			
At 30 April 2023 and 1 May 2023		960,000,000	9,600
Share consolidation	(a)	(912,000,000)	–
Issue of shares pursuant to right issue	(b)	96,000,000	19,200
		<u>144,000,000</u>	<u>28,800</u>
At 30 April 2024 and 1 May 2024		28,800,000	5,760
Issue of shares upon placing of shares	(c)	<u>28,800,000</u>	<u>5,760</u>
		<u>172,800,000</u>	<u>34,560</u>
At 30 April 2025		<u>172,800,000</u>	<u>34,560</u>

### Notes:

- (a) On 10 February 2023, the director of the Company proposed to implement a share consolidation on the basis that every 20 issued shares would be consolidated into one consolidated share. Pursuant to an ordinary resolution passed on 3 May 2023, the share consolidation was approved by the shareholders of the Company and has become effective on 4 May 2023. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 960,000,000 to 48,000,000.
- (b) A rights issue of two rights share for every existing shares held by members on the register of members on 28 June 2023 was made, at an issue price of HK\$1.36 per rights share, resulting in the issue of 96,000,000 shares for a total cash consideration, before expenses, of approximately HK\$19,200,000.
- (c) The placing of shares under the general mandate (“**Placing**”) was completed on 16 May 2024, and the Company issued 28,800,000 ordinary shares to independent third parties at a subscription price of HK\$0.67 on the same date. The net proceeds from the placing of new shares amounted to approximately HK\$18,517,000.

## 13. EVENTS AFTER THE REPORTING PERIOD

On 19 December 2024, the Group proposes subject to the capital reorganisation becoming effective, to conduct the rights issue at the subscription price of HK\$0.53 per rights share on the basis of four (4) rights shares for every one (1) adjusted Share held on the record date to raise up to approximately HK\$73.27 million (before expenses) by issuing up to 138,240,000 rights shares.

On 3 July 2025, the Group announced that the hearing of the petition for confirmation of the capital reduction would be held at 10:00 a.m. on Friday, 25 July 2025 (Cayman Islands time) at the court and the capital reorganisation will be effective on Tuesday, 5 August 2025 (Hong Kong Time).

Details of the above events were disclosed in the announcement of the Company dated 19 December 2024, 24 January 2025, 14 February 2025, 28 February 2025, 17 March 2025, 7 April 2025 and 23 April 2025 and the circular of the Company dated 14 March 2025.

## 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 in Hong Kong. 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**”).

In 2025, the economic environment in Hong Kong, Macau and the PRC, as well as the world is recovering and a rebound of business activities and economic conditions is expected. We anticipate that the aforesaid expected recovery is likely to enhance our business performance, and the Group looks forward to commencing more projects and works ancillary to such projects in Hong Kong, which will help the Group to maintain a stable revenue stream in coming year.

Having said that, we will continue to explore the opportunities to further expand and increase its 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 for both fire service installation and other engineering businesses.

In addition, the Group will also continuously 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.

As the Group has successfully been listed on the Main Board of the Stock Exchange in 2019, our brand name awareness has been further enhanced. The Group may leverage this to explore other new attractive business opportunities inside and outside Hong Kong which may be value-enhancing to the Group and its shareholders. Furthermore, the Group will also continue to look for 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 year ended 30 April 2025 recorded amounted to approximately HK\$374.3 million which represented a decrease of approximately HK\$20.2 million or 5.1% from approximately HK\$394.5 million for the year ended 30 April 2024. The decrease in total revenue was mainly due to the decrease from installation services amounted to approximately HK\$16.8 million.

Analysis of revenue is as follows:

	Year ended 30 April			
	2025		2024	
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>
Installation services	<b>367,007</b>	<b>98.04</b>	383,784	97.28
Maintenance services	<b>7,308</b>	<b>1.95</b>	10,499	2.66
	<b>374,315</b>	<b>99.99</b>	394,283	99.94
Others	<b>32</b>	<b>0.01</b>	254	0.06
Total	<b>374,347</b>	<b>100.00</b>	<b>394,537</b>	<b>100.00</b>

#### *Installation services*

Revenue decreased by approximately 4.4% from approximately HK\$383.8 million for the year ended 30 April 2024 to approximately HK\$367.0 million for the year ended 30 April 2025. The decrease by approximately HK\$16.8 million was mainly due to gradually reached out the progress of the ongoing installation projects during the year.

#### *Maintenance services*

Revenue decreased by approximately 30.5% from approximately HK\$10.5 million for the year ended 30 April 2024 to approximately HK\$7.3 million for the year ended 30 April 2025. The decrease by approximately HK\$3.2 million was mainly due to a decrease in revenue from repair and maintenance to the safety system of the premises of various government departments during the year ended 30 April 2025 as comprised to the corresponding year.

#### *Others*

For the year ended 30 April 2025, revenue recorded amounted to approximately HK\$0.1 million (2024: HK\$0.1 million).

## **Cost of sales**

Our cost of sales decreased by approximately 4.7% from approximately HK\$365.5 million for the year ended 30 April 2024 to approximately HK\$348.4 million for the year ended 30 April 2025. The decrease was mainly attributed to the decrease in subcontracting costs, direct labour and materials cost which were due to less revenue recognised by the Group during the year ended 30 April 2025.

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

Our gross profit decreased by approximately HK\$3.1 million or 10.7% from approximately HK\$29.0 million for the year ended 30 April 2024 to approximately HK\$25.9 million for the year ended 30 April 2025. Our gross profit margin has been decreased to 6.9%. It is because of decrease in revenue amounted to approximately HK\$374.3 million.

