TIMELESS RESOURCES HOLDINGS LIMITED

天時資源控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors" or individually a "Director") of TIMELESS RESOURCES HOLDINGS LIMITED (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report shall remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its publication and on the Company's website at www.timeless.com.hk.

Contents

Corporate Information

Directors

Executive Directors

Felipe TAN *(Chairman)*
Ronald TAN

Independent Non-Executive Directors

CHAN Choi Ling
LAM Kwai Yan
YU Leung Fai

Audit Committee

YU Leung Fai *(Chairman)*
CHAN Choi Ling
LAM Kwai Yan

Nomination Committee

LAM Kwai Yan *(Chairman)*
CHAN Choi Ling
YU Leung Fai

Remuneration Committee

CHAN Choi Ling *(Chairlady)*
LAM Kwai Yan
YU Leung Fai

Company Secretary

KO Yuen Kwan

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Adviser

Michael Li & Co.

Share Registrar

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
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Hong Kong

Bankers

Hang Seng Bank Limited
OCBC Bank (Hong Kong) Limited

Registered Office

Room 2208
118 Connaught Road West
Hong Kong

Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8028

Authorised Representatives to the Stock Exchange

Felipe TAN
KO Yuen Kwan

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Chairman's Statement

On behalf of the board (the "Board") of directors of the Company, I would like to present the annual results of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2024.

2023 was a difficult year with challenging global financial markets and geopolitical uncertainty. The labour market in Hong Kong is recovering gradually but the economic rebound remains difficult. Slow recovery of China's economy, inflation, rising interest rates and geopolitical shocks have caused turbulence and uncertainty.

Our nickel mine remain idle in the past financial year, however we have made a significant progress. The review by the Evaluation Centre for Mineral Resources and Mineral Reserves of the PRC Ministry of Natural Resources in respect of the updated verification report of resources and reserve of phase two mining zone of the Baishiquan Nickel-copper Mine had been successfully passed and the approval letter was obtained in February 2024 and the filed resource is 7,078,000 tonnes of nickel-copper ores with nickel content of 40,322 tonnes and copper content of 23,905 tonnes.

We have been moving gradually to the planning and evaluation stage of the phase two mining zone and the approval of the development plan was obtained in May 2024. Assessment of production scale of mining license and preparation of other reports have been commenced. The Group will increase the production scale of the current mining licence which will be expired in December 2024, on application for renewal. In addition, the Group also engaged professionals to perform extra exploration work in April 2024 in order to locate additional resources in Baishiquan Nickel-copper mine site. If everything goes smoothly, the extraction of the phase two zone may be started in the 2026.

During the year under review, our company name was changed. The new company name reflects our strategic plan and direction of future development. Looking ahead, we will direct more resources to metal related businesses. We would explore business opportunities that will enhance shareholder value.

Finally, I would like to extend my sincere thanks to our valuable shareholders, suppliers, customers and business partners for their trust and support. I would also like to take this opportunity to thank the Board and all staff for their valuable efforts and contribution to our Group and its development.

On behalf of the Board
Felipe Tan
Chairman

Hong Kong, 24 June 2024

Management Discussion and Analysis

About the Group

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on GEM of the Stock Exchange. The address of its registered office and principal place of business is Room 2208, 118 Connaught Road West, Hong Kong.

Segmental Information

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in (i) the exploration, development and exploitation of mines and trading of metal ("Mining and Metal Business"); and (ii) research, development and sale agency of bio and nano materials products as well as software maintenance and development services ("Software and Innovation Business").

During the year under review, the Mining and Metal Business accounted for 100% (2023: nil) of total revenue while there is no revenue from the Software and Innovation Business (2023: 100%).

Business Review and Outlook

Mining and Metal Business

Overview

The Mining and Metal Business primarily comprises of exploration, development and exploitation of a nickel-copper mine in Mainland China and metal trading in Hong Kong.

During the year under review, the Group had completed the supplementary drilling of 4 surface drill holes for a total of approximately 1,030 meters in June 2023. Subsequent to the completion of the supplementary drilling, the updated verification report of resources and reserves in respect of the phase two mining zone of the Baishiquan Nickel-copper Mine was re-submitted to the government authority for assessment in September 2023 and the report was approved in November 2023 with approval letter obtained in February 2024. For the year ended 31 March 2024, we have incurred approximately HK$567,000 (2023: HK$979,000) for completing drilling of approximately 1,030 meters.

During the year, the Group completed trading of 94 kg gold with revenue and gross profit of HK$48,251,000 and HK$1,260,000 respectively.

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Outlook

Although nickel prices dropped around 45% in 2023, the global nickel demand growth remains very strong as nickel is one of the most highly important industrial metals. Nickel prices are expected to further decline in 2024 due to oversupply in the global market. However, as a major green metal, nickel's critical role in the global transition to cleaner energy sources and the further spread of electric vehicles will support price growth in the long term. The Group is optimistic about the future prices of nickel and will closely monitor its trend during the development process.

As the approval letter for the verification report of resources and reserves was obtained, the Group will increase the production scale of the Baishiquan Nickel-copper mine to be stated in the mining licence, which will be expired in December 2024, when applying for renewal. Hopefully, the Group could locate more resources upon completion of the extra exploration work commenced in April 2024 by the professional team engaged and so the development of phase two Baishiquan Nickel-copper mine will be even more commercially feasible with lower average unit cost.

The next step is to prepare feasibility study and relevant reports which would take about 3 to 4 months depending on the timing for obtaining renewal of the current mining licence. With the approval of feasibility study, the mine design would take approximately another 3 to 4 months. After that, the construction of mining facilities would be expected to commence by the first half of 2025 and would last for approximately 18 to 20 months. Under such schedule, it is expected that the extraction of the phase two mine zone would be commenced in the second half of year 2026 subject to the progress of preparing the feasibility study and related reports and the time required by the government authority to grant the approval. Given the early stage of development of phase two of Baishiquan Nickel-copper Mine, the Group does not have sufficient information to prepare a forecast of development costs at the current stage.

Resource Estimates Update

As at 31 March 2024, the details of the resource estimates of the mining zone (phase two) are set out below:

Mine	Resource category	Tonnage	Average grade	
		(tonnes*1,000)	(Ni%)	(Cu%)
Baishiquan Nickel-copper Mine	Indicated	3,962	0.55	0.36
	Inferred	3,116	0.60	0.32

Notes:

(1) The resource estimates are based on the verification report of resources and reserves approved by the PRC Ministry of Natural Resources on 10 November 2023.

(2) Cut-off grade is 0.3%.

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Exploration, Development and Mining Production Activities

The exploration, development and mining production activities of the mining zone (phase two) of the Group for the year ended 31 March 2024 are summarised below:

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	– Completed 4 surface drill holes of a total of approximately 1,030 meters – Obtained the approved verification report of resources and reserves	Completed the proposal for development plan	No material activity

Expenditure Incurred

During the year ended 31 March 2024, the Group had incurred the following expenditure related to the exploration and development activities:

		Total HK$'000
1.	**Capital Expenditure**	
1.1	Exploration activities	
	Drilling and analysis	411
1.2	Development activities (including mine construction)	
	Preparation of proposal for development plan	156
Total Capital Expenditure		**567**
2.	**Operating Expenditure for Mining Activities**	
	Staff cost	–
	Consumables	–
	Fuel, electricity, water and other services	–
	Non-income taxes, royalties and other government charges	–
	Others	–
Total Operating Expenditure		**–**
Total Capital and Operating Expenditure		**567**
3.	**Processing Expenditure**	**–**
Total Expenditure		**567**

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Infrastructure Projects and Subcontracting Arrangements

No new contracts related to infrastructure projects and subcontracting arrangements were concluded during the year ended 31 March 2024 (2023: nil). As at 31 March 2024, there was no outstanding commitments (2023: nil).

Software and Innovation Business

Overview

Software and Innovation Business comprised of research, development and sale agency of bio and nano materials products as well as software maintenance and development services. For the year ended 31 March 2024, there was no segment revenue (2023: HK$160,000) from Software and Innovation Business and the segment loss was approximately HK$39,000 (2023: segment profit of HK$47,000).

Outlook

The software market has been experiencing significant growth worldwide due to the increasing demand for digital transformation across various industries. Rapid growth in China's communications equipment, mobile phone manufacturing, AI software, website design and software solutions also supported the software industry's strong performance. We will take this opportunity to plan for future development of our software business.

Interests in Associates

The Group owned 41.45% (2023: 36.04%) equity interests in Nano Bubble Limited ("Nano Bubble") which mainly engaged in research and development for hygienic and sanitisation products, and the related solutions using the nano-ozone technology. The hydroponic machine is used for replacing chemical detergent for sterilisation and disinfection. It can also be applied to aquaculture and agriculture to enrich oxygen level in fish and vegetable cultivation media. During the year under review, an order for one year leasing of hydroponic machine were confirmed.

For the year ended 31 March 2024, the Group recorded share of loss of associates of approximately HK$466,000 (2023: HK$90,000). In addition, the Group acquired additional equity interests in Nano Bubble at a cash consideration of HK$195,000.

Business Review and Outlook (Continued)

Other Investments

As at 31 March 2024, the Group owned 3,890 ordinary shares, representing 15.28% equity interests in CGA Holdings Limited ("CGA Holdings"). CGA Holdings and its subsidiaries ("CGA Group") are principally engaged in e-sport business. Notwithstanding the lifting of anti-pandemic measures in early 2023 by the Hong Kong government, the promotion budget of CGA Group's customers has not yet been resumed to the pre-pandemic level. As such, the financial performance did not recover as expected and the pace of recovery was slow. Management did not foresee any growth in its cash flow projection on which the fair value of CGA Group was based. Therefore, the Group recorded a loss on fair value on the investment in CGA Group of HK$3,400,000 (2023: HK$3,600,000) during the current year.

The proposed listing of CGA Holdings, further details of which were set out in the Company's announcement dated 18 October 2021, has not been proceeded as planned. Due to complex market environment, CGA Holdings has been actively negotiating with the subscriber for the subsequent arrangement, including but not limited to adjustments to the original listing plan. In order to reduce the Group's risk relating to the investment in CGA Holdings, the Group has been discussing with several potential buyers for realising its investments in CGA Holdings.

As at 31 March 2024, the Group also had profit guarantee receivable, together with accrued interest, from the founders of CGA Group amounting to approximately HK$9,263,000 (31 March 2023: HK$8,855,000) (the "Receivable") with pledge of ordinary shares of CGA Holdings held by the founders. Such receivable was resulted from a subscription agreement dated 16 May 2018 where the founders of CGA Holdings jointly and severally guaranteed to the Group that the net profit after tax of CGA Group as shown in the audited consolidated financial statements of CGA Holdings for the years ended 31 March 2020 and 31 March 2021 (excluding the one-off, non-operational in nature and items not incurred in the ordinary and usual course of business) shall not be in aggregate less than HK$32,000,000 ("CGA Profit Guarantee"). However, CGA Holdings failed to fulfil the CGA Profit Guarantee and the founders were liable to repay to the Group an amount equal to 28.57% of the shortfall of actual profit below the guaranteed profit of HK$32,000,000. The Group subsequently entered into a settlement agreement with the founders on 30 June 2021 and the settlement due date pursuant to the settlement agreement has already expired at the date of this report. Further details of such receivable are set out in the Company's announcements dated 16 May 2018 and 30 June 2021.

The Group has issued a demand letter to the debtors requesting the repayment of the Receivable and in response, the debtors asked for deferment of the Receivable repayment. The Group will keep following up with the debtors for repayment as well as taking further action where appropriate. As at 31 March 2024, the Group reassessed the expected credit loss to be recognised with reference to the fair value of the pledged assets (i.e., the ordinary shares of CGA Holdings held by the founders). Due to the unfavourable performance of the CGA Group, the fair value of the pledged assets of the Receivable was significantly impaired. Consequently, the Group recorded expected credit loss of HK$8,419,000 on the Receivable for the year ended 31 March 2024.

The Group also has 1.25% (2023: 1.67%) equity interests in Trip Guru Holdings Limited, which, is principally engaged in the provision of tour reservation services. With the lifting of travel restriction by many countries, the tour reservation system rebounded significantly and the Group recorded a gain on fair value of HK$853,000 (2023: HK$782,000) during the year.

Financial Performance Review

For the year ended 31 March 2024, the Group recorded a total turnover of approximately HK$48,251,000 (2023: HK$160,000), representing an increase of 300 times as compared with the last financial year, which contributed by the sales of 94 kg gold from metal trading business. Other income and gains of approximately HK$3,694,000 for the year under review (2023: HK$4,670,000) mainly represented interest income and rental income. Loss for the year was approximately HK$21,312,000 (2023 (restated): HK$9,785,000).

For the year under review, there was turnover of HK$48,251,000 from the Mining and Metal Business (2023: nil) and no turnover was generated from the Software and Innovation Business (2023: HK$160,000). The segment loss from the Mining and Metal Business was approximately HK$3,206,000 (2023: HK$5,015,000) and segment loss from the Software and Innovation Business was approximately HK$39,000 (2023: segment profit of HK$47,000). The segment loss for the Mining and Metal Business decreased by 36% as there was gross profit of HK$1,260,000 from metal trading in the current year.

Loss attributable to owners of the Company was approximately HK$19,438,000, as compared to HK$8,044,000 (restated) for the last financial year.

The adjusted LBITDA of the Group, a non-HKFRSs financial measure, for the current year was HK$10,686,000 as compared to HK$11,516,000 in the last financial year.

Liquidity and Financial Resources

As at 31 March 2024, the Group had cash and cash equivalents and time deposit with original maturity of over three months of approximately HK$82,618,000 (2023: HK$90,885,000) and net current assets of HK$71,516,000 (2023: HK$90,466,000). Out of the Group's cash and cash equivalents and time deposit with original maturity of over three months, about 12% was denominated in Hong Kong dollars (2023: 10%) and 87% was denominated in Renminbi (2023: 90%). The cash denominated in United States dollars is about 1% (2023: less than 1%).

As at 31 March 2024, the current ratio was 4.64 (2023: 5.05).

The Group generally financed its operations and investing activities with internally generated cash.

As at 31 March 2024, the Group had outstanding borrowings of approximately HK$9,800,000 (2023: HK$9,003,000), which mainly represented loans from a related party.

Placing of New Shares

On 4 March 2024, the Company entered into the placing agreement (the "Placing Agreement") with the placing agent pursuant to which the placing agent has agreed to place, on best efforts basis, up to 56,000,000 new ordinary shares (the "Placing Shares") to not less than six placees at a price of HK$0.173 per Placing Share (the "Placing"). The closing price per share as quoted on the Stock Exchange on 4 March 2024, being the date on which the terms of the Placing Agreement were fixed, was HK$0.180. On 8 March 2024, the Company entered into a supplemental agreement to change the closing date of the Placing.

Liquidity and Financial Resources (Continued)

Placing of New Shares (Continued)

On 19 March 2024, the Company completed the Placing to allot and issue the Placing Shares at HK$0.173 each in accordance with the terms and conditions of the Placing Agreement. The net proceeds from the Placing were approximately HK$9.3 million and the net price per Placing Share was HK$0.166. As at 31 March 2024 and the date of this report, i.e. 24 June 2024, the Company has utilised the following amount according to the use of proceeds as disclosed in the announcement of the Company dated 19 March 2024:

	31 March 2024 HK$'000	24 June 2024 HK$'000
Net proceeds from Placing	**9,308**	9,308
Less: repayment of outstanding liabilities due to a Director and substantial shareholder of the Company	**–**	(3,000)
Less: operating expenses	**–**	(1,381)
Unutilised proceeds	**9,308**	4,927

The unutilised proceeds as at 24 June 2024 would be used for operating expenses of the Group, including but not limited to payment of salary, rental expenses, legal and professional fee, interest expense and other office expenses within the financial year ending 31 March 2025.

Details of the Placing were disclosed in the announcements of the Company dated 4, 8 and 19 March 2024.

The total issued shares of the Company as at 31 March 2024 are 337,288,180 shares.

Adoption of 2023 Share Option Scheme

In view of the expiration of the 2013 Share Option Scheme on 25 September 2023, the Board proposed to adopt a new share option scheme ("2023 Share Option Scheme") in accordance with Chapter 23 of the GEM Listing Rules. The proposed 2023 Share Option Scheme was approved by the Shareholders at the extraordinary general meeting held on 25 September 2023 (the "EGM"). The purpose of the 2023 Share Option Scheme is (i) to enable the Board to grant share options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Company; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the shareholders to promote the long term financial and business performance of the Company. A summary of the principal rules and terms of the 2023 Share Option Scheme as well as the details of the 2023 Share Option Scheme and EGM are set out in the circular of the Company dated 21 August 2023.

Capital Commitments

The Group has no significant capital commitment as at 31 March 2024.

Gearing Ratio

As at 31 March 2024, the Group's gearing ratio was approximately 24.47% (2023 (restated): 17.65%), based on total borrowings of approximately HK$9,800,000 (2023: HK$9,003,000) and equity attributable to owners of the Company of approximately HK$40,054,000 (2023 (restated): HK$51,005,000).

Employee Information

Particulars of the employee information on the Group are set out in "Business Review" section of the Directors' Report.

Charge on the Group's Assets

None of the Group's assets was pledged as at the date of the annual report.

Order Book and Prospects for New Business

There was no order book on hand as at 31 March 2024.

Significant Investments, Material Acquisitions and Disposals

The Group did not have any significant investments, acquisitions or disposals during the year ended 31 March 2024.

Future Plans for Material Investments

The Group does not have any plan for material investments in the near future.

Exposure to Exchange Risks

Since the Group's borrowings and its source of income are primarily denominated in the respective group companies functional currency which are mainly in Hong Kong dollars or Renminbi and the exchange rate of Renminbi to Hong Kong dollars has been relatively stable throughout the year under review, the exposure to foreign exchange rate fluctuations is not significant.

Contingent Liabilities

As at 31 March 2024, the Group has no material contingent liabilities.

Biographical Details

Directors

Executive Directors

Mr. Felipe TAN, aged 69, has been re-appointed as an executive Director and Chairman of the Company since 17 March 2021. Mr. Tan was appointed as an executive Director of the Company on 30 September 2012 and Chairman of the Company on 29 July 2016 and resigned on 12 September 2019. He is also directors of certain subsidiaries of the Company. He has over 40 years of experience in metals trading including over 25 years of management experience in mining industry in the People's Republic of China (the "PRC"). He is also the chairman of the board, president and chief executive officer of GobiMin Inc. ("GobiMin") from September 2005, the shares of which were listed on the TSX Venture Exchange in Canada (symbol: GMN) since 2005 and were delisted by way of privatization in March 2023. GobiMin and its subsidiaries are principally engaged in the investment in equity, debt or other securities as well as direct ownership stakes in projects. Mr. Tan is the father of Mr. Ronald Tan, an executive Director of the Company.

Mr. Ronald TAN, aged 32, has been appointed as an executive Director of the Company since 2 October 2019. He joined the Group in 2016 and is the project manager of the Group, responsible for evaluating and overseeing different investment projects. He is directors of certain subsidiaries of the Company. Mr. Ronald Tan graduated from the University of Hong Kong with a Master degree of Arts. He is the son of Mr. Felipe Tan, an executive Director, the Chairman and a substantial shareholder of the Company.

Independent Non-executive Directors

Ms. CHAN Choi Ling, aged 49, has been appointed as an independent non-executive director ("INED") of the Company since 30 September 2012. Ms. Chan is a qualified solicitor in Hong Kong. She obtained her Bachelor of Laws degree from the City University of Hong Kong. Ms. Chan has over 20 years' experience in civil litigation. Ms. Chan currently is a consultant in a law firm in Hong Kong.

Mr. LAM Kwai Yan, aged 64, has been appointed as an INED of the Company since 23 December 2008. Mr. Lam has a degree in Business Studies from the University of Southern Queensland, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the CPA Australia and Institute of Singapore Chartered Accountants. Mr. Lam has worked for various large corporations, and has vast experience with SME's, including auditing and consulting on re-organisation and restructuring businesses that have cross-border operations in China. His work also included advising and consulting for listed public companies.

