



# TIMELESS RESOURCES HOLDINGS LIMITED

天時資源控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)

## RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

### 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 announcement, for which the directors (the “Directors” or individually a “Director”) of Timeless Resources Holdings Limited (the “Company”, formerly known as “Timeless Software Limited”) 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 announcement 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 announcement misleading.*

*This announcement shall remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://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](http://www.timeless.com.hk).*

The board of Directors (“Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2023 together with the comparative figures for the corresponding period last year as follows:

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

For the six months ended 30 September 2023

	Notes	(Unaudited)			
		Three months ended		Six months ended	
		30 September 2023	2022	30 September 2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4	–	9	–	57
Other income and gains	5	919	1,073	1,963	2,239
Cost of sales		–	–	–	(2)
Staff costs		(1,817)	(1,456)	(3,321)	(2,914)
Depreciation and amortisation		(91)	(62)	(182)	(169)
Gain on disposal of property, plant and equipment		–	–	85	–
Loss on fair value changes of financial assets at fair value through profit or loss		(60)	(12)	(88)	(71)
Gain on derecognition of financial assets		–	105	–	245
Other operating expenses		(1,299)	(1,030)	(2,451)	(2,639)
Reversal of impairment loss/(impairment loss) on other receivables		–	3	–	(34)
Share of loss of associates		(76)	(25)	(134)	(57)
Finance costs		–	(70)	(26)	(157)
Loss before tax		(2,424)	(1,465)	(4,154)	(3,502)
Income tax (expense)/credit	6	(32)	83	(194)	(593)
Loss for the period	7	(2,456)	(1,382)	(4,348)	(4,095)
<b>Other comprehensive expense</b> <i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		(362)	(7,619)	(4,957)	(13,427)
<b>Total comprehensive expense for the period</b>		<b>(2,818)</b>	<b>(9,001)</b>	<b>(9,305)</b>	<b>(17,522)</b>
Loss for the period attributable to:					
Owners of the Company		(2,104)	(1,298)	(3,698)	(3,120)
Non-controlling interests		(352)	(84)	(650)	(975)
		(2,456)	(1,382)	(4,348)	(4,095)
Total comprehensive expense for the period attributable to:					
Owners of the Company		(2,199)	(3,280)	(4,987)	(6,612)
Non-controlling interests		(619)	(5,721)	(4,318)	(10,910)
		(2,818)	(9,001)	(9,305)	(17,522)
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>Loss per share</b> – Basic and diluted	9	<b>(0.07)</b>	<b>(0.05)</b>	<b>(0.13)</b>	<b>(0.11)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	<i>Notes</i>	(Unaudited) 30 September 2023 <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	10	497	573
Right-of-use assets	10	5,056	5,492
Investment property	10	9,200	9,200
Intangible assets	10	–	–
Exploration and evaluation assets	11	13,437	13,932
Interests in associates		302	408
Financial assets at fair value through profit or loss	13	4,473	4,473
Land rehabilitation costs		–	–
		<b>32,965</b>	34,078
<b>Current assets</b>			
Inventories		113	119
Prepayments, deposits and other receivables	12	8,758	10,248
Financial assets at fair value through profit or loss	13	36	11,543
Bank balances and cash		79,998	90,885
		<b>88,905</b>	112,795
<b>Current liabilities</b>			
Trade and other payables	14	9,769	10,489
Provision for land rehabilitation		2,345	2,837
Loan from a related party	15	–	9,003
		<b>12,114</b>	22,329
<b>Net current assets</b>		<b>76,791</b>	90,466
<b>Total assets less current liabilities</b>		<b>109,756</b>	124,544
<b>Non-current liabilities</b>			
Provision for land rehabilitation		4,403	4,684
Deferred tax liabilities		2,096	1,990
		<b>6,499</b>	6,674
<b>Net assets</b>		<b>103,257</b>	117,870
<b>Capital and reserves</b>			
Share capital	16	906,074	906,074
Reserves		(860,355)	(855,450)
		<b>45,719</b>	50,624
Equity attributable to owners of the Company		45,719	50,624
Non-controlling interests		57,538	67,246
<b>Total equity</b>		<b>103,257</b>	117,870

