



TIMELESS RESOURCES HOLDINGS LIMITED

天時資源控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)

INTERIM REPORT

FOR THE SIX MONTHS ENDED

30 SEPTEMBER 2024

Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

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.

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
183 Queen's Road East
Hong Kong

Bankers

Hang Seng Bank Limited
OCBC Wing Hang Bank 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

Website

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Email

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

	Notes	(Unaudited)	
		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
			(Restated)
Revenue	4	49,113	–
Cost of sales		(48,993)	–
Other income and gains	5	1,531	1,963
Staff costs		(4,483)	(3,321)
Depreciation and amortisation		(187)	(182)
Gain on disposal of property, plant and equipment		–	85
Loss on fair value changes of financial assets at fair value through profit or loss		(25)	(88)
Gain on disposal of a financial asset at fair value through profit or loss		150	–
Other operating expenses		(2,447)	(2,451)
Share of loss of associates		(5)	(134)
Finance costs		(131)	(26)
Loss before tax		(5,477)	(4,154)
Income tax credit	6	132	91
Loss for the period	7	(5,345)	(4,063)
Other comprehensive income/(expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		1,823	(5,045)
Total comprehensive expense for the period		(3,522)	(9,108)
Loss for the period attributable to:			
Owners of the Company		(4,226)	(3,624)
Non-controlling interests		(1,119)	(439)
		(5,345)	(4,063)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(3,752)	(4,936)
Non-controlling interests		230	(4,172)
		(3,522)	(9,108)
		HK cents	HK cents
			(Restated)
Loss per share			
– Basic and diluted	9	(1.25)	(1.29)

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Notes	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Non-current assets			
Property, plant and equipment	10	428	496
Right-of-use assets	10	5,025	4,970
Investment property	10	8,680	8,680
Intangible assets	10	–	–
Exploration and evaluation assets	11	15,593	13,713
Interests in associates		132	137
Financial assets at fair value through profit or loss	14	1,926	1,926
Land rehabilitation costs		–	–
Restricted bank balance		1,426	1,378
		33,210	31,300
Current assets			
Inventories		6,079	1,239
Trade receivables	12	1,520	–
Prepayments, deposits and other receivables	13	505	7,298
Financial assets at fair value through profit or loss	14	32	21
Time deposit with original maturity of over three months		–	32,340
Cash and cash equivalents		59,748	50,278
		67,884	91,176
Current liabilities			
Trade and other payables	15	14,857	8,779
Provision for land rehabilitation		–	1,081
Loans from a related party	16	3,300	9,800
		18,157	19,660
Net current assets		49,727	71,516
Total assets less current liabilities		82,937	102,816
Non-current liabilities			
Provision for land rehabilitation		4,569	4,422
Deferred tax liabilities		–	738
		4,569	5,160
Net assets		78,368	97,656
Capital and reserves			
Share capital	17	915,382	915,382
Reserves		(878,849)	(875,328)
Equity attributable to owners of the Company		36,533	40,054
Non-controlling interests		41,835	57,602
Total equity		78,368	97,656

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 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 2023 (Audited)	906,074	1,479	2,205	964	(4,759)	(855,339)	50,624	67,246	117,870
Effect of adoption of amendments to HKAS 12	-	-	-	-	(15)	396	381	1,083	1,464
At 1 April 2023 (Restated)	906,074	1,479	2,205	964	(4,774)	(854,943)	51,005	68,329	119,334
Loss for the period (Restated)	-	-	-	-	-	(3,624)	(3,624)	(439)	(4,063)
Other comprehensive expense for the period (Restated)	-	-	-	-	(1,312)	-	(1,312)	(3,733)	(5,045)
Total comprehensive expense for the period (Restated)	-	-	-	-	(1,312)	(3,624)	(4,936)	(4,172)	(9,108)
Recognition of equity-settled share-based payments	-	82	-	-	-	-	82	-	82
Lapse of share options	-	(42)	-	-	-	42	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,390)	(5,390)
At 30 September 2023 (Unaudited and restated)	906,074	1,519	2,205	964	(6,086)	(858,525)	46,151	58,767	104,918
At 1 April 2024 (Audited)	915,382	1,074	2,205	964	(5,991)	(873,580)	40,054	57,602	97,656
Loss for the period	-	-	-	-	-	(4,226)	(4,226)	(1,119)	(5,345)
Other comprehensive income for the period	-	-	-	-	474	-	474	1,349	1,823
Total comprehensive income/(expense) for the period	-	-	-	-	474	(4,226)	(3,752)	230	(3,522)
Recognition of equity-settled share-based payments	-	231	-	-	-	-	231	-	231
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(15,997)	(15,997)
At 30 September 2024 (Unaudited)	915,382	1,305	2,205	964	(5,517)	(877,806)	36,533	41,835	78,368