Mr. YU Leung Fai, aged 47, has been appointed as an INED of the Company since 31 March 2023. He has extensive experience in the field of accounting and corporate services. Mr. Yu joined Fung, Yu & Co. CPA Limited (formerly known as Fung, Yu & Co.) since 2001 and is currently its managing partner. Mr. Yu holds a Bachelor of Commerce (Honour) degree from the University of Toronto and a Bachelor of Laws degree from the University of London. He is also a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia and the Hong Kong Institute of Certified Public Accountants, and a Certified Trust Practitioner of the Hong Kong Trustee Association. Mr. Yu is also the independent non-executive director, and the joint company secretary or company secretary of certain listed companies in Hong Kong.

Save as disclose above, each of the Directors do not have any relationship (including financial, business, family or other material relationship) with other Directors, senior management, substantial or controlling shareholders of the Company.

Company Secretary

Ms. KO Yuen Kwan, aged 59, has comprehensive experience in finance, accounting and compliance matters of listed companies in Hong Kong and Canada. Ms. Ko joined the Group in November 2014. Ms. Ko had been the company secretary of companies listed on the Main Board and GEM of the Stock Exchange for more than 20 years, responsible for the company secretarial, legal and compliance matters. Ms. Ko holds a Master's degree in Professional Accounting from the Hong Kong Polytechnic University and is a member of the Hong Kong Institute of Certified Public Accountants and the CPA Australia. She is also a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Chartered Governance Institute in UK and the Hong Kong Chartered Governance Institute.

Corporate Governance Practices

The Company strives to attain and maintain the highest standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding shareholder interests.

The principles of corporate governance adopted by the Group emphasise a quality board, sound internal control, and transparency and accountability to all its shareholders.

The Company has adopted the code provisions ("Code Provisions") set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the GEM Listing Rules. The Company had complied with all Code Provisions as set out in the Code, throughout the year ended 31 March 2024, except for Code Provision C.2.1.

Code Provision C.2.1 provides that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Since the re-appointment of Mr. Felipe Tan as an executive Director and the Chairman of the Company after the resignation of the Acting Chief Executive Officer on 17 March 2021, the Company has a vacancy for the chief executive and the role of the chief executive has been performed by the executive Directors collectively. The Board of the Company will use its best endeavor in finding a suitable candidate to assume duties as chief executive of the Company as soon as possible.

Board of Directors

Composition and Responsibilities

The Board is responsible for directing the strategic objectives of the Company and overseeing the management of the business. The Directors are charged with the task of promoting the success of the Company and making decisions in the best interest of the Company.

The Board also takes up the corporate governance functions pursuant to the Code. During the year, the Board as a whole, is responsible for the following corporate governance functions:

- To develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- To review and monitor the training and continuous professional development of Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct applicable to employees and directors; and
- To review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

Board of Directors (Continued)

Composition and Responsibilities (Continued)

The Board approves and monitors group wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management. Management is responsible for the day-to-day operations of the Group under the leadership of the Chairman.

The Board currently comprises five Directors, including two executive Directors and three independent non-executive Directors.

The composition of the Board is currently as follows:

Executive Directors:

Mr. Felipe TAN *(Chairman)*
Mr. Ronald TAN

Independent Non-executive Directors:

Ms. CHAN Choi Ling
Mr. LAM Kwai Yan
Mr. YU Leung Fai

Biographical details of the Directors are set out in the "Biographical Details" section on pages 12 to 13 of this annual report. To the best knowledge of the Company, save as disclosed under the section "Biographical Details", there is no financial, business, family or other material or relevant relationships among members of the Board.

Board Meetings

The Board held 5 meetings during the year ended 31 March 2024.

Directors' Attendance at Board/Board Committee/General Meetings

The details of all Directors' attendance at the board meetings, board committee meetings and general meetings held during the year ended 31 March 2024 are set out below:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2023 Annual General Meeting	EGM*
	Number of Meetings Attended/Held					
Executive Directors:						
Felipe TAN *(Chairman)*	5/5	N/A	N/A	N/A	1/1	2/2
Ronald TAN	5/5	N/A	N/A	N/A	1/1	2/2
Independent Non-executive Directors:						
CHAN Choi Ling	5/5	4/4	1/1	1/1	0/1	1/2
LAM Kwai Yan	5/5	4/4	1/1	1/1	1/1	2/2
YU Leung Fai	5/5	4/4	1/1	1/1	1/1	1/2

* Extraordinary General Meeting

Board of Directors (Continued)

Composition and Responsibilities (Continued)

Directors' Attendance at Board/Board Committee/General Meetings (Continued)

Appropriate notices are given to all Directors in advance for attending regular and other board or board committee meetings in accordance with the articles of association (the "Articles of Association") of the Company. Meeting agendas and other relevant information are provided to the Directors in advance of board or board committee meetings. All Directors are consulted to include additional matters in the agenda for such meetings.

Appointment, Re-election and Removal

The Company's Articles of Association provide that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after their appointment and every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive Directors has entered into service contract with the Company when they are appointed as Directors. These service contracts will continue thereafter until terminated by either party giving to the other party not less than one or three months' notice in writing.

Each of the independent non-executive Directors was appointed for a term of one year.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting ("AGM") has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than the statutory compensation.

Confirmation of Independence

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive Directors are considered to be independent.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the year ended 31 March 2024.

Board of Directors (Continued)

Directors' Participation in Continuous Professional Trainings

During the year under review, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as director of a listed company.

The Directors, namely Mr. Felipe Tan, Mr. Ronald Tan, Ms. Chan Choi Ling, Mr. Lam Kwai Yan, and Mr. Yu Leung Fai, confirmed that they have participated in continuous professional development to develop and refresh their knowledge and skills during the year under review and where applicable, up to the date of cessation as director.

Directors' and Officers' Liabilities Insurance and Indemnity

The Company has arranged for Directors' and Officers' Liability Insurance and Indemnity covering liabilities in respect of the legal actions against the Directors that may arise out in the corporate activities which has been complied with the Code. The insurance coverage is reviewed on an annual basis.

Board Committees

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely:

Mr. YU Leung Fai *(Chairman)*
Ms. CHAN Choi Ling
Mr. LAM Kwai Yan

The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management systems of the Group.

Under the terms of reference of the Audit Committee amended and adopted on 4 March 2024 with retrospective effect from 1 January 2024, the committee is required, amongst other things, to oversee the relationship with the external auditors, review the Group's consolidated financial statements and annual report and accounts, half-year report and the connected transactions, monitor compliance with statutory and GEM Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal control, engage independent legal or other advisers as it determines is necessary and perform investigations.

For the year ended 31 March 2024, the Audit Committee held 4 meetings. Details of the attendance of the members of the Audit Committee in the said meetings are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Audit Committee during the year was as follows:

– To make recommendation to the Board on re-appointment of the external auditor;

– To monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences; and

– To monitor integrity of the Company's consolidated financial statements and annual report and accounts, half-year report, and to review significant financial reporting judgments contained in them.

Board Committees (Continued)

Audit Committee (Continued)

The Audit Committee has reviewed the accounts for the year ended 31 March 2024 which were audited by HLB Hodgson Impey Cheng Limited, whose term of office will expire upon the coming AGM. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited will be re-appointed as the auditors of the Company at the coming AGM. During the year ended 31 March 2024, the Board did not take different view from the Audit Committee on the appointment of external auditor.

Nomination Committee

The Company has established the Nomination Committee in March 2006 in compliance with the GEM Listing Rules, terms of reference of which have been adopted by the Company and are consistent with the requirements of the Code. The Nomination Committee comprises three independent non-executive Directors, namely:

Mr. LAM Kwai Yan *(Chairman)*
Ms. CHAN Choi Ling
Mr. YU Leung Fai

The primary aim of the Nomination Committee is to review and make recommendation to the Board when the vacancies occurred. The Nomination Committee meets at least once a year or as needed where vacancies arise at the Board.

For the year ended 31 March 2024, the Nomination Committee held 1 meeting. Details of the attendance of the members of the Nomination Committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Nomination Committee during the year was as follows:

- To review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board regarding any proposed changes;

- To identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individual shall be their ability to contribute to the effective carrying out by the Board of its responsibilities; and

- To make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

I. Nomination Policy

The Company adopted a nomination policy (the "Nomination Policy") on 29 January 2019 with retrospective effect from 1 January 2019 to set out the criteria, process and procedures for the Nomination Committee to recommend suitable candidates for directorship with a view to ensuring that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Nomination Process

The Nomination Committee is responsible for ensuring that the selection criteria are being applied consistently and fairly in the nomination process and confirming the same to the Board when making its recommendation on appointment.

Board Committees (Continued)

Nomination Committee (Continued)

I. Nomination Policy (Continued)

Nomination Process (Continued)

1. Procedures for Appointment of New Director

Subject to the provisions in the Company's Articles of Association, if the Board recognises the need to appoint a new Director, the following procedures should be adopted:

(a) The Nomination Committee, with or without assistance from Human Resources Department and external agencies, identifies candidates in accordance with the selection criteria set out in the Nomination Policy.

(b) The Nomination Committee evaluates the candidates and recommends to the Board the appointment of the appropriate candidate for directorship.

(c) The Board decides the appointment based upon the recommendation of the Nomination Committee.

(d) The letter of appointment or the key terms and conditions of the appointment should be approved by Remuneration Committee.

(e) The Company Secretary or his or her designated delegate shall ensure all disclosure obligations under the GEM Listing Rules regarding the appointment or re-election are duly complied.

2. Procedures for Re-election of Director at General Meeting

(a) The Nomination Committee reviews the overall contribution to the Company of the retiring Director.

(b) The Nomination Committee also reviews and determines whether the retiring Director continues to meet the selection criteria set out in the Nomination Policy.

(c) The Nomination Committee shall recommend to the Board which shall then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

3. Procedures for Nomination by Shareholders

(a) The Company's website sets out the procedures for shareholders to propose a person for election as a Director.

(b) For any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the selection criteria set out in the Nomination Policy and to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee shall recommend to the Board which shall then make recommendation to shareholders in respect of the proposed election of Director at the general meeting.

Board Committees (Continued)

Nomination Committee (Continued)

I. Nomination Policy (Continued)

Selection Criteria

The Nomination Committee will propose a candidate for nomination or a Director for re-election based on merit and the following considerations:

(a) The board diversity policy, which was adopted by the Company on 29 January 2019, and the requirements under the GEM Listing Rules.

(b) The expected contribution the candidate would add to the Board and to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

(c) The candidate or the re-elected Director is able to commit and devote sufficient time and attention to the Company's affairs.

(d) The level of independence from the Company, and potential or actual conflicts of interest of the candidate or the re-elected Director.

(e) Other relevant factors considered by Nomination Committee on a case-by-case basis.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

II. Board Diversity Policy

The Company adopted a board diversity policy (the "Diversity Policy") on 29 January 2019 with retrospective effect from 1 January 2019 to set out the approach to achieve diversity on the Board of the Company.

Summary of the Diversity Policy

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, and length of service) will be disclosed in the Corporate Governance Report annually.

Board Committees (Continued)

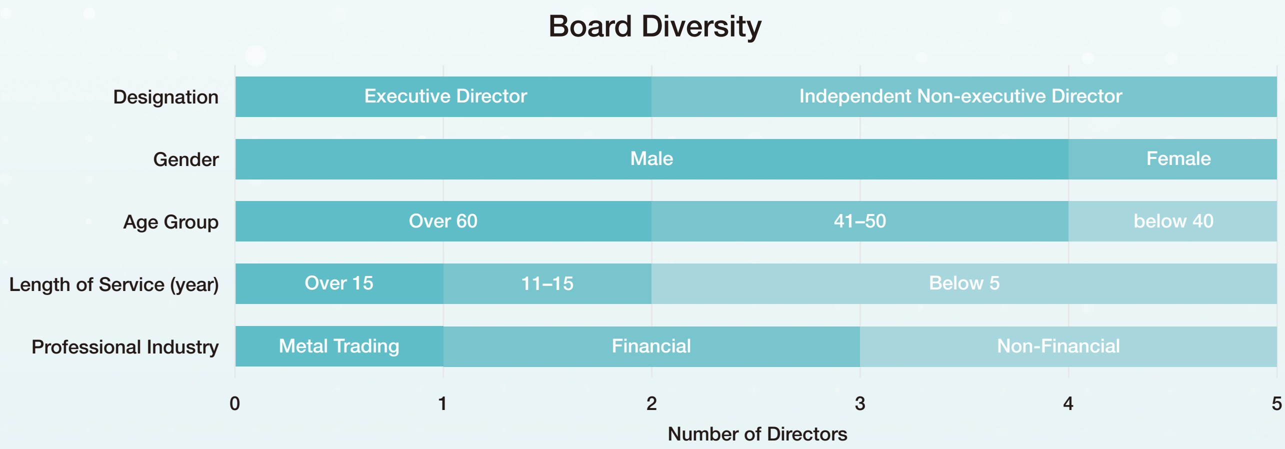
Nomination Committee (Continued)

II. Board Diversity Policy (Continued)

Monitoring and Reporting

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Diversity Policy annually.

As at the date of this Corporate Governance Report, the Board's composition under major diversified perspectives was:



The workforce of the Group as at the date of this Corporate Governance Report was comprised of 35% female and 65% male in which 39% male staff was employed for Mining Business as it is traditionally short of female workforce in mining sector.

Remuneration Committee

The Remuneration Committee was set up in March 2006 and comprises three independent non-executive Directors, namely:

Ms. CHAN Choi Ling *(Chairlady)*
Mr. LAM Kwai Yan
Mr. YU Leung Fai

The primary aim of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for the employees of the Group.

For the year ended 31 March 2024, the Remuneration Committee held 1 meeting. Details of the attendance of the members of the Remuneration Committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

Board Committees (Continued)

Remuneration Committee (Continued)

The summary of work of the Remuneration Committee during the year was as follows:

– To review and recommend matters relating to the grant of share options under the share option scheme adopted on 25 September 2013 (the "2013 Share Option Scheme") to the Directors and employees of the Company (the "Grantees"), such as vesting period and performance targets of the share options;

– To review and recommend the grant of share options to the Directors and employees of the Company on 14 August 2023;

– To determine the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors' service contracts;

– To make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time; and

– To review and approve the senior management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time.

In relation to the grant of share options under the 2013 Share Option Scheme on 14 August 2023, the Remuneration Committee has reviewed and considered the following regarding the proposed grant of the share options to the Grantees:

1. the vesting period for the Share options to be granted to the Grantees shall be 12 months;

2. the grant of the share option has no performance target attached thereto as (i) the Grantees are either Directors and/or employees of the Group who contribute directly to the operational performance and business development of the Group and the grant of share options would give the Grantees an opportunity to reap the results of the Group and be incentivised to work towards sustainable growth of the Group and shareholder value creation; and (ii) the grant of share options could increase their loyalty to the Group. The Remuneration Committee is of the view that although there are no performance targets attached to the grant of the share options, such grants will provide the Grantees with incentives to work towards the growth and successes of the Group and reinforce their commitment to the Group, which is in line with the purpose of the 2013 Share Option Scheme; and

3. the share options granted are subject to the clawback mechanisms as set out in the terms of the 2013 Share Option Scheme, in particular, the share options will lapse upon the Grantee ceasing to be an eligible participant of the Group on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence or other grounds on which an employer would be entitled to terminate his or her employment pursuant to any applicable law, or for any other reason save for the death of the Grantee.

In view of the aforementioned, the Remuneration Committee considered the grant of the share options aligned with the purpose of the 2013 Share Option Scheme.

Auditors' Remuneration

For the year ended 31 March 2024, the fees paid/payable to the auditors in respect of the audit and non-audit services were as follows:

Types of services	Amount (HK$)
Annual audit services	600,000
Agreed-upon procedures on the adjustments to share options	45,000

Accountability and Audit

Directors' Responsibility for the Consolidated Financial Statements

The following statements, which set out the responsibilities of the Directors in relation to the consolidated financial statements, should be read in conjunction with, but distinguished from, the Independent Auditors' Report on pages 58 to 61 of this annual report which acknowledges the reporting responsibilities of the Group's auditors.

The Directors acknowledge that they are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing the consolidated financial statements which give a true and fair view, the Directors consider that the Group uses appropriate accounting policies that are consistently applied, makes judgments and estimates that are reasonable and prudent, and that all applicable accounting standards are followed. The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group and enable the preparation of consolidated financial statements in accordance with Companies Ordinance (Chapter 622 of the laws of Hong Kong) ("Hong Kong Companies Ordinance") and the applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Having made appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. The Directors in particular consider the adequacy of resources, qualifications and experience of staff to the Group's accounting and financial reporting function, and their training programmes and budget.

Accountability and Audit (Continued)

Review of Risk Management and Internal Control

The Audit Committee has designated staff with relevant experience and knowledge to oversee the internal control and internal audit function. The designated staff regularly (i) evaluate with our senior management on the risk assessment and risk mitigation measures; (ii) assess the effectiveness of the internal control and risk management systems and ensure they are properly followed; and (iii) submit periodical reports to the audit committee for review and approval. The Audit Committee also assists the Board in meeting its responsibilities for maintaining the effective systems of risk management and internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed.

The Board recognises its responsibility for maintaining the adequate systems of risk management and internal control and prompt and transparent reporting of the Company's activities to the shareholders and to the public.

The Board has conducted annually the review of the effectiveness of the risk management and internal control systems and considered that the systems facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the consolidated financial statements, and ensure compliance with relevant legislation and regulations. It aims to achieve reasonable assurance against material misstatement or loss in the management of the Group's business activities.

The Group regulates the handling and dissemination of inside information according to the "Guidelines on Disclosure of Inside Information" published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees appraised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

Whistleblowing Policy

The Board amended and adopted a whistleblowing policy (the "Whistleblowing Policy") in June 2022. The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is every employee's responsibility and in the interest of the Group to ensure that any inappropriate behaviour that compromise the interest of the staff, shareholders, investors, customers and the wider public does not occur.

The purpose of the Whistleblowing Policy is to assist individual employees (permanent or temporary employees) to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety. It is not designed to further any personal disputes, question financial or business decisions taken by the Group. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the Chairman of the Board or the Chairman of the Audit Committee of the Group. No incident of fraud or misconduct has been discovered on the Group's financial statements or overall operations for the year ended 31 March 2024. The Whistleblowing Policy is reviewed annually by the Board to ensure its effectiveness.

Anti-bribery and Corruption Policy

The Group strongly emphasized the development of corporate culture which are underpinned by, among others, integrity, fairness, ethical business practices, safety, open communication and improvement as the core values of the Group. In June 2022, the Board adopted an anti-bribery and corruption policy (the "Anti-bribery and Corruption Policy"). The Group is committed to fully comply with the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) and the laws and regulations of other regions as appropriate and maintain the highest level of business conduct and operates a zero tolerance approach to bribery and corruption. The Anti-bribery and Corruption Policy sets out the basic standard of conduct for all directors and staff and the Group's policy on handling conflict of interest and acceptance of advantages when carrying out the Group's business. The Board is responsible for monitoring the effectiveness of this Policy and will review the implementation of it on a regular basis.

Company Secretary

The Company Secretary has day-to-day knowledge of the Company's affairs and plays an important role in supporting the Board by ensuring that Board policy and procedures, all applicable laws, rules and regulations are followed. The Company Secretary reports to the Chief Executive Officer or the Chairman on corporate governance matters and is accountable to the Board for matters relating to the Director's duties.

For the year ended 31 March 2024, the Company Secretary undertook over 15 hours' professional training to update her skill and knowledge in compliance with the Code.

Changes in Constitutional Documents

For the year ended 31 March 2024, there was no change in its constitutional documents.

Shareholders' Rights

According to the Company's Articles of Association and as provided by the Hong Kong Companies Ordinance, shareholders of the Company holding at the date of deposit of the requisition not less than 5% of the total voting rights of all the members of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

If a shareholder wishes to propose a person other than a Director retiring for election as a Director at the coming AGM, the shareholder should deposit a written notice of nomination and also a notice signed by the person to be proposed of his willingness to be elected at the registered office of the Company within 7-day period commencing from the day after the dispatch of the AGM notice (or such other period as may be determined and announced by the Directors from time to time).

Communication with Shareholders

The Company recognises the importance of maintaining an on-going communication with shareholders to ensure that shareholders are kept well informed of the business activities and direction of the Group.

According to the shareholders' communication policy, the Company uses a range of communication tools including various announcements, circulars, annual and interim reports, general meetings including AGM to disseminate relevant information to shareholders as well as by making all the disclosures submitted to The Stock Exchange of Hong Kong Limited available on the Company's website on a timely basis. Separate resolutions are proposed at general meeting on each substantially separate issue, including the re-election of Directors. The Chairman of the Board and the chairman of all board committees, together with the external auditor, shall attend the AGM to answer the enquiries of shareholders. The notice of AGM will be sent to shareholders at least 20 clear business days before the meeting.