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	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
<b>At 1 April 2022 (Audited)</b>	906,074	1,747	2,205	964	(2,588)	(847,376)	61,056	87,300	148,356
Loss for the period	-	-	-	-	-	(3,120)	(3,120)	(975)	(4,095)
Other comprehensive expense for the period	-	-	-	-	(3,492)	-	(3,492)	(9,935)	(13,427)
Total comprehensive expense for the period	-	-	-	-	(3,492)	(3,120)	(6,612)	(10,910)	(17,522)
<b>At 30 September 2022 (Unaudited)</b>	<b>906,074</b>	<b>1,747</b>	<b>2,205</b>	<b>964</b>	<b>(6,050)</b>	<b>(850,496)</b>	<b>54,444</b>	<b>76,390</b>	<b>130,834</b>
<b>At 1 April 2023 (Audited)</b>	<b>906,074</b>	<b>1,479</b>	<b>2,205</b>	<b>964</b>	<b>(4,759)</b>	<b>(855,339)</b>	<b>50,624</b>	<b>67,246</b>	<b>117,870</b>
Loss for the period	-	-	-	-	-	(3,698)	(3,698)	(650)	(4,348)
Other comprehensive expense for the period	-	-	-	-	(1,289)	-	(1,289)	(3,668)	(4,957)
Total comprehensive expense for the period	-	-	-	-	(1,289)	(3,698)	(4,987)	(4,318)	(9,305)
Recognition of equity-settled share-based payments	-	82	-	-	-	-	82	-	82
Lapse of share options	-	(42)	-	-	-	42	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(5,390)	(5,390)
<b>At 30 September 2023 (Unaudited)</b>	<b>906,074</b>	<b>1,519</b>	<b>2,205</b>	<b>964</b>	<b>(6,048)</b>	<b>(858,995)</b>	<b>45,719</b>	<b>57,538</b>	<b>103,257</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	(Unaudited)	
	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
– Cash receipts from customers	–	56
– Purchase and production costs	–	(2)
– Income tax paid	–	(333)
– Other operating cash flows	(3,882)	(5,804)
	<u>(3,882)</u>	<u>(5,804)</u>
Net cash used in operating activities	<u>(3,882)</u>	<u>(6,083)</u>
<b>Cash flows from investing activities</b>		
– Interest received	1,129	2,062
– Proceeds from disposal of financial assets at fair value through profit or loss	10,733	1,555
– Acquisition of additional interests in an associate	(195)	–
– Purchases of exploration and evaluation assets	(343)	–
– Proceed on disposal of property, plant and equipment	85	–
	<u>11,409</u>	<u>3,617</u>
Net cash generated from investing activities	<u>11,409</u>	<u>3,617</u>
<b>Cash flows from financing activities</b>		
– Dividend paid to non-controlling interests	(5,390)	–
– Repayment of loans from related parties	(9,000)	(5,000)
– Other financing cash flows	138	(157)
	<u>(14,252)</u>	<u>(5,157)</u>
Net cash used in financing activities	<u>(14,252)</u>	<u>(5,157)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,725)</b>	<b>(7,623)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>90,885</b>	<b>127,065</b>
Effect of foreign exchange rate changes	(4,162)	(13,124)
	<u>79,998</u>	<u>106,318</u>
<b>Cash and cash equivalents at the end of period</b>	<b>79,998</b>	<b>106,318</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	<u>79,998</u>	<u>106,318</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 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 Group is 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”). In addition to these operating segments, the Group has investments in various projects including e-sports tournament services, nano applications as well as smart farming solution and services.

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 13 November 2023.

## 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2023 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 2023.

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 2023 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 2023 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 2023. 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).

### 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 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2023.

#### 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 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
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

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.