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Cash flows from operating activities		
– Cash receipts from customers	47,592	–
– Purchase and production costs	(43,012)	–
– Income tax paid	(622)	–
– Other operating cash flows	(5,300)	(3,882)
Net cash used in operating activities	<u>(1,342)</u>	<u>(3,882)</u>
Cash flows from investing activities		
– Interest received	783	1,129
– Proceeds from disposal of financial assets at fair value through profit or loss	150	10,733
– Proceeds from maturity of a time deposit	33,417	–
– Acquisition of additional interests in an associate	–	(195)
– Purchases of property, plant and equipment	(5)	–
– Purchases of exploration and evaluation assets	(1,424)	(343)
– Proceed on disposal of property, plant and equipment	–	85
Net cash generated from investing activities	<u>32,921</u>	<u>11,409</u>
Cash flows from financing activities		
– Dividend paid to non-controlling interests	(15,997)	(5,390)
– Repayment of loans from a related party	(6,500)	(9,000)
– Other financing cash flows	(131)	138
Net cash used in financing activities	<u>(22,628)</u>	<u>(14,252)</u>
Net increase/(decrease) in cash and cash equivalents	8,951	(6,725)
Cash and cash equivalents at the beginning of period	50,278	90,885
Effect of foreign exchange rate changes	519	(4,162)
Cash and cash equivalents at the end of period	<u>59,748</u>	<u>79,998</u>

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

1. General Information

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

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”).

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. These unaudited condensed consolidated financial statements have not been audited but have been reviewed by the audit committee of the Company and were approved for issue by the board of Directors (the “Board”) on 14 November 2024.

2. Basis of Preparation

These unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

These unaudited condensed consolidated financial statements do not include all information and disclosures required in a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

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

The unaudited condensed 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 the reporting period.

The financial information relating to the year ended 31 March 2024 included in these financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622, Laws of Hong Kong) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622, Laws of Hong Kong). The Company’s auditor has reported on the financial statements for the year ended 31 March 2024. The auditor’s report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622, Laws of Hong Kong).

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

3. Principal Accounting Policies

Other than changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. Revenue and Segment Information

Information reported to the Board, 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. These operating divisions are the basis upon which the information that is regularly reviewed by the CODM is prepared and are analysed under HKFRS 8 *Operating Segments*.

Specifically, the Group's reportable segments under HKFRS 8 are (i) Mining and Metal Business; and (ii) Software and Innovation Business.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

4. Revenue and Segment Information (Continued)

Segment revenues and results

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

For the six months ended 30 September 2024 (Unaudited)

	Mining and Metal Business HK\$'000	Software and Innovation Business HK\$'000	Total HK\$'000
Segment revenue			
External sales	49,113	–	49,113
Segment loss	(2,529)	(5)	(2,534)
Interest income			783
Unallocated other income and gains			133
Unallocated corporate expenses			(3,884)
Gain on fair value changes of financial assets at fair value through profit or loss			11
Gain on disposal of financial assets at fair value through profit or loss			150
Share of loss of associates			(5)
Finance costs			(131)
Loss before tax			(5,477)

For the six months ended 30 September 2023 (Unaudited)