Shareholders of the Company and the public can make enquiries to the Company directly through the email info@timeless.com.hk or in writing to the Company's registered office in Hong Kong.

The Board has reviewed the implementation and effectiveness of the Company's shareholders communication policy including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Communication Policy with Shareholders has been properly implemented during the year under review and is effective.

Dividend Policy

1. The Company adopted a dividend policy (the "Dividend Policy") on 29 January 2019 in compliance with E.1.5 of the Code with retrospective effect from 1 January 2019, which decides whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

    (a) the Group's actual and expected financial performance;

    (b) shareholders' interests;

    (c) retained earnings and distributable reserves of the Company and each of the other members of the Group;

    (d) the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;

    (e) possible effects on the Group's creditworthiness;

    (f) any restrictions on payment of dividends that may be imposed by the Group's lenders;

    (g) the Group's expected working capital requirements and future expansion plans;

    (h) liquidity position and future commitments of the Group at the time of declaration of dividend;

    (i) taxation considerations;

    (j) statutory and regulatory restrictions;

    (k) general business conditions and strategies;

Dividend Policy (Continued)

1. (Continued)

   (l) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

   (m) other factors that the Board deems appropriate.

2. Pursuant to the Dividend Policy, the declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements under the Hong Kong Companies Ordinance and the Articles of Association of the Company. Except for the interim dividend which can be declared and distributed by the discretion of the Board, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at the general meeting and must not exceed the amount recommended by the Board.

3. The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Voting by Poll

All resolutions put to the AGM will be voted by poll at the meeting in accordance with the requirements of the GEM Listing Rules.

To ensure that shareholders are familiar with the detailed procedures for conducting a poll, the chairman of the meeting will explain the detailed procedures for conducting a poll at the commencement of the meeting and then answer any questions from shareholders regarding voting by way of a poll.

At the conclusion of the AGM, the poll results will be published on the GEM website and the Company's website.

The Procedures for Sending Enquiries to the Board

Specific enquiries from shareholders to the Board can be sent in writing to the Company at our registered office in Hong Kong or by email through info@timeless.com.hk as stated on the Company's website.

About this Report

Pursuant to the Environmental, Social and Governance ("ESG") Reporting Guide ("ESG Reporting Guide") under Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "GEM Listing Rules"), this Environmental, Social and Governance Report (the "ESG Report") confirms and discloses information on the ESG issues and key performance indicators ("KPIs") of Timeless Resources Holdings Limited ("Timeless" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2024.

The Group is principally engaged in the exploration, development and exploitation of mines and trading of metal ("Mining and Metal Business") and research, development and sale agency of bio and nano materials products as well as software maintenance and development services ("Software and Innovation Business"). The Mining and Metal Business includes exploration, development and exploitation of mines and processing and sale of the outputs from the mines in Xinjiang, the People's Republic of China ("PRC").

This ESG Report details the ESG performance of the Group from 1 April 2023 to 31 March 2024 (the "Reporting Period"). It highlights our approaches and strategies implemented in pursuit of sustainability during the Reporting Period and is prepared in accordance with the ESG Reporting Guide under Appendix C2 to the GEM Listing Rules.

Unless otherwise stated, this ESG Report includes the business operations of the Group in China and the offices in China and Hong Kong during the Reporting Period relating to the overall performance, risks, strategies, measures and commitments of three aspects: environmental protections, quality of working environment and operating practices and social investment.

Reporting Boundary

In previous years, the ESG Report covers the Group's Mining and Metal Business only as it accounted for almost all revenue of the Group. Following the completion of mining activities, the Group's Software and Innovation Business became equally material. Therefore, the locations where its business operates, namely the mine site in Xinjiang, and the Company's offices in Xinjiang and Hong Kong will be included in this ESG Report.

The Company was in the process of performing exploration work during the Reporting Period and there were no mining operations after the completion of phase one of the Baishiquan project. As a result, the scale of business may not be fully comparable to that of the previous years. The data provided in this ESG Report has taken consideration of this temporary change in scale of business.

About this Report (Continued)

Reporting Principles

According to ESG Reporting Guide, the following principles are underpinned:

1. Materiality: ESG issues that have significant impacts on investors and other stakeholders will be identified and reported. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

2. Quantitative: To facilitate objective evaluation of our ESG performance and management effectiveness, quantitative information is provided with standards, targets, methodological assumptions and calculation tools disclosed where appropriate.

3. Consistency: Unless otherwise stated, the preparation approach of this ESG Report was substantially consistent with the previous report. For any changes in calculation methodologies that may affect the comparison with previous reports, explanations will be provided in the corresponding section.

4. Balance: Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of the ESG performance of the Group.

Governance Structure

The board of directors (the "Board") formulates the Group's ESG strategies and the executive directors and senior management which then execute the plan. The executive directors and senior management are responsible for reviewing and monitoring the Group's ESG policies and practices to ensure that the Group complies with relevant legal and regulatory requirements. They monitor and respond to the latest ESG issues, report to the Board on major issues and make relevant recommendations to enhance the Group's ESG performance.

The Board will closely review from time to time for the performance and implementation progress of the goals and targets. If the progress falls short of expectations or changes in business operations, it may be necessary to make changes and communicate the goals and targets with key stakeholders such as employees, customers and suppliers.

Regarding the existing business operation and overall environment of the Group, the Board identifies waste management and health and safety as the major ESG risks. It constantly strives to improve the safety of its different business areas to provide a safe and healthy work environment to employees. For further details, please refer to the relevant sections of the ESG Report.

Stakeholders Engagement

The Group always values the opinions of stakeholders and is committed to improve the Group's performance in sustainable development by optimising communication strategies and taking timely actions.

The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication:

Stakeholders	Issues of Concerns	Engagement Channels
Government and Regulators	Compliance with laws and regulations Disclosure of information Environmental protection	Annual filings Announcements
Shareholders and Investors	Information disclosure and transparency Protection of interests and fair treatment of shareholders	Announcements, circulars and financial reports General meetings Company websites
Employees	Occupational health and safety Remuneration and benefits Career development Equal opportunities	Annual performance appraisal Correspondences, suggestion box Training and workshop Employee activities
Customers	Safe and outstanding products and services Privacy protection	Feedback and complaints Privacy policy
Suppliers and Business Partners	Business integrity and ethics Long-term partnership Mutual benefits	Business correspondences Procurement contracts and letters of undertaking
Community	Information transparency Charity and social investment Environmental responsibilities	Timely information disclosure Press releases and news

Stakeholders' Feedbacks

The Group believes importance to communications with all internal and external stakeholders to understand their concerns and needs and we value comments or concerns raised by all stakeholders. In this ESG Report, the Group intends to disclose to its stakeholders the Group's performance in other aspects in addition to the financial performance and business operations. Should any stakeholder has any question or comment regarding the contents of this ESG Report, he or she is welcome to share his or her valuable comments with the Group in the following ways:

Address: Room 2208, 118 Connaught Road West, Hong Kong
Tel: (852) 3586 0280
Fax: (852) 2527 5052
Email: info@timeless.com.hk

Materiality Assessment

Materiality is defined as any area that the Group's businesses have the greatest impact and influence on our operations and stakeholders' interests. We continue to identify and analyse the importance of the ESG issues, provide full disclosure on the ESG issues and respond to the concerns raised by various stakeholders. During the Reporting Period, the Company actively communicates with internal and external stakeholders to understand their concerns and has identified the following material ESG issues which are covered in this ESG Report:

Aspects	Material Focuses
A1: Emissions	Air and greenhouse gas emissions Waste management
A2: Use of Resources	Energy consumption Water consumption
A3: The Environment and Natural Resources	– Impact on environment and natural resources
A4: Climate Change	– Impact of climate-related issues
B1: Employment	– Employee rights and welfare
B2: Health and Safety	– Occupational health and safety
B3: Training and Development	– Staff training and development
B4: Labour Standard	– Prevention of child and forced labour
B5: Supply Chain Management	– Fair and open procurement
B6: Product Responsibility	Quality assurance Intellectual property rights Data privacy protection
B7: Anti-corruption	Whistleblowing policy Anti-corruption training
B8: Community Investment	– Community engagement

Environmental Protections

Emissions (A1)

The Group has been committed to environmental protection and strictly complies with the relevant environmental law regulated by the local authorities. The relevant laws and regulations include but not limited to: "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》); the "Administration of Prevention and Treatment of Environmental Pollution by Tailings" (《尾礦污染環境防治管理辦法》); and the "Regulations on the Administration of Environmental Protection of Construction Project" (《建設項目環境保護管理條例》).

For the year ended 31 March 2024, there have been no cases of prosecution against the Group due to violation of any relevant environmental laws or regulations in relation to exhaust gas and greenhouse gas emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes that have a significant impact on the Group.

Air and Greenhouse Gas ("GHG") Emissions

During the Reporting Period, the Group did not have any mining activities as the phase one of the Baishiquan project had already been completed. Instead, the Group commenced the exploration work for the phase two of Baishiquan project. The exploration work involved small scale of drilling that did not generate a large amount of air pollutants and waste. As a result, there are no material emission, whether directly or indirectly, of GHG or other pollutants in respect of the Group's Mining and Metal Business.

For the Group's Software and Innovation Business and the administrative offices in Hong Kong and China, the major sources of direct emission of GHG would be the use of vehicles for general business purpose. Using traditional vehicles which consumes diesel fuel or gasoline would result in emission of GHG such as carbon dioxide, carbon monoxide, nitrogen oxides. In respect of indirect emission, the major source would be the Group's use of electricity, which is further discussed in the section headed "Use of Resources". A summary of emissions of exhaust gas and GHG is as follows:

	Units	FY2024	FY2023	FY2022
Number of vehicles in use	Number	**8**	9	8
Kilometres travelled	Kilometres	**89,696**	54,138	97,243
Diesel consumed	Litre	**7,709**	6,025	11,370
Exhaust gases				
Nitrogen Oxides*	Gram	**6,700**	4,044	7,264
Sulphur Oxides*	Gram	**124**	97	183
Particulate Matter*	Gram	**493**	298	535
GHG				
Direct emission of CO_2*	Kilogram	**20,393**	15,938	30,077
Indirect emission of CO_2*	Kilogram	**94,325**	79,698	53,842

* Emissions are estimated using the respective emission factors extracted from Appendix 2: Reporting Guidance on Environmental KPIs' of How to Prepare an ESG Report issued by the Stock Exchange.

Environmental Protections (Continued)

Emissions (A1) (Continued)

Air and Greenhouse Gas ("GHG") Emissions (Continued)

The Group considered the adverse impact of vehicle emission and decided to switched to vehicles which are more environmentally friendly in the Reporting Period by purchasing an electric vehicle in January 2023.

The Group targeted to further reduce the emissions of exhaust gases and GHG by at least 50% over the next five years through the following measures:

– Replacing aged vehicles with electric vehicles

– Optimisation of transportation routes

– Promoting the use of public transportation instead of using private cars

– Regular inspection and maintenance of vehicles and replace aged items to improve the motor's efficiency

Waste Management

Hazardous materials are corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which poses a potential risk to human and/or environmental health. During the Reporting Period, no hazardous wastes were generated by the Group.

Upon completion of phase one of Baishiquan project, the non-hazardous wastes generated by the Group's business activities are mainly paper. After collecting and sorting, paper will eventually be recycled and reused. We delivered waste reduction knowledge to employees through internal communication channels to raise the awareness of environmental protection. We will also provide appropriate facilities in the office to encourage employee to classify waste sources and recycle waste. The Group maintains high standards in waste reduction and conveys to our employee the concept of sustainable development and provides relevant supports. During the Reporting Period, we continued to enforce electronic documentation system to reduce the use of paper. The following table summarised the paper used by the Group:

	Units	FY2024	FY2023	FY2022
Non-hazardous wastes				
Paper	pieces	**26,177**	30,382	73,334

Environmental Protections (Continued)

Use of Resources (A2)

The Group is committed to saving energy, water and resources and promoting the sustainable development of its activities both to reduce production and operational costs and also assist with the sustainable development of our natural world and environment. The Group strictly complies with relevant laws and regulations include but not limited to the "Energy Conservation Law of the PRC" (《中華人民共和國節約能源法》), "Water Law of the RPC" (《中華人民共和國水法》) and "Regulation on the Administration of the License for Water Drawing and the Levy of Water Resources Fees" (《取水許可和水資源費徵收管理條例》).

Taking into account the nature of the Group's principal activities, packaging material is not used for the Group's operation and accordingly no relevant data was provided. A summary of the Group's resources usage is as follows:

Use of Resources	KPIs	Unit	FY2024	FY2023	FY2022
Energy	Electricity	kWh	**151,932**	128,404	87,857

Energy Consumption

The Group strives to optimise resource usage in its business operations and take initiatives to introduce measures on promoting resource efficiency and adopting eco-friendly approaches in its operation. The Group has implemented the following measures to save energy consumption:

1. Encourage staff to shut down electrical appliances when idle or leaving the workplace.

2. Use appliances with energy label to reduce electricity consumption.

3. Regular maintenance and upgrade of engines to improve energy efficiency.

Water Consumption

The Group recognises the value of water and strives to minimise the potentially detrimental impact on water resources during operations. Upon completion of phase one of Baishiquan project, the Group's use of water is limited to general office uses and the amounts used was immaterial. So, no separate statistics were conducted in such respect.

For the year ended 31 March 2024, the Group did not have concerns in sourcing appropriate water resources for its operations. The existing supply of water resources could satisfy the Group's needs in aspects of volume and quality.

Environmental Protections (Continued)

The Environment and Natural Resources (A3)

The Group pursues the best practice in relation to the environment and natural resources and emphasises the impact of its operations on the environment and natural resources. To achieve the goal of environmental sustainability, the Group also incorporated the concept of environmental protection into its internal management and daily operation. The policies on minimising air emissions and resource consumption are described in the sections headed "Emissions" and "Use of Resources" above. The Group places a high priority on environmental impacts and the depletion of natural resources and aims to identify and mitigate these impacts by integrating sustainability into all the Group's activities.

According to the regulations on environmental protection and restoration and governance of mine production by the national competent department of environmental protection and department of land and resources, we have complied with the relevant laws and regulations including the Law on Mineral Resources of the PRC (《中華人民共和國礦產資源法》), the Land Administration Law of the PRC (《中華人民共和國土地管理法》), and the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》). Before the commencement of operation or use of the construction project, facilities to prevent and control pollution must be inspected and accepted by environmental protection department which has approved the original report on the environmental impact.

The major environmental impacts of mine production are the accumulation of mining barren rocks, the covering or damage of the land, and the pollution due to domestic sewage and other emissions. In the past, we used the mining barren rock for underground filling of mines and established garbage pools, public toilets and other facilities in the living area for garbage and wastes collection and classification. The wastes were processed or disposed, as appropriate, on a regular basis. The Group is actively communicating with relevant government authorities to restore its mine sites which completed extraction and will address other issues raised by government on a timely basis. With the commencement of exploration of phase two of the Baishiquan project, the Group is in the process of assessing the potential impact of restoration when the project is completed and will arrange sufficient resources to fulfil its obligation of restoration in the future. During the Reporting Period, the Group did not note any significant impact on the environment caused by the mining activities.

Climate Change (A4)

Climate change is one of the most fundamental challenges ever to confront humanity. The Group understands that mining is a sector that is particularly vulnerable to climate change, and identifies certain climate change risks which could adversely affect our business, results of operation and financial condition.

The Group's Mining and Metal Business is located in the Xinjiang region. Under normal circumstances, Xinjiang has relatively large temperature variation and low rainfall during the year. However, it ever happened that torrential rain triggering floods in the extreme climate. Floods may cause damage to machines, inventories or production materials, resulting in interruption of production activities and additional maintenance expenses.

Since the Group has completed production and related mining activities, the expected impact of climate change on the Group is limited. The Group will take into account issues relating to its development of phase two of Baishiquan project in later stages of mine design and facilities construction.

Quality of Working Environment

Employment (B1)

Human resources serve as the foundation for the continuous development of the Group. The Group recognises great importance to its employees' contribution and dedication to sustainable business development. Employment policies are formally documented in the Employee Handbook, covering recruitment, remuneration and benefits, promotion and dismissal, equal opportunities and anti-discrimination, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards.

As at 31 March 2024, the employee compositions and employee turnover rate were summarised below:

Employee Compositions	FY2024	Turnover Rate	FY2023	Turnover Rate	FY2022	Turnover Rate
By gender						
Male	**17**	**7%**	15	19%	16	58%
Female	**8**	**20%**	5	17%	6	33%
By age group						
Below 30	**1**	**100%**	1	0%	1	33%
30 to 39	**7**	**0%**	7	14%	7	73%
40 to 49	**3**	**0%**	2	50%	2	30%
50 or above	**14**	**10%**	10	17%	12	62%
By employee type						
Senior Management Level	**2**	**0%**	2	0%	2	50%
Management Level	**10**	**0%**	10	17%	12	18%
General Level	**13**	**25%**	8	25%	8	73%
By location						
HK	**12**	**17%**	6	29%	7	57%
China	**13**	**7%**	14	13%	15	53%
By employment type						
Full-time	**25**	**10%**	20	18%	22	54%
Part-time	**–**	**0%**	–	0%	–	0%

Quality of Working Environment (Continued)

Employment (B1) (Continued)

Employee remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification and other benefits and welfares are determined under the following policies and regulations:

1. Remuneration of employees is determined in accordance with the staff salaries management measures.

2. Employees are recruited, promoted and dismissed pursuant to the "Labour Law of the PRC" (《中華人民共和國勞動法》) and the "Employment Contract Law of the PRC" (《中華人民共和國勞動合同法》).

3. Flexible employee leave policies are established based on the relevant requirements by the government and are in place to provide the Group's employees with sufficient rest time and work-life balance, depending on their plans and needs.

4. Equal opportunities are promoted within the Group so all candidates and employees are treated equally when it comes to recruitment and promotion.

5. Various welfares and benefits are provided to all the employees pursuant to the requirements as stipulated by local governments where our enterprises are located, including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident funds which are equivalent to 16%, 6%, 0.5%, 1.52%, 0.5% and 5% of the relevant monthly basic salary respectively.

6. Various leisure facilities including basketball courts, table tennis rooms and snooker rooms are made available to employees during their spare time.

We respect culture of all races and do not tolerate any acts of discrimination of any kind and we value and promote equal opportunities of all employees.

During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any relevant laws or regulations.

Health and Safety (B2)

Ensuring health and safety of our employees is one of our prime responsibilities. The Group strictly complies with the relevant laws and regulations, including but not limited to the "Work Safety Law of the PRC" (《中華人民共和國安全生產法》), the "Safety Regulations for Metal and Nonmetal Mines" (《金屬非金屬礦山安全規程》) and the "Code for Design of Nonferrous Metal Mining" (《有色金屬採礦設計規範》).

The Group strive to maintain its safety culture through its leadership team, which delivers a clear safety message to all employees. The Group has well-documented safety procedures and visible safety boards located at its operations. Medical insurance for employees to further protect them in case of sickness or injury is also provided by the Group.

The Group maintains a significant number of health and safety measures, which are implemented upon commissioning of new equipment and monitored by way of periodic inspections. Prior to commissioning, each piece of equipment and machinery is subjected to a start-up check to ensure it meets the safety requirements.

Quality of Working Environment (Continued)

Health and Safety (B2) (Continued)

Following the completion of mining and processing activities in the prior year, the risk relating to health and safety resulting from the Group's mining operation had been reduced significantly.

During the Reporting Period, the Group did not aware of any material non-compliance with health and safety related laws and regulations that would have a significant impact on the Group. Neither work-related injuries and fatalities nor lost day due to work injuries were recorded in the past three years including the reporting year.

The Group has responded to the COVID-19 pandemic with a range of measures to safeguard the health of the employees. The COVID-19 pandemic has been under control and no large-scale outbreak is noted. Nevertheless, the Group is still cautious in terms of its working environment and distributes anti-epidemic items to employees every month, including masks, disinfection products, protective clothing, gloves, medical safety goggle, etc.

Training and Development (B3)

To further enhance employee's quality, meet the development needs and fully utilise the strengths of talents, talent cultivation and acquisition were treated as the only way to a strong enterprise, which helps create a favourable atmosphere of respecting knowledge and talent. We have established rules on employee re-education and training. We also offer training sponsorship for self-study and obtaining recognised academic diplomas and reimburse tuition and examination fees relating to work-related training programs and acquisition of professional qualifications.