#### 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 2023 (Unaudited)*

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

*For the six months ended 30 September 2022 (Unaudited)*

	Mining and Metal Business <i>HK\$'000</i>	Software and Innovation Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>			
External sales	–	57	57
Segment (loss)/profit	(1,806)	44	(1,762)
Interest income			2,062
Unallocated other income and gains			168
Unallocated corporate expenses			(3,651)
Loss on fair value changes of financial assets at fair value through profit or loss			(71)
Impairment loss on other receivables			(34)
Share of profit of associates			(57)
Finance costs			(157)
Loss before tax			(3,502)

**Segment assets and liabilities**

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

	(Unaudited) <b>30 September 2023</b> <i>HK\$'000</i>	(Audited) 31 March 2023 <i>HK\$'000</i>
<b>Segment assets</b>		
Mining and Metal Business	<b>18,898</b>	21,307
Software and Innovation Business	<b>18</b>	20
Total reportable segment assets	<b>18,916</b>	21,327
Interests in associates	<b>302</b>	408
Unallocated	<b>102,652</b>	125,138
<b>Consolidated assets</b>	<b>121,870</b>	146,873
<b>Segment liabilities</b>		
Mining and Metal Business	<b>17,490</b>	19,157
Unallocated	<b>1,123</b>	9,846
<b>Consolidated liabilities</b>	<b>18,613</b>	29,003



## Disaggregation of revenue from contracts with customers

	(Unaudited)	
	Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000
Service fee income	–	53
Sales of water soluble bags	–	4
	<u>–</u>	<u>57</u>
	<u><u>–</u></u>	<u><u>57</u></u>
<b>Time of revenue recognition</b>		
At a point in time	–	57
	<u><u>–</u></u>	<u><u>57</u></u>

The Group has contracts with customers for the sale of water soluble bags. The Group has concluded that revenue from sale of goods are recognised at a point in time when a customer obtained control of goods.

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

## 5. OTHER INCOME AND GAINS

	(Unaudited)			
	Three months ended		Six months ended	
	30 September 2023 HK\$'000	2022 HK\$'000	30 September 2023 HK\$'000	2022 HK\$'000
Interest income	464	979	1,129	2,062
Rental income	72	64	144	112
Employment Support Scheme	–	28	–	56
Other income	383	2	690	9
	<u>919</u>	<u>1,073</u>	<u>1,963</u>	<u>2,239</u>
Total other income and gains	<u><u>919</u></u>	<u><u>1,073</u></u>	<u><u>1,963</u></u>	<u><u>2,239</u></u>

## 6. INCOME TAX EXPENSE/(CREDIT)

	(Unaudited)			
	Three months ended		Six months ended	
	30 September 2023 HK\$'000	2022 HK\$'000	30 September 2023 HK\$'000	2022 HK\$'000
<b>Current tax</b>				
PRC Enterprise Income Tax				
– (over)/under provision in respect of prior years	–	(24)	–	333
Deferred tax	32	(59)	194	260
	<u>32</u>	<u>(59)</u>	<u>194</u>	<u>260</u>
Total income tax expense/(credit) recognised in profit or loss	<u><u>32</u></u>	<u><u>(83)</u></u>	<u><u>194</u></u>	<u><u>593</u></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 PRC subsidiaries is 25% for both periods.

## 7. LOSS FOR THE PERIOD

	(Unaudited)			
	Three months ended		Six months ended	
	30 September	2022	30 September	2022
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period has been arrived at after charging/(crediting):				
Employee benefits expense (including Directors' and chief executive's emoluments)	<u>1,817</u>	1,456	<u>3,321</u>	<u>2,914</u>
Depreciation of property, plant and equipment	38	12	75	60
Depreciation of right-of-use assets	<u>53</u>	<u>50</u>	<u>107</u>	<u>109</u>
<b>Depreciation and amortisation</b>	<u>91</u>	<u>62</u>	<u>182</u>	<u>169</u>
Gross rental income arising from an investment property	(72)	(64)	(144)	(112)
Less: direct operating expenses incurred for an investment property that generate rental income during the period	<u>24</u>	<u>20</u>	<u>47</u>	<u>40</u>
<b>Net rental income</b>	<u>(48)</u>	<u>(44)</u>	<u>(97)</u>	<u>(72)</u>
Cost of inventories recognised as an expense	–	–	–	2
Expense relating to short-term leases not included in the measurement of lease liabilities	181	129	362	302
Net foreign exchange loss	<u>8</u>	<u>247</u>	<u>190</u>	<u>761</u>

## 8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

## 9. LOSS PER SHARE

	(Unaudited)		(Audited)	
	Three months ended	2022	Six months ended	2022
	30 September		30 September	
	2023		2023	

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

<b>(HK\$2,104,000)</b>	(HK\$1,298,000)	<b>(HK\$3,698,000)</b>	(HK\$3,120,000)
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### Number of ordinary shares:

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

<b>2,812,881,803</b>	2,812,881,803	<b>2,812,881,803</b>	2,812,881,803
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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 those options were higher than the average market price of the shares for the six months ended 30 September 2023 and 2022.