	Mining and Metal Business HK\$'000	Software and Innovation Business HK\$'000	Total HK\$'000
Segment revenue			
External sales	–	–	–
Segment loss	(1,408)	(6)	(1,414)
Interest income			1,129
Unallocated other income and gains			144
Unallocated corporate expenses			(3,765)
Loss on fair value changes of financial assets at fair value through profit or loss			(88)
Share of loss of associates			(134)
Finance costs			(26)
Loss before tax			(4,154)

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

4. Revenue and Segment Information (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Segment assets		
Mining and Metal Business and total reportable segment assets	30,106	20,646
Interests in associates	132	137
Unallocated	70,856	101,693
Consolidated assets	101,094	122,476
Segment liabilities		
Mining and Metal Business and total reportable segment liabilities	18,753	14,118
Unallocated	3,973	10,702
Consolidated liabilities	22,726	24,820

Disaggregation of revenue from contracts with customers

	(Unaudited) Six months ended 30 September 2024 HK\$'000	2023 HK\$'000
Sales of gold	49,113	–
Time of revenue recognition		
At a point in time	49,113	–

The Group has contracts with customers for the sale of gold. 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.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

5. Other Income and Gains

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Interest income	783	1,129
Rental income	133	144
Government grant	368	–
Net foreign exchange gain	231	–
Other income	16	690
	<u>1,531</u>	<u>1,963</u>
Total other income and gains	<u>1,531</u>	<u>1,963</u>

6. Income Tax Credit

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000 (Restated)
Current tax		
– PRC withholding tax	622	–
Deferred tax	(754)	(91)
	<u>(132)</u>	<u>(91)</u>
Total income tax credit recognised in profit or loss	<u>(132)</u>	<u>(91)</u>

No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for the both periods.

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, the tax rate of the subsidiaries operating in Mainland China is 25% for both periods.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

7. Loss for the Period

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Loss for the period has been arrived at after charging/(crediting):		
Employee benefits expense (including Directors' and chief executive's emoluments)	4,483	3,321
Depreciation of property, plant and equipment	76	75
Depreciation of right-of-use assets	111	107
Depreciation and amortisation	187	182
Gross rental income arising from an investment property	(133)	(144)
Less: direct operating expenses incurred for an investment property that generate rental income during the period	51	47
Net rental income	(82)	(97)
Cost of inventories recognised as an expense	48,993	–
Expense relating to short-term leases not included in the measurement of lease liabilities	313	362
Net foreign exchange loss	–	190

8. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

9. Loss per Share

	(Unaudited) Six months ended 30 September	
	2024	2023 (Restated)
The calculation of the basic and diluted loss per share is based on the following data:		
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(HK\$4,226,000)</u>	<u>(HK\$3,624,000)</u>
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>337,288,180</u>	<u>281,288,180</u>

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 options since the exercise prices of these options were higher than the average market price of the shares for the six months ended 30 September 2024 and 2023.

10. Property, Plant and Equipment, Right-of-use Assets, Investment Property and Intangible Assets

During the six months ended 30 September 2024, there was approximately HK\$5,000 (six months ended 30 September 2023: nil) addition of property, plant and equipment. During the six months ended 30 September 2024 and 2023, there was no addition of right-of-use assets, investment property or intangible assets.

During the six months ended 30 September 2024, depreciation for property, plant and equipment was approximately HK\$76,000 (six months ended 30 September 2023: HK\$75,000) and depreciation of right-of-use assets was approximately HK\$111,000 (six months ended 30 September 2023: HK\$107,000). There was no change in the fair value of the investment property (six months ended 30 September 2023: nil).

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

11. Exploration and Evaluation Assets

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
At 1 April 2024 and 2023	13,713	13,932
Exchange adjustments	456	(786)
Additions for the period/year	1,424	567
At 30 September 2024 and 31 March 2024	15,593	13,713

12. Trade Receivables

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Trade receivables from contract with customers	1,520	–

The credit terms granted to customers are varied and are generally the result of negotiations between customers and the Group. No interest is charged on overdue trade receivables. The management closely monitored the credit quality of trade receivables and considered the trade receivables that are neither past due nor impaired to be of good credit quality.

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

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
31 to 60 days	1,520	–

As at 30 September 2024, none of trade receivables balance are past due (31 March 2024: nil).