The breakdown of employees trained and average training hours completed per employee by gender and employment type during the Reporting Period are as follows:

Employees Trained (in percentage)	**FY2024**	FY2023	FY2022
By Gender			
Male	**29%**	33%	25%
Female	**25%**	40%	33%
By Type			
Senior Management Level	**100%**	100%	100%
Management Level	**40%**	40%	33%
General Level	**8%**	13%	0%

Average Training Hours Completed per employee (in hours)	**FY2024**	FY2023	FY2022
By Gender			
Male	**10**	11	7
Female	**13**	21	18
By Type			
Senior Management Level	**10**	10	7
Management Level	**21**	21	18
General Level	**3**	5	–

Quality of Working Environment (Continued)

Labour Standard (B4)

The Group strictly complies with laws and regulations, including but not limited to the "Labour Law of the PRC" (《中華人民共和國勞動法》), the "Labour Contract Law of the PRC" (《中華人民共和國勞動合同法》), "Law of the PRC on the Protection of Minors" (《中華人民共和國未成年人保護法》), "Order No. 619 of the State Council of Special Rules on the Labour Protection of Female Employees" (《女職工勞動保護特別規定 (國務院令第619號)》), "Order No. 364 of the State Council of Provisions on the Prohibition of Using Child Labour" (《禁止使用童工的規定 (國務院令第364號)》).

As for the prevention of child labour or forced labour, the Group has established recruitment control procedures for employees. During the recruitment process, job applicants are required to submit, and the Group maintains, credentials such as academic qualifications, professional skill certificates, references and identity cards for verification and record. Once any case that fails to comply with the relevant labour laws, regulations or standards is found, the relevant employment contract will be immediately terminated and take immediate actions in accordance with relevant laws and regulations.

During the Reporting Period, the Group has fulfilled all its obligations to its employees and there were no labour disputes nor litigations.

Operating Practices and Social Investment

Supply Chain Management (B5)

Our suppliers provide various types of products, but with different quality. We adopted both normal price enquiry and review approach and tender approach for all procurement. Strictly in compliance with the management system, for each type of materials, the operating department nominates two to three suppliers and forms a supplier selection team, which consists of the operating department, production department and finance department. Supply cooperation agreements are signed with the selected suppliers, which specifically stipulated the rights and obligations of both parties and the mutually benefited terms of cooperation. We regularly visit, communicate with and investigate suppliers to assess their product quality and credibility. The suitability, quality and price of the supplier's products will be evaluated. Supply cooperation agreements will be terminated if the suppliers fail to meet our requirements. We adopt tendering approach for material procurement or construction projects involving large amounts.

During the year, the Group has commenced the exploration and evaluation of phase two of the Baishiquan project. In selecting service provider, the Group has compared various quotations and selected the most suitable one. Other than typical considerations such as contract terms, financial position and qualifications, the Group also evaluated the track record of service providers in terms of their compliance with the PRC government environmental requirements. Service providers with history of failure to comply with the relevant requirements imposed by the PRC government will not be considered. The Company has been strictly controlling the ESG practice of suppliers, giving priority to environmentally friendly products and services.

For the year ended 31 March 2024, the Group has a total of 5 major suppliers, 1 of which is located in Mainland China and the remaining 4 are located in Hong Kong. All of such suppliers are subject to the supplier selection and acceptance process. For the years ended 31 March 2023 and 2022, the Group had 3 and 1 major suppliers, respectively, and these suppliers are located in Mainland China.

Operating Practices and Social Investment (Continued)

Product Responsibility (B6)

Quality Assurance

In prior years, the sale of high-grade nickel-copper ores is determined with reference to the metal quantities converted according to the analytical grade of the products received by customers. Analysis of product quality and mineral content will be performed by the customers to ensure the products satisfy their requirements. Such transactions are settled based on factors including the quoted price by the Shanghai Metals Market and the applicable average prices of electrolytic nickel and electrolytic copper at the month which the transactions intended to be settled as well as the pricing terms agreed in the sales contract. In accordance with the agreement or sales contract, both parties conduct inspection and analysis on the products with samples retained. In the event of any dispute, the samples may be sent to the recognised testing institutions for analysis and inspection. Settlement takes place according to the analysis results and transaction price.

Following the completion of phase one of Baishiquan project and commencement of exploration work, the impact resulting from product quality is limited as the Group did not sell any metal products since then.

During the Reporting Period, there were no complaints nor product recall for any reasons.

Intellectual Property Rights

The Group highly respects intelligence property rights and prohibits unauthorised use of patented products, technologies and concepts, such as the purchase of genuine computer software for usage in office and work sites. The Group also strictly reviews the products and services it provides, as well as related sales, marketing and advertising materials, to ensure their compliance with applicable laws and regulations.

During the Reporting Period, the Group had not infringed any third-party trademark or intellectual property rights.

Data Privacy Protection

The Group takes privacy issues very seriously and protects the privacy of its customers, business partners and staff to the utmost. Employees are prohibited from disclosing any form of confidential information under any circumstance. All client information, such as trade secrets, are kept in absolute confidence to prevent data or information leakage. In respect of client personal data and confidential documents, the Group preserves them properly and strictly complies with the laws and regulations.

If any leak of customer information is found, the Group will rectify it promptly and administer punishment to responsible employees corresponding to the severity of the incident. Employees will also be held legally responsible for certain serious breach of privacy policies.

During the Reporting Period, the Group did not receive any significant complaint on leakage of customers' data and information or violation of customer's privacy.

Operating Practices and Social Investment (Continued)

Anti-corruption (B7)

The Group strives to be ethical in its business operations, and does not tolerate any form of corruption, such as bribery, extortion, fraud or money laundering. The Group strictly complies with the relevant laws and regulations, including but limited to the "Anti-money Laundering Law of the PRC" (《中華人民共和國反洗錢法》) and "Interim Provisions on Banning Commercial Bribery" (《關於禁止商業賄賂行為的暫行規定》).

In order to comply with the relevant national laws, regulations and requirements, we established corresponding management systems after considering facts and circumstances affecting the Group's operations. These systems are formulated to prevent illegal and criminal activities such as bribery, extortion, fraud and money laundering.

Senior management personnel and relevant departments jointly set up a bidding group. In order to prevent the above illegal activities, the bidding group reviews the bidding process involved in the bulk material procurement, construction projects execution and major investment projects. The bidding group also monitors, inspects and manages the contract joint signing system.

Code of conduct in relation to anti-corruption has been set out in the staff handbook and has been signed by employees, including directors, for acknowledgement and they are reminded of the relevant codes on a regular basis. We also provide regular training to employees by explaining relevant laws and regulations, cases study and sharing of ways to deal with corruptions. If employees identified violations of national laws and regulations in the production and business activities, they can report to the senior management personnel or other disciplinary departments. After investigation and verification, the case will be dealt with in accordance with established policies. For serious cases involving huge sum, we will refer the case to the judicial authorities.

The Group has established a whistleblowing system which is open to all employees for supervision and whistle-blowing on illegal and criminal activities such as bribery, extortion, fraud and money laundering or any other suspected misconducts. Employees may report to the Chairman of the Board of Directors or the Audit Committee. All communication channels are safe and strictly confidential.

For the year ended 31 March 2024, we have not received any report on illegal and criminal activities and were not involved in any illegal and criminal cases.

Community Investment (B8)

The Group bears in mind its social and community responsibilities and obligations and devoted to social welfare activities. We are also committed to creating jobs opportunities in the jurisdictions in which we operate to help the local people develop their career and enhance the overall local workforce. We strive to promote social development and improvement, and also encourage employees to contribute to local and national charity work through donations or participating in charitable work.

The Directors present this Directors' report and the audited consolidated financial statements for the year ended 31 March 2024.

The principal activity of the Company is investment holding.

The principal activities of the Company's principal subsidiaries are set out in note 32 to the consolidated financial statements.

Business Review

Review of Business and Performance

A review of the business of the Company and a discussion and analysis of the Group's performance during the year and outlook of Company's business are set out in the Management Discussion and Analysis on pages 4 to 11. The discussion forms part of this Directors' Report.

Principal Risks and Uncertainties

The Group's performance may be directly or indirectly affected by risks and uncertainties relating to the Group's businesses. The followings are the principal risk factors facing the Company as required to be disclosed pursuant to the Hong Kong Companies Ordinance and are those that could result in the Group's business performance, financial condition, operations results or development prospects materially different from expected or historical results.

Mining and Metal Business

(i) Metal Prices

There are various factors that would affect the copper and nickel prices and demand in the international markets, including uncertainty in global political stability, social situation and global economy. Any of these factors may, individually or jointly, result in fluctuation of commodity prices and it is impossible to predict copper and nickel price movements in the future. The COVID-19 outbreak and lockdowns, since the beginning of 2020, continued to pose uncertainty on the global economy. The decline in real GDP and consumer spending may have adverse impact on the industrial production and reduce metals demand which ultimately results in more volatile metal prices. Uncertain situation regarding tariff-related tension between the US and China creates instability in metal demand and prices. The volatility is further increased with the global political tension in recent years. The profitability of the Group may be significantly affected by the changes in the market prices of metals. The Group aims to mitigate this risk by maintaining close relationship with customers and by timely adjusting production layout, improving the production system flexibility and strengthening the cost control. The Group closely monitors commodity prices and potential impacts on cash flow and project development. Capital expenditure plans are aligned to prevailing and anticipated market conditions.

(ii) Currency Risks

The Group's operating expenses and revenues from the Mining and Metal Business are denominated in Renminbi ("RMB"), one of the main currencies used by the Group. Exchange rate fluctuations in RMB may adversely affect the Group's financial position and operating results. These fluctuations became more unpredictable under the current global political and economic situation. The Group does not currently engage in foreign currency hedging activities.

Business Review (Continued)

Mining and Metal Business (Continued)

(ii) Currency Risks (Continued)

Under current regulations, there is no restriction on foreign exchange conversion of RMB on the current account, although any foreign exchange transaction on the capital account is subject to prior approval from the State Administration of Foreign Exchange ("SAFE") or review by the payment bank in accordance with regulations issued by SAFE. However, even on the current account the RMB is not a freely convertible currency. Foreign invested enterprises in China are currently allowed to repatriate profit to their foreign parents or pay outstanding current account obligations in foreign exchange but must present the proper documentation to a designated foreign exchange bank in order to do so. There is no guarantee that foreign exchange control policies will not be changed and the Group might be subject to government approval to convert RMB into foreign currency on the current account or repatriate profits. These limitations could affect the ability of the Group to pay dividends, obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures. The Group closely monitors the latest development of the foreign exchange control policies and will take timely and appropriate actions should there be any potential changes be anticipated.

(iii) Exploration, Development and Operating Risks

The exploration and development of mineral deposits involves significant risks over a significant period of time. Such risks may not be eliminated even with a combination of careful evaluation and extensive experience and knowledge. Only limited mine sites explored are ultimately developed into producing mines. Significant expenditures may be required to establish mineral reserves through drilling, development of metallurgical processes and construction of mining and processing facilities. No assurance can be given that extraction of minerals will be commercially justifiable or that funds required for development can be obtained on a timely basis. The economic viability of a mine site depends on various factors, including size, grade, cost of operations, metal prices, cost of processing, and continuing access to smelter facilities on acceptable terms, government regulations, land tenure, and environmental protection policies. The effect of these factors cannot be accurately measured but the combinations of these factors may impact the Group's mineral exploration, development and acquisition activities. Even after the commencement of mining operations, such operations may be subject to risks such as environmental hazards, industrial accidents, cave-ins, rock bursts, unusual or unexpected geological structure, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruptions of production, increases in production costs, monetary losses, legal liability and adverse government action.

To mitigate the above risks, the Group has developed and maintained appropriate policies to monitor the stage of development of various projects. Since the Group has ceased the mining extraction and processing activities in March 2021, these risks were kept at acceptable level.

It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks depending on the likelihood of occurrence, potential adverse effect and/or other reasons. Should such risks arise, they could lead to adverse effect on profitability, increasing costs and a decline in share prices of the Company. The Group does not maintain insurance against political or environmental risks.

The Group's mining properties are generally located in the Xinjiang region, a sector which has in the past experienced seismic activity on the Richter scale. Therefore, planning for mines design and infrastructures must consider seismicity and there is a risk that seismic activities may cause significant damages to the Group's infrastructures and interference on operations in the area.

Business Review (Continued)

Mining and Metal Business (Continued)

(iii) Exploration, Development and Operating Risks (Continued)

There is inherent risk associated with the development of mining properties. The Group may not have sufficient technical or financial resources to complete the projects. Costs over-runs are common in mining projects and may pose a risk for the Group.

(iv) Uncertainty of Ore Reserves and Resource Estimates

There are numerous uncertainties associated with estimating mineral resources and mineral reserves. Such estimations are subjective to certain extent and require judgements. The accuracy of mineral resources and reserves estimate depends on factors such as the quantity and quality of available data, accuracy of assumptions and judgments used in engineering and geological interpretation. These figures are only estimates and the actual ore reserves and resources may be different. Differences between management's assumptions, including economic assumptions such as mineral prices and market conditions, and actual results could have a material adverse effect on the Group's mineral resource estimates, financial position and results of operations.

No assurance could be given that the estimated mineral reserves and resources will be recovered at the rates estimated by the Group. Mineral reserve and resource estimates are determined based upon assumed commodity prices and operating costs. These factors may in the future render certain mineral reserves and resources unproductive and may ultimately result in a significant reduction in reserves and resources.

(v) Capital Requirements

Although the Group believes it will be able to finance the development of its mines through existing working capital, and a combination of debt and equity, there is no assurance that the Group will be able to raise additional funding if needed. Failure to obtain sufficient funding could result in the delay or even termination of the exploration and development of some of the Group's mines.

(vi) Permits and Licences

The operations of exploration and mining require specific licences and permits e.g., mining licence for mining activities and exploration licence for exploration activities. Any changes in regulations imposed by the governments are beyond the control of the Group and may adversely affect its business if the Group failed to obtain necessary licences. The changes to regulations may include, but not limited to, stricter restrictions on production, price controls, export controls, income taxes, expropriation of property, employment rules, land use right, environmental legislation and mine safety measures.

Business Review (Continued)

Mining and Metal Business (Continued)

(vi) Permits and Licences (Continued)

The Group's exploration and mining licences are subject to regular review and approval by the Department of Natural Resources of Xinjiang, China. If the Group fails to meet relevant requirements or breaches any laws or regulations, approvals might not be granted by relevant authorities. In accordance to applicable laws, the Group may subject to penalties including fines, suspension of operations or even expropriation of relevant licenses. Although the Group never encountered such problems in the past, there is no assurance that the Group could satisfy government's approval if any adverse changes to regulation occurred in the future. Should permits or licences be suspended or revoked, the Group's Mining and Metal Business and results of operations could be materially affected.

(vii) Environmental Regulation

The mining operations of the Group are subject to environmental regulations promulgated by relevant governments. The relevant environmental regulations impose restrictions on spills or handling of various substances produced during mining or processing operations. In addition, approval for environmental impact assessment are required for certain types of the mining operations. In breach of such regulations or failure to obtain relevant approval may result in the imposition of fines and other penalties. The costs of compliance with environmental regulations, such as acquisition of advanced equipment which is environmental friendly, may reduce the profitability of future operations. To mitigate the risk, the Group regularly reviews developments in the relevant legislation and monitors compliance with the required standards.

(viii) Competition

There is significant and increasing competition within the mining industry for the discovery and acquisition of mines with valid commercial potentials. There might be risks that the Group may not be able to acquire mineral interests as a result of keen competition among the mining industry. Also, the Group competes for the recruitment and retention of qualified employees in order to support its daily activities. The current economic growth in China and a more liquid and transparent market for skilled employees may lead to difficulties in retaining managerial personnel. In order to mitigate such risk, the Group reviews and improves the recruitment and remuneration packages on a regular basis in order to retain competent staff.

Software and Innovation Business

Business Risks

The Group operates in a highly competitive industry which faces rapid changes in market trends, consumer preferences and evolving technological advances in hardware models, software features and functionalities. The risks are mitigated through continuous reviews of market trends, including hardware changes, software updates and emerging technologies.

Business Review (Continued)

Software and Innovation Business (Continued)

Business Risks (Continued)

The Group's sales agency income derived from the sale and marketing of products from a business partner. Any shortage or delay in the supply of products as a result of sales performance and the market development may adversely impact our business. There is no assurance that we will achieve the sales target as the business partner's products is an emerging industry with high uncertainties. In the event that the Group fail to obtain the supply of the products, we might not be able to find alternative business partners on comparable commercials terms within a short period of time, resulting in a shortfall in our sales that could materially affect our business and financial results.

Compliance with the Relevant Laws and Regulations

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations. The Audit Committee reviews and monitors the Group's policies and practices on a regular basis to ensure compliance with legal and regulatory requirements. During the year, there was no breach of or non-compliance with the applicable laws and regulations by the Group.

Environmental Policies and Performance

The Group is committed to the long term sustainability of the environment and communities development in which it operates and is aware of the potential impact that its subsidiaries may have on the environment.

The Group closely monitors the environmental legislation and requirements, adopts measures to enhance environmental sustainability and ensures that it complies with the relevant regulatory requirements with regard to the environment.

The Group endeavored to maintain safety standard and environmental protection by adhering to targets such as "zero work casualty, zero environmental incident", energy conservation and emission reduction, etc. It also made efforts to contribute the development of local communities. More details are set out in the "Environmental Protections" section of Environmental, Social and Governance Report on pages 28 to 41, which form part of this Directors' Report.

Summary Financial Information

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 132. The summary does not form part of the audited consolidated financial statements.

Business Review (Continued)

Financial Key Performance Indicators

We assess our performance against the following financial key performance indicators ("KPIs"), each of which is linked to our long-term strategy. The Directors consider it is appropriate to use the following KPIs to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance and to provide aid for business management. The underlying data are sourced from internal information and information contained in the Group's consolidated financial statements. Some of the KPIs presented are not mandatorily required by the Hong Kong Financial Reporting Standards ("HKFRSs")*, including those derived from our reported results that reduce factors that distort year-on-year comparisons.

			For the year ended 31 March	
			2024	2023 (Restated)
The Group				
1.	Loss per share – basic and diluted^	HK cents	**(6.86)**	(2.86)
2.	Adjusted Loss Before Interest, Taxes, Depreciation and Amortisation ("Adjusted LBITDA")*	HK$'000	**(10,686)**	(11,516)
3.	Operating cash flows per share*^	HK cents	**(7.41)**	(2.15)
4.	Current ratio*	times	**4.64**	5.05
5.	Gearing ratio	%	**24.47**	17.65
Software and Innovation Business				
6.	Sales conversion rate	%	**Nil**	60.00

* These KPIs are not mandatorily required by HKFRSs that should be considered in addition to, instead of a substitute for, measures of the Group's financial performance prepared in accordance with HKFRSs. Definition of these non-HKFRSs financial measures may be different across different companies.

^ With effect from the Company's share consolidation on 2 January 2024, every ten (10) shares of the Company were consolidated into one (1) share.

1. Loss Per Share – Basic and Diluted

The basic and diluted loss per share amounted to HK6.86 cents for the year ended 31 March 2024 (2023 (restated): HK2.86 cents).

Relevance to Strategy: It is calculated by dividing the loss attributable to the owners of the Company of approximately HK$19,438,000 in 2024 (2023 (restated): HK$8,044,000) by the weighted average of the total issued ordinary shares. It measures the Group's loss per outstanding ordinary share. It is often used as an important indicator to determine the Company's share price and value.

Business Review (Continued)

Financial Key Performance Indicators (Continued)

2. Adjusted LBITDA

The adjusted LBITDA of the Group was approximately HK$10,686,000 for the year ended 31 March 2024 as compared to HK$11,516,000 for the year ended 31 March 2023. It was mainly because there was no revenue (2023: nil) generated from the sales of nickel-copper products in current year.