## 10. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

During the six months ended 30 September 2023 and 2022, there was no addition of property, plant and equipment, right-of-use assets, investment property or intangible assets.

During the six months ended 30 September 2023, depreciation for property, plant and equipment was approximately HK\$75,000 (six months ended 30 September 2022: HK\$60,000) and depreciation of right-of-use assets was approximately HK\$107,000 (six months ended 30 September 2022: HK\$109,000). There was no change in the fair value of the investment property (six months ended 30 September 2022: nil).

## 11. EXPLORATION AND EVALUATION ASSETS

	(Unaudited)	(Audited)
	30 September	31 March
	2023	2023
	HK\$'000	HK\$'000
At 1 April 2023 and 2022	13,932	13,956
Exchange adjustments	(838)	(1,003)
Additions for the period/year	343	979
<b>At 30 September 2023 and 31 March 2023</b>	<b>13,437</b>	<b>13,932</b>

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	(Unaudited) 30 September 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
Prepayments	353	579
Deposits	38	1,626
Other receivables	9,419	9,095
Less: expected credit losses	(1,052)	(1,052)
	<u>8,758</u>	<u>10,248</u>

As at 30 September 2023, the Group's other receivables mainly represented compensation receivable from the guarantors in respect of the profit guarantee of CGA Holdings Limited ("CGA Holdings") and its subsidiaries of HK\$8,957,000 (31 March 2023: HK\$8,855,000).

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
<b>Financial assets measured at fair value through profit or loss:</b>		
– Listed debt securities ( <i>Note i</i> )	36	123
– Structured deposit ( <i>Note ii</i> )	–	11,420
– Unlisted equity investments	4,473	4,473
	<u>4,509</u>	<u>16,016</u>
<b>Analysed for reporting purposes:</b>		
– Current assets	36	11,543
– Non-current assets	4,473	4,473
	<u>4,509</u>	<u>16,016</u>

*Notes:*

- i. Listed debt securities composed of bonds with fixed interest rate of 7.5% (31 March 2023: 4.6% to 7.5%) and maturity date in June 2023 (31 March 2023: September 2022 and June 2023). The fair values of these investment are determined with reference to quoted market prices.
- ii. Structured deposit was 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.

## 14. TRADE AND OTHER PAYABLES

At 30 September 2023, included in the Group's trade and other payables were trade payables of approximately HK\$406,000 (31 March 2023: HK\$229,000).

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

	(Unaudited) 30 September 2023 HK\$'000	(Audited) 31 March 2023 HK\$'000
More than 90 days	<u>406</u>	<u>229</u>

## 15. LOAN FROM A RELATED PARTY

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

## 16. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
<b>Issued and fully paid:</b>		
At 31 March 2023 and 30 September 2023	2,812,881,803	906,074

## 17. 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 loan 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
<b>As at 30 September 2023</b>				
<b>Financial assets</b>				
Financial assets designated as at fair value through profit or loss	<u>36</u>	<u>–</u>	<u>4,473</u>	<u>4,509</u>
<b>As at 31 March 2023</b>				
<b>Financial assets</b>				
Financial assets designated as at fair value through profit or loss	<u>123</u>	<u>–</u>	<u>15,893</u>	<u>16,016</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 2022: nil).