The Group does not hold any collateral over its trade receivables.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

13. Prepayments, Deposits and Other Receivables

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Prepayments	104	6,961
Deposits	36	36
Other receivables	9,836	9,772
Less: allowance of credit losses	(9,471)	(9,471)
	<u>505</u>	<u>7,298</u>

14. Financial Assets at Fair Value through Profit or Loss

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Financial assets measured at fair value through profit or loss:		
– Listed debt securities (Note)	32	21
– Unlisted equity investments	1,926	1,926
	<u>1,958</u>	<u>1,947</u>
Analysed for reporting purposes:		
– Current assets	32	21
– Non-current assets	1,926	1,926
	<u>1,958</u>	<u>1,947</u>

Note:

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 investment are determined with reference to quoted market prices.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

15. Trade and Other Payables

At 30 September 2024, included in the Group's trade and other payables were trade payables of approximately HK\$6,205,000 (31 March 2024: HK\$216,000).

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

	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
0 to 30 days	5,981	–
More than 90 days	224	216
	<u>6,205</u>	<u>216</u>

Included in other payables as at 30 September 2024 is an amount of HK\$668,000 (31 March 2024: HK\$407,000) 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.

16. Loans from a Related Party

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

17. Share Capital

	Number of shares	Share capital HK\$'000
Issued and fully paid:		
At 31 March 2024 and 30 September 2024	<u>337,288,180</u>	<u>915,382</u>

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

18. Fair Value Measurements of Financial Instruments

Management has assessed that the fair values of trade receivables, deposits and other receivables, bank balances and cash, trade and other payables and loans from a related party approximated to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of financial instruments traded in active markets are determined with reference to quoted market bid prices.

Fair value hierarchy

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 September 2024				
Financial assets				
Financial assets designated as at fair value through profit or loss	<u>32</u>	<u>–</u>	<u>1,926</u>	<u>1,958</u>
As at 31 March 2024				
Financial assets				
Financial assets designated as at fair value through profit or loss	<u>21</u>	<u>–</u>	<u>1,926</u>	<u>1,947</u>

During the period, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (six months ended 30 September 2023: nil).

19. Share-Based Payment Arrangement

On 25 September 2013, an ordinary resolution approving the adoption of a share option scheme was passed by shareholders at the extraordinary general meeting of the Company (“2013 Share Option Scheme”). 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. The 2013 Share Option Scheme was valid for a period of 10 years from the adoption date and so expired on 25 September 2023. Thereafter, no further options would be granted under the 2013 Share Option Scheme to grantees.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

19. Share-Based Payment Arrangement (Continued)

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 following share options were outstanding under the 2013 Share Option Scheme during the six months ended 30 September 2024 and 2023:

	Weighted average exercise price HK\$ per share	Number of options
At 1 April 2024 and 30 September 2024	<u>0.4772</u>	<u>5,700,000</u>
At 1 April 2023	0.1125	32,255,136
Granted during the period	0.0242	41,000,000
Lapsed during the period	<u>0.1435</u>	<u>(518,919)</u>
At 30 September 2023	<u>0.0625</u>	<u>72,736,217</u>

The fair value of the share options was determined at the date of grant using the Binomial Option Pricing Model (the "Model"). The model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying shares, and changes in the subjective input assumptions can materially affect the fair value estimate of share options.

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

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

19. Share-Based Payment Arrangement (Continued)

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.

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.

The exercise prices and exercise periods of the share options outstanding under the 2013 Share Option Scheme as at 30 September 2024 and 31 March 2024 are as follows:

Exercise period	Exercise price HK\$ per share	Number of options
2 March 2017 – 1 March 2027	1.080	1,600,000
14 August 2024 – 13 March 2027	0.242	4,100,000
		<hr/>
		Total
		<u>5,700,000</u>

The Group recognised total expense of HK\$231,000 (six months ended 30 September 2023: HK\$82,000) for the six months ended 30 September 2024 in relation to the share options granted by the Company.