Reconciliation of the Adjusted LBITDA from loss for the year	For the year ended 31 March	
	2024	2023
	HK$'000	HK$'000
		(Restated)
Loss for the year	**(21,312)**	(9,785)
Income tax expense	**216**	109
Equity-settled share-based payments	**396**	–
Gain on disposal of property, plant and equipment	**(85)**	–
Write-down on inventories	**18**	–
Expected credit loss on other receivables	**8,419**	532
Loss on fair value changes of an investment property	**520**	(1,300)
Loss on fair value changes of financial assets at fair value through profit or loss	**2,959**	2,859
Loss on derecognition of financial assets at fair value through profit or loss	**–**	(293)
Interest income	**(2,401)**	(4,139)
Government grants	**–**	(71)
Depreciation and amortisation	**367**	336
Finance costs	**217**	236
Adjusted LBITDA	**(10,686)**	(11,516)

Relevance to Strategy: Adjusted LBITDA is considered a non-HKFRSs financial measure. Adjusted LBITDA should be considered in additional to, rather than as a substitute for, loss for the year as a measure of the Group's performance. It stands for loss before interest income and expense, income taxes, depreciation, amortisation, and other non-cash items listed on the reconciliation table. These items were excluded from the calculation of adjusted LBITDA as these items do not reflect the operating decision of the Group while adjusted LBITDA focuses on operating performance of the Group. It is an indicator of the Group's ability to generate operating cash flows to fund working capital and capital expenditures and to serve debt obligations. It also provides additional insight into the financial performance of the Group after excluding non-recurring items, such as fair value adjustments which should not be considered as normal operational costs.

Business Review (Continued)

Financial Key Performance Indicators (Continued)

3. Operating Cash Flows Per Share

For the year ended 31 March 2024, the Group had operating cash outflow of HK7.41 cents per share, as compared to operating cash outflow of HK2.15 cents per share in the prior year.

The operating cash outflows per share increased by HK5.30 cents per share for the year ended 31 March 2024. It was mainly due to the prepayment to supplier for metal trading business as at 31 March 2024.

Relevance to Strategy: Operating cash flows per share is considered a non-HKFRSs financial measure and should be considered in addition to, rather than as a substitute for, loss per share as a measure of the Group's performance. It is computed by dividing net cash used in operating activities of approximately HK$20,995,000 (2023: HK$6,053,000) by the weighted average of the total issued ordinary shares. It helps measure the ability to generate cash from the Group's principal activities. Operating cash flows per share eliminated significant non-cash items such as depreciation and amortisation expenses, impairment loss and fair value changes of various financial and non-financial assets. Operating cash flows per share is useful in comparing our operating performance with other companies in similar industries although our measures of operating cash flows per share may not be directly comparable to similar measures used by other companies.

4. Current Ratio

The current ratio as at 31 March 2024 is 4.64 which is the same as last year.

Relevance to Strategy: Current ratio is considered a non-HKFRSs financial measure which is calculated by dividing the current assets of approximately HK$91,176,000 (2023: HK$112,795,000) by the current liabilities of approximately HK$19,660,000 (2023: HK$22,329,000). It measures the short-term liquidity of the Group and provides insight of the availability of the Group's resources to meet its debts and obligations falling due within 12 months from the end of the reporting period.

5. Gearing Ratio

The gearing ratio increased from 17.65% as at 31 March 2023 to 24.47% as at 31 March 2024. It was mainly due to the increase in outstanding borrowings from HK$9,003,000 in the prior year to HK$9,800,000 in the current year.

Relevance to Strategy: It is calculated by dividing the total borrowings of the Group of approximately HK$9,800,000 (2023: HK$9,003,000) by the equity attributable to owners of the Company of approximately HK$40,054,000 (2023 (restated): HK$51,005,000). It measures the Group's financial leverage and assists in monitoring the capital structure of the Group.

Business Review (Continued)

Financial Key Performance Indicators (Continued)

6. Sales Conversion Rate

Customer conversion rate in relation to the Group's Software and Innovation Business for the year ended 31 March 2023 is 60.00%. There is no revenue from Software and Innovation Business in the current year so such KPI is not relevant in the current year.

Relevance to Strategy: It is calculated by dividing the number of sales orders or contracts eventually confirmed by the number of sales quotations delivered to potential customers. The Group uses this KPI to monitor the performance of sales team as well as assessing the effectiveness of marketing channel used by the Group.

Relationship with Employees, Suppliers and Customers

(i) Major Customers and Suppliers

The Group values long standing relationships with its customers and suppliers. The Group aims at delivering high quality products and services to its customers and developing mutual trust and enhancing commitment between the Group and the suppliers.

The Group puts strong emphasis on the reliability of suppliers for stable production. The Group maintain a stable relationship with the suppliers. The Group's practice of making prompt payments to suppliers benefited us for enjoying better terms and maintaining long term stable relations with the suppliers.

During the year, the aggregate sales attributable to the Group's five largest customers comprised 100% (2023: 100%) of the Group's total sales while the sales attributable to the Group's largest customer was approximately 50% (2023: 97%) of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised 100% (2023: 100%) of the Group's total purchases while the purchases attributable to the Group's largest supplier was 99% (2023: 100%) of the Group's total purchases.

Save as disclosed above, none of the Directors, their associates or any shareholder, which to the knowledge of the Directors owned more than 5% of the Company's total issued shares, had any interest in the share capital of any of the five largest customers or suppliers of the Group.

Business Review (Continued)

Relationship with Employees, Suppliers and Customers (Continued)

(ii) Emolument Policy

The emolument policy of the employees of the Group is set up on the basis of their merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to Directors and eligible employees, details of the share option schemes are set out in note 30 to the consolidated financial statements.

(iii) Competing Interest

None of the Directors is interested in any business which competes or might compete, either directly or indirectly, with the businesses of the Group.

(iv) Management Contract

No management contract in force during the year for the management and administration of the whole or any substantial part of the Group's business subsisted at the end of the year or at any time during the year.

(v) Employee Information

As at 31 March 2024, the Group employed a total of 25 staff (2023: 20). Staff remuneration is reviewed by the management of the Group from time to time and increases are granted normally annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides staff benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group also concerns on work safety to the employees. During the year ended 31 March 2024, there was no serious work safety issue on our Group's employees.

General Information

Results and Appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 62.

The Directors do not recommend the payment of dividend nor transfer of any amount to reserves (2023: nil).

Share Capital

Details of the movement in share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out on page 64 and note 38 to the consolidated financial statements, respectively.

The Company had no reserves available for distribution to shareholders as at 31 March 2024 (2023: nil).

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

Directors and Directors' Service Contracts

The Directors of the Company during the year and up to the date of this Directors' Report were:

Executive Directors:

Felipe TAN *(Chairman)*
Ronald TAN

Independent Non-executive Directors:

CHAN Choi Ling
LAM Kwai Yan
YU Leung Fai

Each of the executive Directors has entered into a service contract with the Company when he or she is appointed as a Director of the Company. These service contracts will continue thereafter until terminated by either party giving to the other party not less than one or three months' notice in writing.

Each of the independent non-executive Directors was appointed for a term of one year.

All Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after their appointment and every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming AGM has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors and Directors' Service Contracts (Continued)

Other than the Directors named above, the following persons were the directors of the subsidiary undertakings during the financial year ended 31 March 2024 or during the period beginning on 1 April 2024 and ending on the date of this Directors' Report:

1. CHUNG Kin Lam (resigned on 12 July 2023)
2. GUO Tao (resigned on 6 September 2023)
3. HAN Zhaoju
4. HU Caixia
5. KO Yuen Kwan
6. LI Heyuan (appointed on 24 June 2024)
7. LI Jianping (resigned on 24 June 2024)
8. LIN Ka Man
9. MA Jinlin (appointed on 6 September 2023)
10. TAN Qingfeng (resigned on 24 June 2024)
11. ZENG Xuefeng (appointed on 24 June 2024)

Permitted Indemnity Provision

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal actions against its Directors and officers of the Group. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Hong Kong Companies Ordinance when this Directors' Report prepared by the Directors is approved in accordance with section 391 of the Hong Kong Companies Ordinance.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 March 2024, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

Long Positions

(a) Interests in the Shares of the Company

Name of Directors	Number of ordinary shares held in the capacity of: Beneficial owner	Number of ordinary shares held in the capacity of: Controlled corporation	Total number of shares	Percentage of shareholding
Executive Director				
Felipe TAN	15,912,800	67,807,440*	83,720,240	24.82%
Independent Non-Executive Directors				
CHAN Choi Ling	120,000	–	120,000	0.04%
LAM Kwai Yan	120,000	–	120,000	0.04%

* The shares were held by Starmax Holdings Limited ("Starmax") which is beneficially owned by Mr. Felipe Tan. By virtue of the SFO, Mr. Felipe Tan is deemed to have interests in the shares held by Starmax.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

Long Positions (Continued)

(b) Interests in Shares of Associated Corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares/ registered capital	Percentage of interest in the registered capital of the associated corporation
Felipe TAN	Goffers Resources Limited	Interest of controlled corporation	1,000	49%
	Kangshun HK Limited	Interest of controlled corporation	1,000	100%
	新疆天目礦業資源開發有限公司 Xinjiang Tianmu Mineral Resources Development Co. Ltd.*	Interest of controlled corporation	RMB36,000,000	51%

* Unofficial English name translated from Chinese registered name of the company for identification purpose only.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

Long Positions (Continued)

(c) Options to Subscribe for Ordinary Shares of the Company

Particulars of the Directors' interests in share options to subscribe for shares in the Company pursuant to the Company's 2013 share option scheme were as follows:

Name of Directors	Date of grant	Exercise Period	Exercise price before adjustment (note 3) HK$	Exercise price per share after adjustment (note 3) HK$	Outstanding at 1.4.2023	Granted (During the year)	Adjusted (note 3) (During the year)	Outstanding at 31.3.2024
					Number of share options and underlying shares			
Executive Directors								
Felipe TAN	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.080	2,000,000	–	(1,800,000)	200,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.242	–	2,000,000	(1,800,000)	200,000
Ronald TAN	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.080	2,000,000	–	(1,800,000)	200,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.242	–	8,000,000	(7,200,000)	800,000
Independent Non-Executive Directors								
CHAN Choi Ling	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.080	1,000,000	–	(900,000)	100,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.242	–	2,000,000	(1,800,000)	200,000
LAM Kwai Yan	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.080	1,000,000	–	(900,000)	100,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.242	–	2,000,000	(1,800,000)	200,000
YU Leung Fai	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.242	–	2,000,000	(1,800,000)	200,000
					6,000,000	16,000,000	(19,800,000)	2,200,000

Notes:

1. No share option granted under the share option scheme was exercised, lapsed or cancelled during the year ended 31 March 2024.

2. All share options granted on 2 March 2017 were vested upon granting. The vesting period of the share options granted on 14 August 2023 is from 14 August 2023 to 13 August 2024 and such share options will be vested on 14 August 2024.

3. With effect from the Company's share consolidation on 2 January 2024, adjustments were made to the exercise price per share and the number of share options and underlying shares under the 2013 share option scheme.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

Long Positions (Continued)

(c) Options to Subscribe for Ordinary Shares of the Company (Continued)

Save as disclosed above, as at 31 March 2024, none of the Directors or chief executive or any of their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2024, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholders had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholders	Nature of interests	Number of shares or underlying shares held			Percentage of the issued share capital as at 31.3.2024
		Ordinary shares	Share options	Total	
Starmax Holdings Limited*	Beneficial owner	67,807,440	–	67,807,440	20.10%

* Starmax is beneficially owned by Mr. Felipe Tan.

Saved as disclosed above, as at 31 March 2024, the Company has not been notified by any persons (other than the Directors) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

Share Options

Details of the Company's share option schemes adopted on 25 September 2013 and 26 September 2023 are set out in note 30 to the consolidated financial statements. The total number of shares available for issue under the share option scheme adopted on 26 September 2023 is 28,128,818 shares, representing 8.34% of the total issued shares of the Company as at the date of this annual report.

Directors' Interests in Transactions, Arrangements or Contracts

Save as disclosed in note 37 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company nor a connected entity of a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year.

Independence of Independent Non-Executive Directors

The Company has received written confirmation from each of its independent non-executive Directors in respect of their independence during the year and all independent non-executive Directors are still being considered to be independent.

Connected Transaction

Details of related party transactions are set out in note 37 to the consolidated financial statements for the year ended 31 March 2024. The related party transactions were carried out in the ordinary and normal course of business of the Group. The transactions were entered into on normal commercial terms mutually negotiated between the Group and the respective related parties; or where there is no available comparison, on the terms that are no less favourable to the Group than terms to or from independent third parties.

None of the "Related party transactions" constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the GEM Listing Rules.

To the extent of the above "Related party transactions" constituted connected transactions as defined in the GEM Listing Rules, the Company had complied with the relevant requirements under Chapter 20 of the GEM Listing Rules during the year.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 March 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

Principal corporate governance policies adopted by the Company are set out in the Corporate Governance Report on pages 14 to 27.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the date of this Directors' Report, the Company has maintained sufficient public float as required under the GEM Listing Rules.

Auditors

HLB Hodgson Impey Cheng Limited, the auditors of the Company, will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
TIMELESS RESOURCES HOLDINGS LIMITED
Felipe Tan
Chairman

Hong Kong, 24 June 2024

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF
TIMELESS RESOURCES HOLDINGS LIMITED
(Incorporated in the Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Timeless Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 130, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of unlisted equity investments classified as Level 3 financial instruments	
We identified the valuation of unlisted equity investments classified as Level 3 financial instruments as a key audit matter due to the significance of the judgement and estimates made by management and the subjectivity in determination of Level 3 fair value given the lack of availability of market-based data. The total fair value of unlisted equity investments classified as Level 3 financial instruments, amounted to approximately HK$1,926,000 as at 31 March 2024 as disclosed in note 19(c) to the consolidated financial statements.	Our procedures in relation to valuation of unlisted equity investments classified as Level 3 financial instruments mainly included: • Understanding the Group's valuation models for Level 3 financial instruments; • Discussing with management, together with our own valuation specialists, where necessary, on the valuation of the Level 3 financial instruments, and; (i) evaluating the appropriateness of the valuation methodologies and assumptions based on the industry knowledge; or (ii) evaluating the appropriateness of the key inputs by independently checking to the external data; or by evaluating the rationale of management's judgement on the key inputs; or by performing sensitivity analysis with reference to available market information to evaluate the reasonableness of the valuation, where appropriate. • Assessing the competence and independence of the third party specialists engaged by the Group and their experience in conducting similar valuation. • Assessing the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Shek Lui.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Shek Lui
Practising Certificate Number: P05895

Hong Kong, 24 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000 (Restated)
Revenue	5	**48,251**	160
Costs of sales		**(47,009)**	(2)
Other income and gains	6	**3,694**	4,670
Staff costs		**(7,667)**	(6,719)
Depreciation and amortisation		**(367)**	(336)
Gain on disposal of property, plant and equipment		**85**	–
Expected credit loss on other receivables		**(8,419)**	(532)
(Loss)/gain on fair value changes of an investment property	15	**(520)**	1,300
Loss on fair value changes of financial assets at fair value through profit or loss		**(2,959)**	(2,859)
Gain on derecognition of financial assets at fair value through profit or loss		**–**	293
Other operating expenses		**(5,502)**	(5,325)
Share of loss of associates	18	**(466)**	(90)
Finance costs	7	**(217)**	(236)
Loss before tax		**(21,096)**	(9,676)
Income tax expense	8	**(216)**	(109)
Loss for the year	9	**(21,312)**	(9,785)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(4,680)**	(8,522)
Total comprehensive expense for the year		**(25,992)**	(18,307)
Loss attributable to:			
Owners of the Company		**(19,438)**	(8,044)
Non-controlling interests		**(1,874)**	(1,741)
		(21,312)	(9,785)
Total comprehensive expense attributable to:			
Owners of the Company		**(20,655)**	(10,260)
Non-controlling interests		**(5,337)**	(8,047)
		(25,992)	(18,307)
		HK cents	HK cents (Restated)
Loss per share	12		
– Basic and diluted		**(6.86)**	(2.86)

Consolidated Statement of Financial Position

For the year ended 31 March 2024

	Notes	As at 31 March 2024 HK$'000	As at 31 March 2023 HK$'000 (Restated)	As at 1 April 2022 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment	13	**496**	573	157
Right-of-use assets	14	**4,970**	5,492	6,165
Investment property	15	**8,680**	9,200	7,900
Intangible assets	16	**–**	–	–
Exploration and evaluation assets	17	**13,713**	13,932	13,956
Interests in associates	18	**137**	408	401
Financial assets at fair value through profit or loss	19	**1,926**	4,473	7,290
Land rehabilitation costs	20	**–**	–	–
Restricted bank balance	23	**1,378**	–	–
		31,300	34,078	35,869
Current assets				
Inventories	21	**1,239**	119	130
Trade receivables		**–**	–	5
Prepayments, deposits and other receivables	22	**7,298**	10,248	16,510
Financial assets at fair value through profit or loss	19	**21**	11,543	1,719
Time deposit with original maturity of over three months	23	**32,340**	–	–
Cash and cash equivalents	23	**50,278**	90,885	127,065
		91,176	112,795	145,429
Current liabilities				
Trade and other payables	24	**8,779**	10,489	11,418
Provision for land rehabilitation	25	**1,081**	2,837	860
Loans from related parties	26	**9,800**	9,003	11,200
		19,660	22,329	23,478
Net current assets		**71,516**	90,466	121,951
Total assets less current liabilities		**102,816**	124,544	157,820
Non-current liabilities				
Provision for land rehabilitation	25	**4,422**	4,684	7,246
Deferred tax liabilities	27	**738**	526	1,414
		5,160	5,210	8,660
Net assets		**97,656**	119,334	149,160
Capital and reserves				
Share capital	28	**915,382**	906,074	906,074
Reserves	29	**(875,328)**	(855,069)	(844,809)
Equity attributable to owners of the Company		**40,054**	51,005	61,265
Non-controlling interests		**57,602**	68,329	87,895
Total equity		**97,656**	119,334	149,160

The consolidated financial statements are approved and authorised for issue by the board of directors on 24 June 2024 and are signed on its behalf by:

Felipe Tan
Director

Ronald Tan
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital HK$'000	Share options reserve HK$'000	General reserve HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Accumulated deficit HK$'000	Attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2022, as previously reported	906,074	1,747	2,205	964	(2,558)	(847,376)	61,056	87,300	148,356
Effect of adoption of amendments to HKAS 12	–	–	–	–	–	209	209	595	804
At 1 April 2022 (restated)	906,074	1,747	2,205	964	(2,558)	(847,167)	61,265	87,895	149,160
Loss for the year (restated)	–	–	–	–	–	(8,044)	(8,044)	(1,741)	(9,785)
Other comprehensive expense for the year (restated)	–	–	–	–	(2,216)	–	(2,216)	(6,306)	(8,522)
Total comprehensive expense for the year (restated)	–	–	–	–	(2,216)	(8,044)	(10,260)	(8,047)	(18,307)
Lapse of share options	–	(268)	–	–	–	268	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(11,519)	(11,519)
At 31 March 2023 (restated)	906,074	1,479*	2,205*	964*	(4,774)*	(854,943)*	51,005	68,329	119,334
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(19,438)**	**(19,438)**	**(1,874)**	**(21,312)**
Other comprehensive expense for the year	**–**	**–**	**–**	**–**	**(1,217)**	**–**	**(1,217)**	**(3,463)**	**(4,680)**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(1,217)**	**(19,438)**	**(20,655)**	**(5,337)**	**(25,992)**
Issue of shares (note 28)	**9,308**	**–**	**–**	**–**	**–**	**–**	**9,308**	**–**	**9,308**
Lapse/cancellation of share options	**–**	**(801)**	**–**	**–**	**–**	**801**	**–**	**–**	**–**
Recognition of equity-settled share-based payments	**–**	**396**	**–**	**–**	**–**	**–**	**396**	**–**	**396**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,390)**	**(5,390)**
At 31 March 2024	**915,382**	**1,074***	**2,205***	**964***	**(5,991)***	**(873,580)***	**40,054**	**57,602**	**97,656**

* These reserve accounts comprise the consolidated debit reserves of HK$875,328,000 (2023 (Restated): HK$855,069,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES			
Loss before tax		**(21,096)**	(9,676)
Adjustments for:			
Equity-settled share-based payments		**396**	–
Interest income	6	**(2,401)**	(4,139)
Finance costs	7	**217**	236
Share of loss of associates	18	**466**	90
Depreciation and amortisation		**367**	336
Gain on derecognition of financial assets at fair value through profit or loss		**–**	(293)
Gain on disposal of property, plant and equipment		**(85)**	–
Expected credit loss on other receivables		**8,419**	532
Write-down of inventories		**18**	–
Loss/(gain) on fair value changes of an investment property	15	**520**	(1,300)
Loss on fair value changes of financial assets at fair value through profit or loss		**2,959**	2,859
Operating cash flows before movements in working capital		**(10,220)**	(11,355)
(Increase)/decrease in inventories		**(1,143)**	3
Decrease in trade receivables		**–**	5
Increase in restricted bank balance		**(1,392)**	–
(Increase)/decrease in prepayments, deposits and other receivables		**(5,446)**	6,456
Decrease in provision for land rehabilitation		**(1,612)**	–
Decrease in trade and other payables		**(1,182)**	(163)
Cash used in operations		**(20,995)**	(5,054)
Income taxes paid		**–**	(999)
NET CASH USED IN OPERATING ACTIVITIES		**(20,995)**	(6,053)
INVESTING ACTIVITIES			
Interest received		**1,981**	3,613
Purchases of property, plant and equipment		**(74)**	(527)
Purchases of exploration and evaluation assets		**(567)**	(979)
Purchase of financial asset at FVTPL		**–**	(11,420)
Placement of a time deposit		**(32,658)**	–
Proceed on disposal of property, plant and equipment		**85**	–
Acquisition of additional interests in an associate		**(195)**	(150)
Proceed on disposal/settlement of financial assets at fair value through profit or loss		**10,886**	1,554
NET CASH USED IN INVESTING ACTIVITIES		**(20,542)**	(7,909)
FINANCING ACTIVITIES			
Repayment of a loan from a director/related company		**(9,000)**	(11,200)
Loans received from a director		**9,800**	9,000
Interest paid		**(220)**	(233)
Dividends paid to non-controlling shareholders		**(5,390)**	(11,519)
Proceed from issue of shares		**9,688**	–
Transaction costs attributable to issue of shares		**(380)**	–
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		**4,498**	(13,952)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(37,039)**	(27,914)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**90,885**	127,065
Effect of foreign exchange rate changes		**(3,568)**	(8,266)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		**50,278**	90,885

1. General

Timeless Resources Holdings Limited (the "Company") is a public limited company incorporated in Hong Kong and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report. The Company changed its name from Timeless Software Limited to Timeless Resources Holdings Limited on 9 October 2023.