## **Other income**

The Group recorded other income of approximately HK\$2.4 million for the year ended 30 April 2025 (2024: approximately HK\$1.0 million). The increase was mainly due to the increase in handling fee income with approximately HK\$1.8 million during the year ended 30 April 2025.

## **Reversal of impairment loss under expected credit loss on trade receivables, contract assets and deposits, prepayments and other receivables**

The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. For the year ended 30 April 2025, reversal of impairment loss of approximately HK\$668 million was made on the trade receivables, contract assets and deposits, prepayments and other receivables.

As at 30 April 2025, impairment allowance amounted to approximately HK\$25.6 million was made against the trade receivables, contract assets and deposits, prepayments and other receivables. Among the allowance made, HK\$20.0 million was made against a single customer.

The Group considered the allowances made were adequate since most of the Group's clients are major contractors in the industry.

## **Administrative expenses**

Our administrative expenses increased by approximately HK\$0.4 million or 1.8% from approximately HK\$22.2 million for the year ended 30 April 2024 to approximately HK\$22.6 million for the year ended 30 April 2025. The increase in administrative expenses was mainly due to the increase in staff costs including directors emoluments.

## Other gain and loss

Other gain and loss was nil for the year ended 30 April 2025, other gain and loss of approximately HK\$2.9 million for the year ended 30 April 2024 was arose from the fair value changes of the financial assets at fair value through profit or loss and exchange loss.

## Finance costs

Our finance costs increased by approximately 2.5% from approximately HK\$4.0 million for the year ended 30 April 2024 to approximately HK\$4.1 million for the year ended 30 April 2025. The increase was primarily attributed to the increase in drawdown of bank borrowings for normal operation during the year.

## Income tax expense

Our income tax expense was changed from approximately HK\$1.6 million for the year ended 30 April 2024 to approximately HK\$0.8 million for the year ended 30 April 2025. The decrease was primarily attributed to the net profit results for the year ended 30 April 2025.

## Profit and total comprehensive income for the year attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company was approximately HK\$0.6 million for the year ended 30 April 2025.

## LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 April 2025	2024
Current ratio	2.9	3.0
Gearing ratio*	15.8%	20.7%

\* Calculated based on total debts at the end of the year divided by total equity at the end of the year. Total debts are defined to include bank borrowings, other borrowings and lease liabilities.

The current ratio of the Group as at 30 April 2025 was 2.9 times as compared to that of 3.0 times as at 30 April 2024. The decrease in current ratio was mainly due to increase in accruals and other payable. The gearing ratio of the Group as at 30 April 2025 was 15.8% as compared to that of 20.7% as at 30 April 2024. Similar level of gearing ratio was primarily due to similar level of increase in total debts and total equity during the year ended 30 April 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, cash on hand, bank borrowings, 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 in listing and placements, other reserve and bank borrowings.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 30 April 2025 (2024: nil).

## **PLEDGE OF ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OF LOSS**

As at 30 April 2025, the Group pledged its bank deposit to a bank of HK\$21.9 million as collaterals 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 30 April 2025, performance bonds of approximately HK\$8.3 million (2024: approximately HK\$3.4 million), were given by the bank in favour of some of our customers as security for the due performance and observance of our obligations under the contracts entered into between us and our customers. If our 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. Our 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 30 April 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.

## **EVENT AFTER THE REPORTING PERIOD**

Saved as disclosed in note 13 in this announcement, there were no important events after the Reporting Period and up to the date of this announcement.



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

The Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the year ended 30 April 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. There has been no change in the capital structure of the Group after the Reporting Period and up to the date of this announcement. 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 30 April 2025, there was no significant investment held by the Group (2024: nil).

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

The Group currently does not have any future plans for material investments or capital assets.

## **FOREIGN CURRENCY EXPOSURE**

During the year ended 30 April 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 increasing 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 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.

## **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 year ended 30 April 2025.

## **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 year ended 30 April 2025.

## **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. Specific enquiries have been made with all Directors, all Directors declared that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 30 April 2025.

## **DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2025 (2024: Nil).

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION**

As at 30 April 2025, Mr. Li has interest in 14,390,000 ordinary shares of the Company, representing approximately 8.33% of all issued share capital of the Company.

Save as disclosed above, as at 30 April 2025, 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 announcement pursuant to the Takeovers Code.

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

As at 30 April 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 on 30 April 2025 or at any time during the year ended 30 April 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 year ended 30 April 2025, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 17 October 2025 to Friday, 24 October 2025, both days inclusive, during the period no transfer of shares will be registered. The holders of shares whose names appear on the register of members of the Company on Friday, 24 October 2025 will be entitled to attend and vote at the annual general meeting of the Company (the “AGM”). In order to determine the entitlement to attend and vote at the forthcoming AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 16 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, Mr. Fu Wing Kwok Ewing and Mr. Ghanshyam Adhikari. The chairman of the Audit Committee is Ms. Mak Suet Man. The Audit Committee has reviewed the consolidated results of the Group for the year ended 30 April 2025.

## **SCOPE OF WORK OF GLOBAL LINK CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2025 as set out in this annual results announcement have been agreed by the Company’s auditor, Global Link CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Global Link CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Global Link CPA Limited on this annual results announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is 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 annual report of the Company for the year ended 30 April 2025 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

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

Hong Kong, 31 July 2025

*As at the date of this announcement, 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.*