On 25 September 2023, a new share option scheme (the "2023 Share Option Scheme") was approved by the shareholders of the Company at the extraordinary general meeting. The 2023 Share Option Scheme was adopted by the Company on 26 September 2023 when the conditions as set therein became satisfied. Unless otherwise cancelled or amended, the 2023 Share Option Scheme will remain valid for a period of 10 years from the adoption date of 26 September 2023.

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2024

20. Related Party Transactions

Other than as disclosed elsewhere in these unaudited condensed consolidated financial statements, the Group had the following significant transactions with related parties:

	(Unaudited)	
	Six months ended 30 September 2024 HK\$'000	2023 HK\$'000
Rental and share of office expenses paid to related companies (Note i)	437	453
Loans interest to a related party (Note ii)	129	26
Exploration expenses paid to a related company (Note iii)	1,240	343

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 ("Mr. 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. Tan.
- (iii) Exploration expenses were paid to a related company, which is the non-controlling shareholder of a subsidiary of the Company, at terms mutually agreed by both parties.

The key management personnel are the executive Directors of the Company. Details of their remuneration during the current interim period are set out as follows:

	(Unaudited)	
	Six months ended 30 September 2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	714	662
Post-employment benefits	11	9
Equity-settled share-based payment	59	21
	784	692

Management Discussion and Analysis

About the Group

The Group is principally engaged in two business segments, namely (i) the Mining and Metal Business; and (ii) the Software and Innovation Business.

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 the PRC and metal trading in Hong Kong.

During the period, the approval letter on the proposal for development plan of the phase two mining zone of the Baishiquan Nickel-copper Mine was obtained in May 2024 and the assessment of production scale of mining license was completed. The Group have been applying for the renewal of the current mining license which will be expired in December 2024. The Ministry of Land and Resources issued the public notice on the royalty fee assessment report in September 2024 and a mining right assignment agreement will be entered into with the Ministry of Land and Resources after the expiry of the public notice period if there is no objection. The Group did not generate any revenue from the sales of nickel-copper products in the current period (six months ended 30 September 2023: nil).

During the period, the Group completed trading of 81 kg gold with gross profit of approximately HK\$120,000 (six months ended 30 September 2023: nil).

Outlook

Nickel prices at the London Metal Exchange (“LME”) have been pressured lower in recent months, with LME nickel futures falling from more than US\$21,000 per tonne in May 2024 to as low as US\$15,600 per tonne in late July – marking a three-year low. The nickel surplus, driven by increased supply from Indonesia and China, has limited the upside for prices. However, it is anticipated that the growing demand for electric vehicles will boost global nickel prices in future.

The renewed mining license is expected to be obtained by the end of year 2024 subject to the payment of the royalty fee under the mining right assignment agreement. According to the planned schedule, after obtaining the renewed mining license with increased production scale, we will prepare and submit the feasibility study, safety evaluation report, evaluation report on environmental impact etc to the local government for approval. It is targeted that the Group will start to construct the mine site in the second half of 2025 and the extraction of the phase two mining zone may be commenced by the end of 2026, subject to the progress of the development phase, the construction work and approval by relevant authorities.

Management Discussion and Analysis (Continued)

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 six months ended 30 September 2024 are summarised below:

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	Completed 2 surface drill holes for a total of approximately 987 meters	<ul style="list-style-type: none"> – Obtained the approval letter of proposal for development plan – Public notice on the royalty fee assessment report 	No material activity

Expenditure Incurred

During the six months ended 30 September 2024, the Group had incurred the following expenditure:

	Total HK\$'000
1. Capital Expenditure	
1.1 Exploration activities	
Drilling and analysis	1,240
1.2 Development activities (including mine construction)	
Proposal for development plan	184
Total Capital Expenditure	1,424
2. Operating Expenditures 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	1,424
3. Processing Expenditure	–
Total Expenditures	1,424

Management Discussion and Analysis (Continued)

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Infrastructure Projects and Subcontracting Arrangements

There was new contract entered into during the six months ended 30 September 2024 which were related to exploration work of Baishiquan Nickel-copper Mine. As at 30 September 2024, the capital commitment related to these contract amounted to approximately HK\$1,913,000 (31 March 2024: 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 six months ended 30 September 2024, there was no segment revenue from Software and Innovation Business (six months ended 30 September 2023: nil) and the segment loss was approximately HK\$5,000 (six months ended 30 September 2023: HK\$6,000).