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries are set out in note 32.

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. Application of Amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively the "Group") have applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. Application of Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 12

Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax assets and a deferred tax liability for temporary differences for transactions related to land rehabilitation costs and provision for land rehabilitation. The Group has applied the amendments on temporary differences related to land rehabilitation costs and provision for land rehabilitation as at 1 April 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with provision for land rehabilitation (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with land rehabilitation costs as at 1 April 2022. With cumulative effect recognised as an adjustment to the balances of accumulated deficit, translation reserve and non-controlling interests at that date. The quantitative impact on the financial statements is summarised below.

Impact on the consolidated statement of financial position:

		Increase/(decrease)		
	Note	**As at 31 March 2024 HK$'000**	As at 31 March 2023 HK$'000	As at 1 April 2022 HK$'000
Liabilities				
Deferred tax liabilities	(i)	**(1,376)**	(1,464)	(804)
Total non-current liabilities		**(1,376)**	(1,464)	(804)
Net assets		**1,376**	1,464	804
Equity				
Accumulated deficit		**(394)**	(396)	(209)
Translation reserve		**36**	15	–
Equity attributable to owners of the Company		**358**	381	209
Non-controlling interests		**1,018**	1,083	595
Total equity		**1,376**	1,464	804

Note (i): The deferred tax asset and deferred tax liabilities arising from the provision for land rehabilitation and other transactions of the same subsidiary have been offset in the consolidated statement of financial position for presentation purposes.

2. Application of Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 12 (Continued)

Impact on the consolidated statement of profit or loss and other comprehensive income:

	Increase/(decrease) Year ended 31 March 2024 HK$'000	Year ended 31 March 2023 HK$'000
Income tax expense	7	(718)
Loss for the year	7	(718)
Other comprehensive expense for the year	81	58
Total comprehensive expense for the year	88	(660)
Loss for the year attributable to:		
Owners of the Company	2	(187)
Non-controlling interests	5	(531)
	7	(718)
Total comprehensive expense for the year attributable to:		
Owners of the Company	23	(172)
Non-controlling interests	65	(488)
	88	(660)

The adoption of amendments to HKAS 12 did not have any material impact on the basic and diluted loss per share attributable to owners of the Company for the years ended 31 March 2024 and 2023.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[2]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[2]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[2]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[2]
Amendments to HKAS 21	*Lack of Exchangeability*[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

3.1 Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with HKFRSs 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 applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") and by the Hong Kong Companies Ordinance (Cap. 622).

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for an investment property and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group recognises revenue from the following major sources:

Sales of goods

Revenue from sales of goods is recognised at a point in time when control of goods is transferred to the customer and the Group has present right to payment and the collection of the consideration is probable.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Provision of sales agency services

Revenue from provision of sales agency services is recognised at a point in time when the services are completed under the terms of the service agreement and has a present right to payment for the services performed.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified goods or services before that goods or services is transferred to a customer.

The Group is an agent if the Group's performance obligation is to arrange for the provision of the specified goods or services by another party. In this case, the Group does not control the specified goods or services provided by another party before that goods or services is transferred to the customer.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income are presented as other income and gains.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including the Mandatory Provident Fund scheme and the state-managed retirement benefit schemes in Mainland China are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated deficit.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For tax deductions that are attributable to the ultimate costs incurred for provisions for decommissioning and restoration, the Group applies HKAS 12 requirements to the provisions for the decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to the provisions for the decommissioning and restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individually group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration and evaluation costs, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised using the units of production method based on the proven and probable mineral resources.

Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining rights and reserves and depreciated/amortised by the units of production method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining rights and reserves. Exploration and evaluation assets are written off to profit or loss if the exploration property is abandoned.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, exploration and evaluation assets, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, exploration and evaluation assets, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, exploration and evaluation assets, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, exploration and evaluation assets, right-of-use assets and intangible assets other than goodwill (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a know amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment on other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Provision for land rehabilitation

The Group is required to incur costs for restoration of the land after the underground sites have been mined. Provision for land rehabilitation is recognised when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the value of money is material).

Land rehabilitation costs are provided in the period in which the obligation is identified and is capitalised to the land rehabilitation costs. The costs are amortised on the straight-line basis over their estimate useful lives.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other income and gains” line item.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including deposits and other receivables, restricted bank balance, time deposit with original maturity of over three months and cash and cash equivalents) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payment are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the net cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustments is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and loans from related parties are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person,

(i) has controls or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Related parties (Continued)

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influence by, that person in their dealings with the entity.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Group measures, presents and discloses any resulting impairment loss.

The assessment of whether there are any impairment indicators in respect of the exploration and evaluation assets involves a number of judgements. These include whether the Group has the right to explore in the specific area of interest, whether ongoing expenditure is planned or budgeted and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.

As at 31 March 2024, the carrying amount of the exploration and evaluation assets is approximately HK$13,713,000 (2023: HK$13,932,000). There is no impairment loss recognised for the year ended 31 March 2024 as no facts and circumstances suggest that the exploration and evaluation assets may be impaired.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement of financial instruments

As at 31 March 2024, certain of the Group's financial assets amounting to HK$1,926,000 (2023: HK$15,893,000) are measured at fair value which are determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof and changes in assumptions relating to these factors could result in material adjustments to the fair value of these financial instruments.

Impairment of deposits and other receivables

The Group estimates the amount of loss allowance for ECLs on deposits and other receivables that are measured at amortised cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument.

The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

5. Revenue and Segment Information

Information reported to the board of directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

(i) Mining and Metal Business – the exploration, development and exploitation of mines and trading of metal; and

(ii) Software and Innovation Business – research, development and sale agency of bio and nano material products as well as software maintenance and development services.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 March 2024

	Mining and Metal Business HK$'000	Software and Innovation Business HK$'000	Total HK$'000
Segment revenue			
External sales	48,251	–	48,251
Segment loss	(3,206)	(39)	(3,245)
Interest income			2,401
Unallocated other income and gains			529
Unallocated corporate expenses			(8,510)
Expected credit loss on other receivables			(8,419)
Loss on fair value changes of an investment property			(520)
Loss on fair value changes of financial assets at FVTPL			(2,649)
Share of loss of associates			(466)
Finance costs			(217)
Group's loss before tax			(21,096)

5. Revenue and Segment Information (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2023

	Mining and Metal Business HK$'000	Software and Innovation Business HK$'000	Total HK$'000
Segment revenue			
External sales	–	160	160
Segment (loss)/profit	(5,015)	47	(4,968)
Interest income			4,139
Unallocated other income and gains			482
Unallocated corporate expenses			(6,912)
Expected credit loss on other receivables			(532)
Gain on fair value changes of an investment property			1,300
Loss on fair value changes of financial assets at FVTPL			(2,859)
Share of loss of associates			(90)
Finance costs			(236)
Group's loss before tax			(9,676)

There were no inter-segment sales in the current year (2023: nil).

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss)/profit represents the (loss)/profit from each segment without allocation of interest income, unallocated other income and gains, unallocated corporate expenses, expected credit loss on other receivables, (loss)/gain on fair value changes of certain of the Group's financial instruments and an investment property, share of results of associates and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. Revenue and Segment Information (Continued)

Segment assets and liabilities

	2024 HK$'000	2023 HK$'000 (Restated)
Segment assets		
Mining and Metal Business	**20,646**	21,307
Software and Innovation Business	**–**	20
Total reportable segment assets	**20,646**	21,327
Interests in associates	**137**	408
Unallocated	**101,693**	125,138
Consolidated assets	**122,476**	146,873
Segment liabilities		
Mining and Metal Business and total reportable segment liabilities	**14,118**	17,693
Unallocated	**10,702**	9,846
Consolidated liabilities	**24,820**	27,539

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain of the Group's property, plant and equipment, an investment property, financial assets at FVTPL, interests in associates, certain of the Group's prepayments, deposits and other receivables, a time deposit and cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than loans from related parties and certain of the Group's other payables.

5. Revenue and Segment Information (Continued)

Other segment information

	2024 HK$'000	2023 HK$'000
Additions to non-current assets*		
Mining and Metal Business	**641**	979
Unallocated	**–**	527
Gain on disposal of property, plant and equipment		
Mining and Metal Business	**85**	–
Depreciation and amortisation		
Mining and Metal Business	**225**	235
Unallocated	**142**	101
Total depreciation and amortisation recognised in profit or loss	**367**	336

* Additions to non-current assets include additions to property, plant and equipment and exploration and evaluation assets.

5. Revenue and Segment Information (Continued)

Geographical information

The Group's operations are mainly located in Hong Kong and Mainland China.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of assets.

	2024 HK$'000	2023 HK$'000
Revenue from external customers		
Hong Kong	**48,251**	160
Non-current assets		
Hong Kong	**9,095**	9,758
Mainland China	**18,764**	19,439
	27,859	29,197

Note: Non-current assets excluded financial instruments and interests in associates.

Information about major customers

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

	2024 HK$'000	2023 HK$'000
Customer A[1]	**24,061**	N/A[3]
Customer B[1]	**16,255**	N/A[3]
Customer C[1]	**7,935**	N/A[3]
Customer D[2]	**–**	156

1 Revenue from Mining and Metal Business
2 Revenue from Software and Innovation Business
3 The corresponding revenue did not contribute over 10% of the Group's revenue

5. Revenue and Segment Information (Continued)

Disaggregation of revenue from contracts with products

	2024 HK$'000	2023 HK$'000
Types of goods or service		
Sales of gold	**48,251**	–
Service fee income	**–**	156
Sales of water soluble bags	**–**	4
	48,251	160
Timing of revenue recognition		
At a point in time	**48,251**	160

The Group has contracts with customers for the sale of gold and water soluble bags. The Group has concluded that revenue from sale of goods is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to customers. The Group satisfied its performance obligations upon delivery in accordance with its contract with customers, who bears the risk of obsolescence and loss in relation to the goods.

The revenue from the provision of sales agency services is recognised at a point in time when services are performed.

Transaction price allocated to the remaining performance obligation for contracts with customers

All the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. Other Income and Gains

	2024 HK$'000	2023 HK$'000
Interest income		
– bank deposits	**1,906**	3,581
– financial assets at FVTPL	**87**	151
– other receivable	**408**	407
Government grants	**–**	71
Others	**1,293**	460
	3,694	4,670

During the year ended 31 March 2023, the Group recognised government grants of HK$71,000 related to Employment Support Scheme provided by the Hong Kong government. There was no unfulfilled condition in respect of the grants.

7. Finance Costs

	2024 HK$'000	2023 HK$'000
Interest on loans from related parties	**217**	236

8. Income Tax Expense

	2024 HK$'000	2023 HK$'000 (Restated)
Current tax		
– Under provision in prior years	**–**	348
– PRC withholding tax	**–**	651
Deferred tax (note 27)	**216**	(890)
	216	109

Under the two-tiered profits tax rates regime introduced by the Inland Revenue (Amendment) (No. 3) Ordinance 2018 enacted on 29 March 2018 to amend the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), the first HK$2 million of profits of the qualifying group entity in Hong Kong will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries operating in Mainland China is 25% for both years.

The tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HK$'000	2023 HK$'000 (Restated)
Loss before tax	**(21,096)**	(9,676)
Tax at the Hong Kong Profits Tax rate of 16.5%	**(3,481)**	(1,597)
Tax effect of share of loss of associates	**77**	15
Tax effect of expenses not deductible for tax purposes	**1,729**	846
Tax effect of income not taxable for tax purposes	**(215)**	(545)
Tax effect of tax losses not recognised	**2,903**	2,150
Utilisation of deductible temporary differences previously not recognised	**(397)**	(718)
Under provision in prior years	**–**	348
Effect of different tax rates for subsidiaries operating in other jurisdictions	**(152)**	(151)
PRC withholding tax	**(248)**	(239)
Income tax expense for the year	**216**	109

9. Loss for the Year

	2024 HK$'000	2023 HK$'000
Loss for the year has been arrived at after charging/(crediting):		
Directors' and chief executive's emoluments (note 10)	**2,010**	1,485
Other staff's retirement benefits scheme contributions	**420**	406
Other staff costs	**5,237**	4,828
Employee benefits expenses	**7,667**	6,719
Depreciation of property, plant and equipment	**150**	109
Depreciation of right-of-use assets	**217**	227
Depreciation and amortisation	**367**	336
Rental income arising from an investment property	**(288)**	(256)
Less: direct operating expenses incurred for an investment property that generate rental income during the year	**99**	85
	(189)	(171)
Auditors' remuneration	**645**	600
Cost of inventories recognised as an expense	**46,991**	2
Write-down of inventories (included in the costs of sales line item)	**18**	–
Expense relating to short-term leases not included in the measurement of lease liabilities	**700**	695
Net foreign exchange loss	**211**	633

10. Directors' and Chief Executive's Emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance, was as follows:

For the year ended 31 March 2024

	Fee HK$'000	Salaries and other benefits in kind HK$'000	Retirement benefits scheme contributions HK$'000	Performance and discretionary bonus HK$'000	Equity-settled share-based payment expense HK$'000	Total emoluments HK$'000
Executive directors						
Felipe Tan	–	930	–	50	20	1,000
Ronald Tan	–	429	20	31	80	560
Independent non-executive directors						
Lam Kwai Yan	130	–	–	–	20	150
Chan Choi Ling	130	–	–	–	20	150
Yu Leung Fai (note ii)	130	–	–	–	20	150
	390	1,359	20	81	160	2,010

For the year ended 31 March 2023

	Fee HK$'000	Salaries and other benefits in kind HK$'000	Retirement benefits scheme contributions HK$'000	Performance and discretionary bonus HK$'000	Equity-settled share-based payment expense HK$'000	Total emoluments HK$'000
Executive directors						
Felipe Tan	–	913	–	81	–	994
Ronald Tan	–	70	5	26	–	101
Independent non-executive directors						
Tsang Wai Chun Marianna (note i)	130	–	–	–	–	130
Lam Kwai Yan	130	–	–	–	–	130
Chan Choi Ling	130	–	–	–	–	130
Yu Leung Fai (note ii)	–	–	–	–	–	–
	390	983	5	107	–	1,485

10. Directors' and Chief Executive's Emoluments (Continued)

Notes:

i. Ms. Tsang Wai Chun Marianna resigned on 31 March 2023.

ii. Mr. Yu Leung Fai was appointed on 31 March 2023.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Certain executive directors of the Company are entitled to bonus payments which are determined based on the performance of the director and the results of the Group.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the year, no emoluments were paid by the Group to any of the directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office (2023: nil). None of the directors or the chief executive has waived any emoluments during the year (2023: nil).

11. Five Highest Paid Employees

For the year ended 31 March 2024, the five highest paid employees of the Group included two directors (2023: one director). Details of the remuneration of the remaining three (2023: four) highest paid employees who are neither a director nor chief executive of the Company are stated below.

	2024 HK$'000	2023 HK$'000
Salaries and allowances	**2,151**	2,354
Retirement benefits scheme contribution	**54**	52
Performance and discretionary bonus	**141**	377
Equity-settled share-based payment expenses	**104**	–
	2,450	2,783

11. Five Highest Paid Employees (Continued)

The highest paid employees, whose remuneration are stated above, fell within the following bands:

	2024	2023
Nil to HK$1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**1**	1
	3	4

During the year, no emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2023: nil).

12. Loss Per Share

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

	2024 HK$'000	2023 HK$'000 (Restated)
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(19,438)**	(8,044)

Number of shares:

	2024 '000	2023 '000 (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**283,277**	281,288

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the consolidation of every ten existing shares into one consolidated share on 2 January 2024.

The computation of the diluted loss per share does not assume the exercise of the Company's outstanding share option since the exercise prices of those options were higher than the average market price for shares for both 2024 and 2023.

13. Property, Plant and Equipment

	Building and property HK$'000	Plant and machinery HK$'000	Computer equipment HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost						
Balance at 1 April 2022	16,301	5,206	1,616	273	4,025	27,421
Exchange adjustments	(1,163)	(376)	(117)	(18)	(266)	(1,940)
Additions	–	–	–	–	527	527
Balance at 31 March 2023	**15,138**	**4,830**	**1,499**	**255**	**4,286**	**26,008**
Exchange adjustments	**(839)**	**(270)**	**(84)**	**(13)**	**(185)**	**(1,391)**
Additions	**–**	**–**	**–**	**74**	**–**	**74**
Disposals	**–**	**–**	**–**	**–**	**(691)**	**(691)**
Balance at 31 March 2024	**14,299**	**4,560**	**1,415**	**316**	**3,410**	**24,000**
Accumulated depreciation and impairment						
Balance at 1 April 2022	16,216	5,206	1,616	239	3,987	27,264
Exchange adjustments	(1,163)	(376)	(117)	(16)	(266)	(1,938)
Provided for the year	34	–	–	11	64	109
Balance at 31 March 2023	**15,087**	**4,830**	**1,499**	**234**	**3,785**	**25,435**
Exchange adjustments	**(839)**	**(270)**	**(84)**	**(12)**	**(185)**	**(1,390)**
Provided for the year	**33**	**–**	**–**	**11**	**106**	**150**
Disposals	**–**	**–**	**–**	**–**	**(691)**	**(691)**
Balance at 31 March 2024	**14,281**	**4,560**	**1,415**	**233**	**3,015**	**23,504**
Carrying amounts						
Balance at 31 March 2024	**18**	**–**	**–**	**83**	**395**	**496**
Balance at 31 March 2023	51	–	–	21	501	573

The above items of property, plant and equipment are depreciated on a straight-line basis at the following estimated useful lives:

Building and property	3 to 12 years
Plant and machinery	8 years
Computer equipment	3 to 5 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	2 to 8 years

14. Right-of-Use Assets

	Leasehold land HK$'000
As at 31 March 2024	
Carrying amount	**4,970**
As at 31 March 2023	
Carrying amount	5,492
For the year ended 31 March 2024	
Exchange adjustments	**(305)**
Depreciation charge	**(217)**
	(522)
For the year ended 31 March 2023	
Exchange adjustments	(446)
Depreciation charge	(227)
	(673)

	2024 HK$'000	2023 HK$'000
Depreciation of right-of-use assets	**217**	227
Expense relating to short-term leases and total cash outflow for leases	**700**	695

For both years, the Group leases various land for its operations. Lease contracts are entered into for fixed term of 42 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for office premises. As at 31 March 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

15. Investment Property

The Group leases out a commercial property under operating leases. The leases typically run for an initial period of 2 years (2023: 2 years) with lease payment that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and lessee's option to purchase the property at the end of lease term.