## 18. 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.

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 August 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 2023:

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

The exercise prices and exercise periods of the share options outstanding under the 2013 Share Option Scheme as at 30 September 2023 are as follows:

<b>Exercise period</b>	<b>Exercise price HK\$ per share</b>	<b>Number of options</b>
3 October 2013–2 October 2023	0.1435	3,113,514
17 February 2014–16 February 2024	0.1329	622,703
2 March 2017–1 March 2027	0.1080	28,000,000
14 August 2024–13 August 2027	0.0242	41,000,000
	<hr/>	<hr/>
	<b>Total</b>	<b>72,736,217</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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.

No option was exercised during the current interim period. The Group recognised the total expense of HK\$82,000 during the six months ended 30 September 2023 in relation to share options granted by the Company (six months ended 30 September 2022: nil).

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.

## 19. 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	
	2023	2022
	HK\$'000	HK\$'000
Rental and share of office expenses paid to related companies (Note i)	453	396
Loans interest to related parties (Note ii)	26	157
Exploration expenses paid to a related company (Note iii)	343	937
	<u>662</u>	<u>1,290</u>

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 loan from Mr. Tan (2022: from related companies which are beneficially owned by 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	
	2023	2022
	HK\$'000	HK\$'000
Short-term employee benefits	662	459
Post-employment benefits	9	2
Share-based payment	21	–
	<u>692</u>	<u>461</u>

## 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.

Subsequent to the completion of the supplementary drilling of 4 surface drill holes in June 2023, the updated verification report of resources and reserve of the phase two mining zone of the Baishiquan Nickel-copper Mine was re-submitted for assessment in September 2023. It is expected that the approved report can be obtained by the end of November 2023. The Group did not generate any revenue from the sales of nickel-copper products in the current period (six months ended 30 September 2022: nil).

There was no metal trading in Hong Kong during the period (six months ended 30 September 2022: HK\$245,000).

##### *Outlook*

The nickel price continued to drop in the current period due to decelerated global economic growth and slow China's post-pandemic recovery. However, demand for nickel used in electric vehicles ("EV") production is predicted to remain strong as global sales of EV grew by 49% in first half of 2023.

According to our planned schedule, after obtaining the approval of the verification report, we will prepare the mineral resources development and utilization plan and feasibility study which would take about 4 to 6 months to obtain approval. It is targeted that the extraction of the phase two zone may be commenced in the last quarter of year 2025, subject to the progress of the development phase and the construction work.

#### *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 2023 are summarised below:

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	Completed 4 surface drill holes for a total of approximately 1,030 meters	No material activity	No material activity



## *Expenditure Incurred*

During the six months ended 30 September 2023, the Group had incurred the following expenditure related to the exploration, development and mining production activities of approximately HK\$343,000:

	<b>Total</b> <i>HK\$'000</i>
<b>1. Capital Expenditure</b>	
1.1 Exploration activities	
Drilling and analysis	343
1.2 Development activities (including mine construction)	
Construction of drift	–
	<hr/>
<b>Total Capital Expenditure</b>	<b>343</b>
	<hr/> <hr/>
<b>2. Operating Expenditures for Mining Activities</b>	
Staff cost	–
Consumables	–
Fuel, electricity, water and other services	–
Non-income taxes, royalties and other government charges	–
Others	–
	<hr/>
<b>Total Operating Expenditure</b>	<b>–</b>
	<hr/>
<b>Total Capital and Operating Expenditure</b>	<b>343</b>
	<hr/>
<b>3. Processing Expenditure</b>	<b>–</b>
	<hr/>
<b>Total Expenditures</b>	<b>343</b>
	<hr/> <hr/>

## *Infrastructure Projects and Subcontracting Arrangements*

No new contract related to infrastructure projects and subcontracting arrangements was concluded during the six months ended 30 September 2023. As at 30 September 2023, there was no outstanding commitment (31 March 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 six months ended 30 September 2023, there was no segment revenue from Software and Innovation Business (six months ended 30 September 2022: HK\$57,000) and the segment loss was approximately HK\$6,000 (six months ended 30 September 2022: segment profit of approximately HK\$44,000).

## *Outlook*

For the Software and Innovation Business, we continue to look for new business opportunities, especially in the Greater Bay Area which offers to emerging industries an array of preferential policies. The global software market is expected to experience significant growth in the coming years and the Group will take this opportunity to unlock the business insights for future development of our software business.