Outlook

For the Software and Innovation Business, we continue to explore new source of income and are now negotiating with some potential investors for co-operation. The software development industry in China has grown strongly in the past years and strong demand from downstream software users and the government have supported the performance of the industry. Government assistance and improving technology are forecasted to support the industry's continued strong development in the coming years. The Group will take advantage of this opportunities to unlock business insights for sustainable growth of our software business.

Interests in Associates

The Group owned 41.45% (31 March 2024: 41.45%) equity interests in Nano Bubble Limited which mainly engaged in research and development of 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.

For the six months ended 30 September 2024, the Group recorded share of loss of associates of approximately HK\$5,000 (six months ended 30 September 2023: HK\$134,000).

Management Discussion and Analysis (Continued)

Business Review and Outlook (Continued)

Other Investments

As at 31 March 2024, the Group has 15.28% equity interests in CGA Holdings Limited (“CGA Holdings”), which is principally engaged in the e-sport business. On 11 July 2024, the proposed listing of CGA Holdings was terminated after mutual consent by all its shareholders. A share transfer was proceeded in accordance with the terms of the shareholders agreement of CGA Holdings and the Group’s equity interests in CGA Holdings became 29.97% immediately after the share transfer. On the same day, the Group entered into an agreement with an independent third party buyer pursuant to which the Group agreed to dispose of its 29.97% equity interests in CGA Holdings for a cash consideration of HK\$150,000. Upon completion of the disposal, the Group recorded a gain on disposal of a financial asset at fair value through profit or loss of HK\$150,000.

Further details of the share transfer and the disposal of shares in CGA Holdings are set out in the Company’s announcement dated 11 July 2024.

The Group also has 1.25% (31 March 2024: 1.25%) equity interests in Trip Guru Holdings Limited, which is principally engaged in the provision of tour reservation services.

Financial Performance Review

For the six months ended 30 September 2024, the Group recorded a total turnover of approximately HK\$49,113,000 (six months ended 30 September 2023: nil), which was contributed by the sales of 81 kg gold from metal trading. Other income and gains of approximately HK\$1,531,000 for the period under review (six months ended 30 September 2023: HK\$1,963,000) mainly represented interest income, rental income and government grants.

For the period under review, there was turnover of approximately HK\$49,113,000 from the Mining and Metal Business (six months ended 30 September 2023: nil) and no turnover was generated from the Software and Innovation Business (six months ended 30 September 2023: nil).

For the period under review, the segment loss for the Mining and Metal Business was approximately HK\$2,529,000 (six months ended 30 September 2023: HK\$1,408,000) and Software and Innovation Business has a segment loss of approximately HK\$5,000 (six months ended 30 September 2023: HK\$6,000).

For the six months ended 30 September 2024, the Group reported share of loss of associates of approximately HK\$5,000 (six months ended 30 September 2023: HK\$134,000).

For the six months ended 30 September 2024, loss for the period was approximately HK\$5,345,000 (six months ended 30 September 2023 (restated): HK\$4,063,000), representing an increase by 32% as compared to the corresponding period in 2023. The increase in loss was mainly due to the reduction in interest income and also the increase in staff cost during the period.

Management Discussion and Analysis (Continued)

Liquidity and Financial Resources

As at 30 September 2024, the Group had cash and cash equivalents and time deposit with original maturity of over three months of approximately HK\$59,748,000 (31 March 2024: HK\$82,618,000) and net current assets of HK\$49,727,000 (31 March 2024: HK\$71,516,000). Out of the Group's cash and cash equivalents and time deposit with original maturity of over three months, about 3% (31 March 2024: 12%) was denominated in Hong Kong dollars, 89% (31 March 2024: 87%) was denominated in Renminbi and 8% (31 March 2024: about 1%) was denominated in United States dollars. As at 30 September 2024, the Group's current ratio was 3.74 (31 March 2024: 4.64).