	2024 **HK$'000**	2023 HK$'000
FAIR VALUE		
At 1 April 2023/2022	**9,200**	7,900
Net (decrease)/increase in fair value recognised in profit or loss	**(520)**	1,300
At 31 March	**8,680**	9,200

The Group's property interests held under operating leases to earn rental or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

The Group's property interests were held under medium-term operating lease and situated in Hong Kong.

The fair value of the Group's investment property as at 31 March 2024 has been arrived at on the basis of a valuation carried out by Norton Appraisals Holdings Limited, independent qualified professional values not connected to the Group. In estimating the fair value of the property, the highest and best use of the property is its current use.

The Group's investment properties are measured at their fair value of approximately HK$8,680,000 (2023: HK$9,200,000), which represented a commercial building located in Hong Kong and was classified as Level 3 fair value hierarchy.

The valuation of the investment property at the end of the reporting period was determined using investment approach while that as at 31 March 2023 has been arrived at by management using direct comparison method on an open market basis with reference to the value of adjacent properties. The change in valuation technique from direct comparison method to investment approach was due to the absence of public information in relation to recent transaction prices for comparable properties.

The investment approach takes into account the current passing rent of the tenancy and the reversionary income potential of the property.

The key unobservable inputs used in valuing the investment property were the market unit rent per square feet of HK$14, and the reversionary yield of 4%.

A significant increase/decrease in the market unit rent per square feet in isolation would result in a significant increase/decrease in the fair value of the investment property. A significant increase/decrease in the reversionary yield rate in isolation would result in a significant decrease/increase in the fair value of the investment property.

Direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realised on actual sales and/or asking prices of comparable market transactions as available. The key input was the market unit price of HK$4,540. A significant increase/decrease in the market unit price would result in a significant increase/decrease in the fair value of the investment property.

During the year, there were no transfers of fair value measurements between Level 1 and 2 and no transfers into or out of Level 3 (2023: nil).

16. Intangible Assets

	Mining rights HK$'000
Cost	
At 1 April 2022	240,601
Exchange adjustments	(17,359)
Balance at 31 March 2023	**223,242**
Exchange adjustments	**(12,511)**
At 31 March 2024	**210,731**
Accumulated amortisation and impairment	
At 1 April 2022	240,601
Exchange adjustments	(17,359)
At 31 March 2023	**223,242**
Exchange adjustments	**(12,511)**
At 31 March 2024	**210,731**
Carrying values	
Balance at 31 March 2024	**–**
Balance at 31 March 2023	–

17. Exploration and Evaluation Assets

	HK$'000
At 1 April 2022	13,956
Exchange adjustments	(1,003)
Additions for the year	979
At 31 March 2023	**13,932**
Exchange adjustments	**(786)**
Additions for the year	**567**
At 31 March 2024	**13,713**

18. Interests in Associates

	2024 HK$'000	2023 HK$'000
Share of net assets	**137**	408

Details of the Group's principal associates at the end of the reporting period are as follow:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			2024	2023	
Nano Bubble Limited ("Nano Bubble")	Hong Kong	Hong Kong	**41.45%**	36.04%	Research, development and sales of hygienic and sanitisation products
Nano Energy Limited ("Nano Energy")	Hong Kong	Hong Kong	**27.03%**	27.03%	Development of different power generation mechanisms

During the year, the Group acquired additional equity interests in Nano Bubble at a cash consideration of HK$195,000 (2023: HK$150,000).

The following table illustrated the aggregate financial information of associates that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of associates' loss and total comprehensive expense for the year	**(466)**	(90)
Aggregate carrying amount of the Group's interests in the associates	**137**	408

19. Financial Assets at Fair Value through Profit or Loss

	2024 HK$'000	2023 HK$'000
Financial assets measured at FVTPL:		
Listed debt securities (note a)	**21**	123
Structured deposit (note b)	**–**	11,420
Unlisted equity investments (note c)	**1,926**	4,473
	1,947	16,016
Analysed for reporting purposes:		
Current assets	**21**	11,543
Non-current assets	**1,926**	4,473
	1,947	16,016

Notes:

a. Listed debt securities composed of Singapore listed debt securities with fixed interest rate of 7.5% and maturity date in June 2023. The fair values of these investments are determined with reference to quoted market prices.

For the year ended 31 March 2024, the Group recorded a loss on fair value changes of approximately HK$102,000 (2023: HK$42,000) in the consolidated statement of profit or loss and other comprehensive income.

b. For the year ended 31 March 2023, the Group entered into a contract in respect of a structured deposit issued by a financial institution with guaranteed principal and varying return rate from 1.30% to 3.18%, depending on the performance of the underlying.

c. For the year ended 31 March 2024, a net loss on fair value changes of HK$2,547,000 (2023: HK$2,817,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

20. Land Rehabilitation Costs

	2024 HK$'000	2023 HK$'000
Balance at 31 March	**–**	–

The land rehabilitation costs relate to the restoration costs for the occupation of lands at mining sites. The amortisation period was approximately 5 years.

21. Inventories

	2024 HK$'000	2023 HK$'000
Raw materials	**1,239**	100
Finished goods	**–**	19
	1,239	119

22. Prepayments, Deposits and Other Receivables

	2024 HK$'000	2023 HK$'000
Prepayments	**6,961**	579
Deposits	**36**	1,626
Other receivables	**9,772**	9,095
Less: allowance of credit losses (note 33b)	**(9,471)**	(1,052)
	7,298	10,248

At 31 March 2023, the Group's deposits amounting to approximately HK$1,591,000 represent the land restoration and environmental recoverability guarantee deposits for the Group's mines.

At 31 March 2024, the Group's other receivables (before allowance of credit loss) amounting to approximately HK$9,263,000 (2023: HK$8,855,000) represent a profit guarantee receivable from the founders of an investee. Such receivable is overdue on 30 June 2023, bearing interest at 5% per annum and is secured by shares of that investee.

23. Restricted Bank Balance, Time Deposit with Original Maturity of Over Three Months and Cash and Cash Equivalents

Cash and cash equivalents comprise cash held by the Group and short-term demand deposits with effective interest rates ranging between 0.2% and 4.15% (2023: 0.25% and 3.2%) per annum. The Group also held a time deposit with bank carrying interest at 1.7% per annum.

At 31 March 2024, restricted bank balance of the Group of approximately HK$1,378,000 (2023: nil) carries interest at 0.3% per annum that was placed at a designated bank account to settle future environment restoration for the Group's mines whose usage is restricted and is classified as non-current assets.

At 31 March 2024, the Group had cash and cash equivalents, time deposit with original maturity of over three months and restricted bank deposit of approximately HK$71,500,000 (2023: HK$81,691,000) which are denominated in Renminbi ("RMB") and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the PRC government.

24. Trade and Other Payables

	2024 HK$'000	2023 HK$'000
Trade payables	**216**	229
Other payables	**8,563**	10,260
	8,779	10,489

The following is an aged analysis of trade payables presented based on the invoice date:

	2024 HK$'000	2023 HK$'000
More than 90 days	**216**	229

Included in other payables as at 31 March 2024 is an amount of HK$407,000 (2023: HK$758,000) due to a related company which is a non-controlling shareholder of a subsidiary. Such balance is unsecured, interest-free and are expected to be settled within 90 days.

25. Provision for Land Rehabilitation

	2024 HK$'000	2023 HK$'000
Balance at the beginning of year	**7,521**	8,106
Exchange adjustments	**(406)**	(585)
Utilisation during the year	**(1,612)**	–
Balance at the end of year	**5,503**	7,521
Less: provision for land rehabilitation classified as non-current liabilities	**(4,422)**	(4,684)
Provision for land rehabilitation classified as current liabilities	**1,081**	2,837

The Group had made provision for land reclamation cost and mine closures for the Group's existing mines which was determined by the directors based on their best estimates of the anticipated costs of rehabilitation, restoration and dismantling of mining areas.

26. Loans from Related Parties

The Group entered into loan agreements with Mr. Felipe Tan, a director and substantial shareholder of the Company. The loans are unsecured, repayable on demand and bear interest at 4.5% per annum.

27. Deferred Tax

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

	Withholding tax on undistributed profits HK$'000	Exploration and evaluation assets HK$'000	Write-down of inventories HK$'000	Provision for land rehabilitation HK$'000	Fair value adjustments arising from business combination HK$'000	Total HK$'000
At 1 April 2022	1,414	3,489	(464)	–	(2,221)	2,218
Effect of adoption of HKAS 12 (Note 2)	–	–	–	(804)	–	(804)
At 1 April 2022 (Restated)	1,414	3,489	(464)	(804)	(2,221)	1,414
Exchange adjustments	2	(252)	33	58	161	2
Charge/(credit) to profit or loss						
Origination and reversal of temporary differences	(239)	245	–	(718)	473	(239)
Reversal upon payment	(651)	–	–	–	–	(651)
At 31 March 2023 (Restated)	**526**	**3,482**	**(431)**	**(1,464)**	**(1,587)**	**526**
Exchange adjustments	**(4)**	**(194)**	**24**	**81**	**89**	**(4)**
(Credit)/charge to profit or loss						
Origination and reversal of temporary differences	**(248)**	**141**	**–**	**7**	**316**	**216**
At 31 March 2024	**274**	**3,429**	**(407)**	**(1,376)**	**(1,182)**	**738**

Under the Enterprise Income Tax Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the subsidiaries in Mainland China from 1 January 2008 onwards. Deferred taxation has been provided in full in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the subsidiary in Mainland China.

At the end of the reporting period, the Group has unused tax losses of approximately HK$350,430,000 (2023: HK$336,646,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$520,000 expiring in 2027, HK$5,201,000 expiring in 2028 and HK$7,390,000 expiring in 2029. Other losses may be carried forward indefinitely.

As at 31 March 2023, the Group has deductible temporary differences of approximately HK$1,664,000, No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

28. Share Capital

	Number of shares		Share capital	
	2024	2023	**2024**	2023
			HK$'000	HK$'000
At beginning of year	**2,812,881,803**	2,812,881,803	**906,074**	906,074
Consolidation of shares (note a)	**(2,531,593,623)**	–	**–**	–
Issue of new shares (note b)	**56,000,000**	–	**9,688**	–
Transaction costs attributable to issue of new shares (note b)	**–**	–	**(380)**	–
At end of year	**337,288,180**	2,812,881,803	**915,382**	906,074

Notes:

(a) On 28 December 2023, the Company passed an ordinary resolution to consolidate ten existing ordinary shares into one consolidated share. Such adjustment was effective on 2 January 2024.

(b) On 4 March 2024, the Company entered into a placing agreement with a placing agent, with supplemental agreement entered on 8 March 2024 pursuant to which the placing agent has conditionally agree to place up to 56,000,000 ordinary shares to not less than six independent placees at a price of HK$0.173 per share, representing a discount of approximately 3.89% to the closing market price of the Company's ordinary shares on 4 March 2024. A total of 56,000,000 ordinary shares were issued at the price of HK$0.173 per share upon completion on 19 March 2024.

The net proceeds, after deduction of the placing commission and other related expenses, of HK$9,308,000 were used to reduce borrowings and to provide additional working capital for the Group. These new shares were issued under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 28 June 2023 and rank pari passu with other shares in issue in all respects.

29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

General reserve

General reserve was established in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiary incorporated in the PRC. Transfers to the reserve were approved by the respective board of directors and the PRC subsidiary are required to transfer at least 10% of its net profit (after offsetting prior year's losses), as determined under the PRC accounting rules and regulations, to general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of this entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholders.

Share options reserve

The share options reserve comprises the portion of the grant date fair value of unexercised share options granted to eligible participants of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments.

29. Reserves (Continued)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

30. Share-based Payment Transactions

Share option scheme adopted on 28 April 2003 ("2003 Share Option Scheme")

The options of the 2003 Share Option Scheme may be granted to any director, employee, consultant, customer, supplier, agent, partner, provider of financial assistance, shareholder or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("2003 Option Scheme Eligible Participants"), the trustee of the 2003 Option Scheme Eligible Participants or a company beneficially owned by the 2003 Option Scheme Eligible Participants. The purpose of the 2003 Share Option Scheme is to recognise and acknowledge the contributions that the 2003 Option Scheme Eligible Participants had made or may make to the Group.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2003 Share Option Scheme and other share option schemes of the Company shall not, in aggregate, exceed 30% of the total issued shares of the Company from time to time.

No options may be granted to any 2003 Option Scheme Eligible Participants which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted to such 2003 Option Scheme Eligible Participants in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital of the Company as at the date of grant unless approval is obtained from the shareholders of the Company. The exercisable period is determined by the board of directors in its absolute discretion, save that such period shall not be more than ten years from the date of grant. There is no generally applicable minimum period for which the options must be held before it can be exercised.

An offer of the grant of an option shall be accepted when the Company receives in writing the acceptance of the offer from the grantee together with a remittance in favor of the Company of HK$1 by way of consideration for the grant thereof. The option shall remain open for acceptance by the 2003 Option Scheme Eligible Participants concerned for a period of 28 days from the date of offer. The exercise price shall be determined by the board of directors at the time of grant of the relevant option and notified to each grantee and shall not be less than the highest of: (i) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option, which must be a business day; (ii) an amount equivalent to the average closing price of shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of a share.

The 2003 Share Option Scheme was valid for a period of ten years commencing on the adoption date of 28 April 2003 and was expired during the financial year ended 31 March 2014. Thereafter, no further options would be granted under the 2003 Share Option Scheme. All the 3,113,514 outstanding options granted under the 2003 Share Option Scheme lapsed during the financial year ended 31 March 2023 and there was no outstanding option under the 2003 Share Option Scheme as at 31 March 2024 and 2023.

30. Share-based Payment Transactions (Continued)

Share option scheme adopted on 25 September 2013 ("2013 Share Option Scheme")

On 25 September 2013, an ordinary resolution approving the adoption of a new share option scheme was passed by shareholders at the annual general meeting of the Company. Under the 2013 Share Option Scheme, directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2013 Share Option Scheme will remain valid for a period of 10 years from the adoption date.

The purpose of the 2013 Share Option Scheme is to provide incentives to the eligible participants to contribute to the Group and to enable the Group to recruit high-caliber employees and attract resources that are valuable to the Group. Under the 2013 Share Option Scheme, the board of directors of the Company may grant options to any person being a full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary), any supplier, consultants, agents and advisers or any person who, in the sole discretion of the board of directors of the Company, has contributed or may contribute to the Group eligible for options under this share option scheme ("2013 Eligible Participants") at a price to be determined by the board of directors being the highest of (a) the closing price of the shares on the Stock Exchange on the date of grant of the option, which must be a trading day and (b) the average closing price of the shares of the Stock Exchange for the five trading days immediately preceding the date of grant of the option.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme shall not exceed 10% of the total issued shares of the Company from time to time and together with other share option schemes of the Company shall not, in aggregate, exceed 30% of the total issued shares of the Company from time to time. No options may be granted to any 2013 Eligible Participants which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted to such 2013 Eligible Participants in the 12-month period up to and including the date of such new grant exceeding 1% of the total issued shares of the Company as at the date of grant unless approval is obtained from the shareholders of the Company. The exercisable period is determined by the board of directors in its absolute discretion, save that such period shall not be more than ten years from the date of grant. There is no generally applicable minimum period for which the options must be held before it can be exercised.

30. Share-based Payment Transactions (Continued)

Share option scheme adopted on 25 September 2013 ("2013 Share Option Scheme") (Continued)

The 2013 Share Option Scheme was valid and effective for a period of 10 years commencing 25 September 2013 and was expired during the financial year ended 31 March 2024. Thereafter, no further options would be granted under the 2013 Share Option Scheme. On 14 August 2023, a total of 41,000,000 share options were granted under the 2013 Share Option Scheme to grantees. The details of the share options granted are as follows:

Date of grant	14 August 2023
Vesting period	14 August 2023 – 13 August 2024
Exercise period	14 August 2024 – 13 March 2027
Number of shares to be vested	41,000,000
Total consideration received from grant of share options	HK$11
Fair value at grant date	HK$627,000

The fair value of the share options was determined at the date of grant using the Binomial Option Pricing Model (the "Model"). The inputs into the Model were as follows.

Closing share price at grant date	HK$0.024
Exercise price	HK$0.0242
Expected volatility	116.92%
Expected life	3.58 years
Risk-free interest rate	3.99%
Expected dividend yield	Nil
Exercise multiple	2.2–2.8

The Model has been used to estimate the fair value of the options. The expected life used in the Model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical volatility of the Company's share price, adjusted for any expected changes to future volatility based on publicly available information. Changes in variables and assumptions may result in changes in the fair value of the options.

Note: On 28 December 2023, the shareholders of the Company approved the consolidation of every 10 existing shares into 1 consolidated share (the "Share Consolidation"). Upon completion of the Share Consolidation on 2 January 2024, the number of options granted and the exercise prices were adjusted accordingly.

30. Share-based Payment Transactions (Continued)

Share option scheme adopted on 26 September 2023 ("2023 Share Option Scheme")

On 25 September 2023, the 2023 Share Option Scheme was approved by the shareholders of the Company at the extraordinary general meeting. The options of the 2023 Share Option Scheme may be granted to any employee and any related entity participants ("Eligible Participants"). The purposes of the 2023 Share Option Scheme are (i) to enable the Company to grant options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the shareholders to promote the long term financial and business performance of the Company.

Pursuant to an ordinary resolution passed by the shareholders of the Company on 25 September 2023, the Company is entitled to issue a maximum of 281,288,180 shares, representing 10% of the total issued shares of the Company as at 25 September 2023, i.e. date of adoption of the 2023 Share Option Scheme. On 28 December 2023, the shareholders of the Company approved the consolidation of every 10 existing shares into 1 consolidated share (the "Share Consolidation"). As a result of the Share Consolidation, the maximum number of shares which may be issued upon the exercise of any options under the 2023 Share Option Scheme is adjusted from 281,288,180 shares to 28,128,818 shares.

Unless separately approved by the shareholders in general meeting, the total number of shares issued and to be issued upon exercise of the options granted to each Eligible Participants in any 12-month period must not exceed 1% of the total issued shares of the Company as at the date of grant.

The exercisable period is determined by the board of directors in its absolute discretion, save that such period shall not be more than ten years from the date of grant. The vesting period of options shall not be less than 12 months. As at 31 March 2024, there was no options granted under the 2023 Share Option Scheme.

An offer of the grant of an option shall be deemed to have been accepted when the Company receives in writing the acceptance of the offer from the Eligible Participants together with a remittance in favor of the Company of HK$1 by way of consideration for the grant thereof. The option shall remain open for acceptance by the Eligible Participants concerned for a period of 21 days from the date of offer. The exercise price shall be determined at the discretion of the board of directors, provided that it must be at least the higher of: (i) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant option, which must be a business day; and (ii) the average of the closing price of shares as shown in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant of the relevant option.

The 2023 Share Option Scheme is valid for a period of ten years commencing on the adoption date of 26 September 2023 and its remaining life as at 31 March 2024 was about 9.49 years.