The Group generally financed its operations and investing activities with internally generated cash and loans from related parties. As at 30 September 2024, the Group had outstanding borrowings of approximately HK\$3,300,000 (31 March 2024: HK\$9,800,000), 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 to place up to 56,000,000 new ordinary shares (the "Placing Shares") to not less than six placees (the "Placing").

On 19 March 2024, the Company completed the Placing to allot and issue the Placing Shares at HK\$0.173 each. The net proceeds from the Placing were approximately HK\$9,300,000 and the net price per Placing Share was approximately HK\$0.166. As at 30 September 2024, the Company has utilised the following amount according to the use of proceed as disclosed in the announcement of the Company dated 19 March 2024:

	30 September 2024 HK\$'000
Net proceeds from Placing	9,308
Less: repayment of outstanding liabilities due to a Director and substantial shareholder of the Company	(3,000)
Less: operating expenses	(4,406)
Unutilised proceeds	1,902

The unutilised proceeds 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 30 September 2024 are 337,288,180 shares.

Capital Commitments

The Group had capital commitment of approximately HK\$1,913,000 as at 30 September 2024.

Management Discussion and Analysis (Continued)

Gearing Ratio

As at 30 September 2024, the Group's gearing ratio was approximately 9.03% (31 March 2024: 24.47%), based on the total borrowings of HK\$3,300,000 (31 March 2024: HK\$9,800,000) and the equity attributable to owners of the Company of approximately HK\$36,533,000 (31 March 2024: HK\$40,054,000).

Charge on the Group's Assets

None of the Group's assets was pledged as at 30 September 2024.

Order Book and Prospects for New Business

There was no order book on hand as at 30 September 2024.

Significant Investments, Material Acquisitions and Disposals

There was no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures for the period under review.

Segmental Information

The Group is currently engaged in two operating segments – (i) the Mining and Metal Business; and (ii) the Software and Innovation Business. During the period under review, there was turnover of HK\$49,113,000 from the Mining and Metal Business (six months ended 30 September 2023: nil) and no turnover was generated from the Software and Innovation Business (six months ended 30 September 2023: nil).

Future Plans for Material Investments

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

Exposure to Exchange Rate 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, the exposure to foreign exchange rate fluctuations is not significant.

Contingent Liabilities

As at 30 September 2024, there were no material contingent liabilities incurred by the Group.

Employee Information

As at 30 September 2024, the Group employed a total of 26 staff. 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. For the six months ended 30 September 2024, there was no serious work safety issue on our Group's employees.

Other Information

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

At 30 September 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		Total number of shares	Percentage of shareholding
	Beneficial owner	Controlled corporation		
Executive Director				
Felipe TAN	31,192,800	67,807,440*	99,000,240	29.35%
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.

(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 for identification purpose only

Other Information (Continued)

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 per share HK\$	Number of share options and underlying shares			
				Outstanding at 01.04.2024	Granted	Lapsed	Outstanding at 30.09.2024
Executive Directors							
Felipe TAN	02.03.2017	02.03.2017 – 01.03.2027	1.080	200,000	–	–	200,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	200,000	–	–	200,000
Ronald TAN	02.03.2017	02.03.2017 – 01.03.2027	1.080	200,000	–	–	200,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	800,000	–	–	800,000
Independent Non-Executive Directors							
CHAN Choi Ling	02.03.2017	02.03.2017 – 01.03.2027	1.080	100,000	–	–	100,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	200,000	–	–	200,000
LAM Kwai Yan	02.03.2017	02.03.2017 – 01.03.2027	1.080	100,000	–	–	100,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	200,000	–	–	200,000
YU Leung Fai	14.08.2023	14.08.2024 – 13.03.2027	0.242	200,000	–	–	200,000
				2,200,000	–	–	2,200,000

Other Information (Continued)

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)

Notes:

1. No share option granted under the 2013 share option scheme was exercised or cancelled during the period.
2. All share options granted on 2 March 2017 were vested upon granting. All share options granted on 14 August 2023, of which the vesting period is from 14 August 2023 to 13 August 2024, were vested on 14 August 2024.

Save as disclosed above, at 30 September 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 Shareholder's Interests and Short Positions in Shares and Underlying Shares

As at 30 September 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 shareholder 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 30 September 2024
		Ordinary shares	Share options	Total	
Starmax Holdings Limited*	Beneficial owner	67,807,440	–	67,807,440	20.10%
Zhang Ming	Beneficial owner	24,624,909	–	24,624,909	7.30%

* Starmax is beneficially owned by Mr. Felipe Tan.

Saved as disclosed above, as at 30 September 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.

Other Information (Continued)

Share Options

2013 Share Option Scheme

A summary of the share options granted under the 2013 share option scheme is as follows:

Grantees	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options			
				Outstanding as at 01.04.2024	Granted	Lapsed	Outstanding as at 30.09.2024
Directors	02.03.2017	02.03.2017 – 01.03.2027	1.080	600,000	–	–	600,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	1,600,000	–	–	1,600,000
				<u>2,200,000</u>	<u>–</u>	<u>–</u>	<u>2,200,000</u>
Employees	02.03.2017	02.03.2017 – 01.03.2027	1.080	1,000,000	–	–	1,000,000
	14.08.2023	14.08.2024 – 13.03.2027	0.242	2,500,000	–	–	2,500,000
				<u>3,500,000</u>	<u>–</u>	<u>–</u>	<u>3,500,000</u>
Total				<u>5,700,000</u>	<u>–</u>	<u>–</u>	<u>5,700,000</u>
Weighted average exercise price				<u>HK\$0.4772</u>	<u>–</u>	<u>–</u>	<u>HK\$0.4772</u>
Exercisable at the end of the period				<u>1,600,000</u>	<u>–</u>	<u>–</u>	<u>5,700,000</u>

Notes:

1. No share option granted under the 2013 share option scheme was exercised or cancelled during the six months ended 30 September 2024.
2. The share options granted on 2 March 2017 were vested upon granting.
3. The vesting period of the share options granted on 14 August 2023 is from 14 August 2023 to 13 August 2024 and such options were vested on 14 August 2024.
4. The 2013 Share Option Scheme expired on 25 September 2023 and no share option was available for grant as at 1 April 2024 and 30 September 2024.

Other Information (Continued)

Share Options (Continued)

2023 Share Option Scheme

The 2023 Share Option Scheme was adopted by the Company on 26 September 2023 with a maximum number of options for 281,288,180 shares available for grant. 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 number of share options available for grant under the 2023 Share Option Scheme is 28,128,818 shares as at 1 April 2024 and 30 September 2024. No share option has been granted, exercised, cancelled or lapsed under the 2023 Share Option Scheme.

The number of shares that may be issued in respect of options granted under all schemes of the Company during the six months ended 30 September 2024 represented approximately 1.69% of the weighted average number of shares of the Company in issue for the period.

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.

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

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

Code on Corporate Governance Practices

During the six months ended 30 September 2024, the Company had complied with the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules, 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.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding 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 have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the six months ended 30 September 2024.

Other Information (Continued)

Change of Information of Director

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, Mr. Yu Leung Fai, an independent non-executive Director (“INED”) of the Company, resigned as an INED of Dowway Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8403), on 27 October 2023.

Audit Committee

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, 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 and other advisers as it determines is necessary and perform investigations.

The Group has designated staff with relevant experience and knowledge to oversee the internal control and internal audit function. The designated staff regularly (i) evaluates with the senior management on the risk assessment and risk mitigation measures; (ii) assesses the effectiveness of the internal control and risk management systems and ensure they are properly followed; and (iii) submits periodical reports to the audit committee for review and approval.

As at the date of the report, the audit committee comprises three independent non-executive Directors, Ms. Chan Choi Ling, Mr. Lam Kwai Yan and Mr. Yu Leung Fai. The audit committee has reviewed this interim report, including the unaudited condensed consolidated financial statements for the six months ended 30 September 2024.

On behalf of the Board

Timeless Resources Holdings Limited

Felipe Tan

Chairman

Hong Kong, 14 November 2024