30. Share-based Payment Transactions (Continued)

Details of the movements in the number of share options granted during the year are as follows:

					Number of share options								
						During the year				During the year			
Type of Participants	Date of grant	Exercise period	Exercise price per share (before adjustment) HK$	Exercise price per share (after adjustment) HK$	Outstanding at 1.4.2022	Lapsed	Reclassified	Outstanding at 31.3.2023	Granted	Lapsed	Cancelled	Adjusted (note 5)	Outstanding at 31.3.2024
2003 Share Option Scheme													
Employees	20.11.2012	20.11.2012 – 19.11.2022	0.1281	0.1281	3,113,514	(3,113,514)	–	–	–	–	–	–	–
Weighted average exercise price					HK$0.1281	HK$0.1281	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013 Share Option Scheme													
Directors	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.0800	7,000,000	(1,000,000)	–	6,000,000	–	–	–	(5,400,000)	600,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.2420	–	–	–	–	16,000,000	–	–	(14,400,000)	1,600,000
					7,000,000	(1,000,000)	–	6,000,000	16,000,000	–	–	(19,800,000)	2,200,000
Employees	03.10.2013	03.10.2013 – 02.10.2023	0.1435	0.1435	3,632,433	–	–	3,632,433	–	(3,632,433)	–	–	–
	17.02.2014	17.02.2014 – 16.02.2024	0.1329	1.3290	622,703	–	–	622,703	–	(62,270)	–	(560,433)	–
	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.0800	9,000,000	–	1,000,000	10,000,000	–	–	–	(9,000,000)	1,000,000
	14.08.2023	14.08.2024 – 13.03.2027	0.0242	0.2420	–	–	–	–	25,000,000	–	–	(22,500,000)	2,500,000
					13,255,136	–	1,000,000	14,255,136	25,000,000	(3,694,703)	–	(32,060,433)	3,500,000
Consultant	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1.0800	13,000,000	–	(1,000,000)	12,000,000	–	–	(1,200,000)	(10,800,000)	–
Total					33,255,136	(1,000,000)	–	32,255,136	41,000,000	(3,694,703)	(1,200,000)	(62,660,433)	5,700,000
Weighted average exercise price					HK$0.1123	HK$0.1080	N/A	HK$0.1125	HK$0.0242	HK$0.1635	HK$1.0800	HK$0.0589	HK$0.4772
Exercisable at the end of the year								32,255,136					1,600,000

Notes:
1. No share option was granted under the share option schemes during the year ended 31 March 2023.
2. No share option granted under the 2013 Share Option Scheme was cancelled during the year ended 31 March 2023.
3. No share option granted under the share option schemes was exercised during the year ended 31 March 2024 (2023: nil).
4. All share options granted on 2 March 2017 were vested upon granting. The vesting period of the share options granted on 14 August 2023 is from 14 August 2023 to 13 August 2024, and such share options will be vested on 14 August 2024.
5. Upon completion of the Share Consolidation on 2 January 2024, the number of options and exercise prices were adjusted accordingly.

30. Share-based Payment Transactions (Continued)

Share option scheme adopted on 26 September 2023 ("2023 Share Option Scheme") (Continued)

The Group recognised the total expense of HK$396,000 (2023: nil) for the year ended 31 March 2024 in relation to the share options granted by the Company.

All equity-settled share-based payments will be settled in equity. The Group has no legal and constructive obligation to repurchase or settle the options.

31. Retirement Benefits Schemes

Defined contribution plan

The Group participates in a defined contribution scheme which is registered under the Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes at the lower of HK$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, which contribution is matched by the employees.

The Group also participates in a state-managed defined contribution retirement scheme organised by the relevant local governmental authority in Mainland China. Employees in Mainland China of the Group eligible to participate in the retirement scheme are entitled to retirement benefits from the scheme. The Group is required to make monthly contributions to the retirement scheme for the eligible employees at specified percentage of the payroll and the local governmental authority is responsible for the pension liabilities to these employees upon their retirement.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. During the year, the total amounts contributed by the Group to the schemes and cost charged to the profit or loss represents contributions paid/payable to the schemes by the Group at rates specified in the rules of the schemes.

The retirement benefits scheme contribution expense recognised by the Group amounted to HK$440,000 (2023: HK$411,000) during the year ended 31 March 2024.

During the years ended and as at 31 March 2024 and 2023, no contribution was forfeited (by the Group on behalf of its employees who leave the defined contribution schemes prior to vesting fully in such contributions) or was used by the Group to reduce the existing level of contributions.

32. Particulars of Principal Subsidiaries of the Company

General information of principal subsidiaries

Details of the principal subsidiaries at the end of the reporting period are set out below:

Name of subsidiaries	Place of incorporation/ registration/ operations	Issued ordinary/ registered capital	Percentage of equity interests attributable to the Company		Principal activities
			Directly	Indirectly	
Time Rich HK Limited	Hong Kong	HK$100	–	100%	Investment holding, provision of business services
Time Harvest Trading Limited (formerly known as Timeless IT Limited)	Hong Kong	HK$100	–	100%	Trading of metal
新疆天目礦業資源開發有限公司 Xinjiang Tianmu Mineral Resources Development Co. Ltd.* ("Xinjiang Tianmu")	Mainland China	RMB36,000,000	–	26%	Exploration and exploitation of nickel-copper mines in Xinjiang, the PRC and processing and sale of the outputs from the mines

* Unofficial English name translated from Chinese registered name of the company for identification purpose only.

32. Particulars of Principal Subsidiaries of the Company (Continued)

General information of principal subsidiaries (Continued)

Xinjiang Tianmu is a Sino-foreign equity joint venture company established in Mainland China.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during the year.

Details of non-wholly-owned subsidiary that has material non-controlling interests

The table below shows details of the non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of establishment/ registration and principal place of business	Proportion of ownership interests held by the non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	**2024**	2023	**2024**	2023
				HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000 (Restated)
Xinjiang Tianmu	Mainland China	**74%**	74%	**(1,667)**	(1,575)	**56,917**	62,047
Individually immaterial subsidiaries with non-controlling interests						**685**	6,282
						57,602	68,329

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

32. Particulars of Principal Subsidiaries of the Company (Continued)

Details of non-wholly-owned subsidiary that has material non-controlling interests (Continued)

Xinjiang Tianmu

	2024 HK$'000	2023 HK$'000 (Restated)
Current assets	70,627	81,586
Non-current assets	20,142	19,439
Current liabilities	(8,958)	(12,483)
Non-current liabilities	(4,886)	(4,683)
Net assets	76,925	83,859
Equity attributable to owners of the Company	20,008	21,812
Non-controlling interests	56,917	62,047
Total equity	76,925	83,859
Revenue	–	–
Other income and gains	2,819	3,490
Expenses	(5,072)	(5,618)
Loss for the year	(2,253)	(2,128)
Loss for the year attributable to owners of the Company	(586)	(553)
Loss for the year attributable to the non-controlling interests	(1,667)	(1,575)
Loss for the year	(2,253)	(2,128)
Other comprehensive expense attributable to owners of the Company	(1,217)	(2,216)
Other comprehensive expense attributable to non-controlling interests	(3,463)	(6,306)
Other comprehensive expense for the year	(4,680)	(8,522)
Total comprehensive expense attributable to owners of the Company	(1,803)	(2,769)
Total comprehensive expense attributable to non-controlling interests	(5,130)	(7,881)
Total comprehensive expense for the year	(6,933)	(10,650)
Dividends paid to non-controlling interests of Xinjiang Tianmu	–	11,519
Net cash outflow from operating activities	(6,505)	(5,398)
Net cash outflow from investing activities	(20,444)	(8,958)
Net cash outflow from financing activities	–	(23,508)
Effect of foreign exchange rate changes	(3,568)	(8,267)
Net decrease in cash and cash equivalents	(30,517)	(46,131)

33. Financial Instruments

(a) Categories of financial instruments

	2024 HK$'000	2023 HK$'000
Financial assets		
Financial assets at FVTPL	**1,947**	16,016
Financial assets at amortised cost	**84,043**	100,554
Financial liabilities		
Amortised cost	**18,462**	19,492

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, deposits and other receivables, restricted bank balance, time deposit with original maturity of over three months, cash and cash equivalents, trade and other payables and loans from a related party. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk management

Foreign currency risk refers to the risk that movement in foreign currency exchange rate will affect the Group's financial performance and its cash flows. The management considers that the Group is not exposed to significant foreign currency risk as majority of its transactions are denominated in Hong Kong dollars and RMB (functional currencies of the major group entities) and the Group does not have material monetary assets/liabilities denominated in currencies other than the functional currencies of the relevant group entities at the end of the reporting period.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

At the end of the reporting period, the carrying amounts of the Group's monetary assets that are denominated in currencies other than the functional currencies of the relevant group entities are as follows:

	2024 HK$'000	2023 HK$'000
Monetary assets		
United States Dollars ("US$")	**576**	34
RMB	**1,867**	13,394

Most of the US$ denominated monetary assets at the end of the reporting period are held under the Group's subsidiaries in Hong Kong. Since HK$ is pegged to US$, the directors of the Company consider that the Group's exposure to foreign currency exchange in respect of US$ is insignificant.

33. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in HK$ against RMB. 5% (2023: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. A positive number below indicates decrease in loss where HK$ weakens against RMB. For a 5% weakening of RMB against HK$, there would be an equal and opposite impact on profit or loss.

	2024 HK$'000	2023 HK$'000
RMB	**93**	670

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to its fixed rate time deposits, short-term bank deposits and fixed rate borrowings. The Group is also exposed to cash flow interest rate risk in relation to their variable-rate bank balances. The management considers that the exposure to interest rate risk on bank balances is insignificant. For deposits and borrowings which are fixed-rate instruments is insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Other price risk

The Group is exposed to other price risk through its investments in debt securities measured at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risk. The management keeps monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to other price risk in respect of the listed debt securities at the reporting date. If the prices of the respective instruments had been 10% increased higher/lower, the loss before tax for the year would decrease/increase by approximately HK$2,000 (2023: HK$12,000) as a result of the changes in fair value of investments at FVTPL.

Commodity price risk

Commodity price risk is the risk that fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are affected by a number of economic, political and military factors which are not within the control by the Group.

33. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Commodity price risk (Continued)

The change in commodity prices expose the Group to price risk as the Group conducts business activities in precious metal trading. The Group entered into certain derivative financial instruments for economic hedging purposes in order to mitigate the financial impact from price fluctuations on inventories of metals held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group. Hence, the Group considered the price risk arising from precious metals price fluctuations is significantly reduced.

Derivative financial instruments mainly represent gold future contracts. These derivative financial instruments are not qualified for hedge accounting within the context of HKFRS 9 with changes in fair value of any derivative financial instruments are recognised immediately in the consolidation profit or loss within "loss on fair value changes of financial assets at fair value through profit or loss". During the year, the Group recognised a loss on derivative financial instruments of approximately HK$310,000 (2023: nil).

As at 31 March 2024, there were no outstanding derivative financial instruments for the Group.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

The Group has no trade receivables as at 31 March 2024 and 2023.

Restricted bank balance, time deposit with original maturity of over three months and cash and cash equivalents

The credit risk on restricted bank balance, time deposit with original maturity of over three months and cash and cash equivalents is limited because majority of the counterparties are banks with high credit ratings assigned by international credit-rating agencies and state-owned banks with good reputation. The Group assessed 12m ECL for these balances by reference to information relating to the respective credit rating grades published by external credit rating agencies.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management estimates the estimated loss rate based on historical credit loss experience of the debtors as well as the fair value of collaterals pledged by the debtors. The Group provided impairment based on 12m ECL for these deposits and other receivables that the directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and based on lifetime ECL for these deposits and other receivables which had significant increase in credit risk or credit-impaired during the year. For the year ended 31 March 2024, the Group recognised ECL on other receivables of approximately HK$8,419,000 in the consolidated statement of profit or loss and other comprehensive income (2023: HK$532,000).

33. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amounts 2024 HK$'000	2023 HK$'000
Restricted bank balance, time deposit and cash and cash equivalents	23	A1 to Aa3	Low risk	12m ECL	**83,996**	90,885
Deposits and other receivables	22	N/A	Low risk	12m ECL	**47**	1,658
		N/A	Loss	Lifetime ECL	**9,471**	9,063
					93,514	101,606

The following table shows reconciliation of ECL that has been recognised for deposit and other receivables.

	12m ECL HK$'000	Lifetime ECL (credit impaired) HK$'000	Total HK$'000
At 1 April 2022	557	–	557
Transferred to credit impaired	(554)	554	–
ECL reversed	(3)	–	(3)
ECL recognised	–	535	535
Written-off	–	(37)	(37)
At 31 March 2023	**–**	**1,052**	**1,052**
ECL recognised	**–**	**8,419**	**8,419**
At 31 March 2024	**–**	**9,471**	**9,471**

33. Financial Instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities is prepared based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or less than 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts at 31 March HK$'000
2024				
Trade and other payables	**N/A**	**8,662**	**8,662**	**8,662**
Loan from a related party	**4.5**	**9,800**	**9,800**	**9,800**
		18,462	**18,462**	**18,462**
2023				
Trade and other payables	N/A	10,489	10,489	10,489
Loan from a related party	4.5	9,003	9,003	9,003
		19,492	19,492	19,492

33. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, depending on the complexity of the valuation, the Group engages third party qualified valuers to perform the valuation. The directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 March 2024

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Listed securities	**21**	**–**	**–**	**21**
Unlisted equity investments	**–**	**–**	**1,926**	**1,926**
	21	**–**	**1,926**	**1,947**

Fair value hierarchy as at 31 March 2023

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Listed securities	123	–	–	123
Structured deposit	–	–	11,420	11,420
Unlisted equity investments	–	–	4,473	4,473
	123	–	15,893	16,016

33. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 March 2024	Fair value as at 31 March 2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Listed debt securities	HK$21,000	HK$123,000	Level 1	Quoted market prices	Not applicable
Structured deposit	–	HK$11,420,000	Level 3	Discounted cash flow	Expected rate of return (note 1)
Unlisted equity investments	–	HK$3,400,000	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate	Discount rate of 16% (2023: 17%), taking into account weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model (note 2)
	HK$1,926,000	HK$1,073,000	Level 3	Market approach – it values a business entity by comparison of the prices at which other similar business, companies or interests changed hands in arm's length transaction	Enterprise value to sales ratio of 4.7 (2023: 4.3) (note 3)

Note 1: The higher the ratio of expected rate of return, the higher the fair value of the financial instrument, and vice versa. No sensitivity is presented as the directors considered that the slight change in relevant inputs would not have a significant impact to the fair values.

Note 2: An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity investments, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would not have a significant impact to the fair value (2023: decrease/increase the carrying amount of the unlisted equity investments by approximately HK$221,000 and HK$250,000 respectively).

Note 3: An increase in the enterprise value to sales ratio used in isolation would result in an increase in the fair value measurement of the unlisted equity investment, and vice versa. A 10% increase/decrease in the enterprise value to sales ratio holding all other variables constant would increase/decrease the carrying amount of the unlisted equity investments by approximately HK$190,000 (2023: HK$96,000) and HK$191,000 (2023: HK$96,000) respectively.

There were no transfers between Level 1, 2 and 3 during the year (2023: nil).

33. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments (Continued)

Reconciliation of level 3 fair value measurement

	2024 HK$'000	2023 HK$'000
At 1 April 2023/2022	**15,893**	7,290
Placement of structured deposit	**–**	11,420
Loss on fair value changes recognised in profit or loss	**(2,547)**	(2,817)
Exchange difference	**(534)**	–
Settlement	**(10,886)**	–
At 31 March	**1,926**	15,893

The net loss on fair value change of level 3 financial assets recognised in profit or loss amounting to approximately HK$2,547,000 (2023: HK$2,817,000) within the line item "loss on fair value changes on financial assets at fair value through profit or loss" in the consolidated profit or loss and other comprehensive income for the year ended 31 March 2024.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

34. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts (which includes loans from a related party) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group is not subject to any externally imposed capital requirements.

34. Capital Risk Management (Continued)

Gearing ratio

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

The gearing ratio at the end of the reporting period was as follows:

	2024 HK$'000	2023 HK$'000 (Restated)
Debts	**9,800**	9,003
Equity attributable to owners of the Company	**40,054**	51,005
Gearing ratio	**24.47%**	17.65%

35. Notes to the Consolidated Statement of Cash Flows

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Loan from related parties HK$'000	Dividend payable to a non-controlling shareholder HK$'000	Total HK$'000
At 1 April 2022	11,200	–	11,200
Changes from financing cash flows	(2,433)	(11,519)	(13,952)
Dividend declared to non-controlling interests	–	11,519	11,519
Interest expenses	236	–	236
At 31 March 2023	**9,003**	**–**	**9,003**
Changes from financing cash flows	**580**	**(5,390)**	**(4,810)**
Dividend declared to non-controlling interests	**–**	**5,390**	**5,390**
Interest expenses	**217**	**–**	**217**
At 31 March 2024	**9,800**	**–**	**9,800**

36. Operating Lease Arrangements

The Group as lessor

All of the properties held by the Group for rental purposes have lease term of 2 years.

Undiscounted lease payments receivable on leases are as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**–**	192
In the second year	**–**	96
	–	288

37. Related Party Transactions

Other than as disclosed elsewhere in the consolidated financial statement, the Group had the following significant transactions with related parties:

	2024 **HK$'000**	2023 HK$'000
Rental and share of office expenses paid to related companies (note i)	**900**	836
Loan interest to a director (note ii)	**217**	236
Exploration expenses charged by a related company (note iii)	**567**	979

Notes:

i. Rental and share of office expenses in respect of the leasing of office premises were paid to related companies which are beneficially owned by Mr. Felipe Tan, an executive director of the Company, at terms mutually agreed by both parties.

ii. Interest expenses were charged at 4.5% per annum in respect of loans from Mr. Felipe Tan (2023: from Mr. Felipe Tan and a related company which are beneficially owned by Mr. Felipe Tan).

iii. Exploration expenses were charged by a related company, which is the non-controlling shareholder of a subsidiary of the Company, at terms mutually agreed by both parties.

Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and respective notes.

Compensation of key management personnel

The key management personnel are the executive directors of the Company. The details of the remuneration paid to them are set out in note 10.

38. Statement of Financial Position of the Company

Statement of financial position of the Company

	2024 HK$'000	2023 HK$'000
Non-current assets		
Property, plant and equipment	**403**	522
Investment property	**8,680**	9,200
Investments in subsidiaries	**–**	–
	9,083	9,722
Current assets		
Other receivables	**210**	197
Amounts due from subsidiaries	**26,581**	22,283
Bank balances and cash	**393**	37
	27,184	22,517
Current liabilities		
Other payables	**886**	843
Amounts due to subsidiaries	**–**	2,922
	886	3,765
Net current assets	**26,298**	18,752
Net assets	**35,381**	28,474
Capital and reserves		
Share capital	**915,382**	906,074
Reserves	**(880,001)**	(877,600)
Total equity	**35,381**	28,474

The statement of financial position is approved and authorised for the issue by the Board of Directors on 24 June 2024 and is signed on its behalf by:

Felipe Tan
Director

Ronald Tan
Director

38. Statement of Financial Position of the Company (Continued)

Movements in the Company's reserve

	Share options reserve HK$'000	Property revaluation reserve HK$'000	Accumulated deficit HK$'000	Total HK$'000
At 1 April 2022	1,747	964	(875,252)	(872,541)
Loss and total comprehensive expense for the year	–	–	(5,059)	(5,059)
Lapse of share options	(268)	–	268	–
At 31 March 2023	**1,479**	**964**	**(880,043)**	**(877,600)**
Loss and total comprehensive expense for the year	**–**	**–**	**(2,797)**	**(2,797)**
Equity-settled share-based payments	**396**	**–**	**–**	**396**
Lapse/cancellation of share options	**(801)**	**–**	**801**	**–**
At 31 March 2024	**1,074**	**964**	**(882,039)**	**(880,001)**

Major Property Information

The Group's property portfolio summary – major property held for investment:

Location	Existing use	Tenure	Group's interest (%) 2024	2023
Unit 6 on 11th Floor of Tower 2 Ever Gain Plaza No. 88 Container Port Road Kwai Chung, New Territories	Office	Medium term lease	**100%**	100%

Five-Year Financial Summary

	Year ended 31 March				
	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000 (Restated)	**2024** **HK$'000**
RESULTS					
Revenue	113,679	189,935	80,197	160	**48,251**
(Loss)/profit before tax	(112,294)	70,240	45,073	(9,676)	**(21,096)**
Income tax (expense)/credit	981	(20,067)	(8,441)	(109)	**(216)**
(Loss)/profit for the year	(111,313)	50,173	36,632	(9,785)	**(21,312)**
Attributable to:					
Owners of the Company	(61,734)	7,976	6,948	(8,044)	**(19,438)**
Non-controlling interests	(49,579)	42,197	29,684	(1,741)	**(1,874)**
	(111,313)	50,173	36,632	(9,785)	**(21,312)**

	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000 (Restated)	**2024** **HK$'000**
ASSETS AND LIABILITIES					
Total assets	137,521	194,440	181,298	146,873	**122,476**
Total liabilities	(39,016)	(59,161)	(32,942)	(27,539)	**(24,820)**
	98,505	135,279	148,356	119,334	**97,656**
Attributable to:					
Owners of the Company	42,737	52,784	61,056	51,005	**40,054**
Non-controlling interests	55,768	82,495	87,300	68,329	**57,602**
	98,505	135,279	148,356	119,334	**97,656**