## *Interests in Associates*

The Group owned 41.45% (31 March 2023: 36.04%) 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 to 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 ended 31 March 2023, Nano Bubble commenced the sales and lease of hydroponic machine. During the period under review, an order for one year leasing of hydroponic machine were confirmed.

For the six months ended 30 September 2023, the Group recorded share of loss of associates of approximately HK\$134,000 (six months ended 30 September 2022: HK\$57,000).

## *Other Investments*

As at 30 September 2023, 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. As further detailed in the Company’s announcement dated 18 October 2021, the proposed listing of CGA Holdings has not been proceeded as planned by the deadline on 18 April 2023. CGA Holdings is actively negotiating with the subscriber for the subsequent arrangement.

As at 30 September 2023, the Group also had receivables from the founders of CGA Group amounting to approximately HK\$8,957,000 (31 March 2023: HK\$8,855,000) (the “Loan”) with pledge of ordinary shares of CGA Holdings held by the founders. Details of such receivables are set out in the Company’s announcement dated 30 June 2021. The Group is actively negotiating with the founders regarding the subsequent arrangements after the maturity of the Loan. Once an agreement is reached with the founders, the Group will publish relevant announcements to update its investor.

## **Financial Performance Review**

For the six months ended 30 September 2023, there was no turnover from both the Mining and Metal Business (six months ended 30 September 2022: nil) and the Software and Innovation Business (six months ended 30 September 2022: HK\$57,000).

For the period under review, the segment loss for the Mining and Metal Business was approximately HK\$1,408,000 (six months ended 30 September 2022: HK\$1,806,000) and Software and Innovation Business has a segment loss of approximately HK\$6,000 (six months ended 30 September 2022: segment profit of HK\$44,000).

Other income and gains of approximately HK\$1,963,000 for the period under review (six months ended 30 September 2022: HK\$2,239,000) mainly represented interest income and rental income.

For the six months ended 30 September 2023, the Group reported share of loss of associates of approximately HK\$134,000 (six months ended 30 September 2022: HK\$57,000).

For the six months ended 30 September 2023, loss for the period was approximately HK\$4,348,000 (six months ended 30 September 2022: HK\$4,095,000), representing an increase by 6% as compared to the corresponding period in 2022. The increase in loss was mainly due to the reduction in interest income during the period.

### **Liquidity and Financial Resources**

As at 30 September 2023, the Group had bank balances and cash of approximately HK\$79,998,000 (31 March 2023: HK\$90,885,000) and net current assets of HK\$76,791,000 (31 March 2023: HK\$90,466,000). Out of the Group's bank balances and cash, about 4% (31 March 2023: 10%) was denominated in Hong Kong dollars, 96% (31 March 2023: 90%) was denominated in Renminbi and less than 1% (31 March 2023: less than 1%) was denominated in United States dollars. As at 30 September 2023, the Group's current ratio was 7.34 (31 March 2023: 5.05).

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

As at 30 September 2023, the Group had no outstanding borrowings (31 March 2023: HK\$9,003,000).

### **Capital Commitments**

The Group has no significant capital commitment as at 30 September 2023.

### **Gearing Ratio**

As at 30 September 2023, the Group's gearing ratio was 0% (31 March 2023: 17.78%) as the Group had no outstanding borrowings (31 March 2023: HK\$9,003,000) and the equity attributable to owners of the Company of approximately HK\$45,719,000 (31 March 2023: HK\$50,624,000).

### **Charge on the Group's Assets**

None of the Group's assets was pledged as at 30 September 2023.

### **Order Book and Prospects for New Business**

There was no order book on hand as at 30 September 2023.

### **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 is no revenue from both the Software and Innovation Business (six months ended 30 September 2022: accounted for 100.00%) and the Mining and Metal Business (six months ended 30 September 2022: nil).

## **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 functional currency of the respective group companies 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 2023, there were no material contingent liabilities incurred by the Group.

## **Employee Information**

As at 30 September 2023, the Group employed a total of 21 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 2023, 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 2023, 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		
<b>Executive Director</b>				
Felipe TAN	159,128,000	678,074,400*	837,202,400	29.76%
<b>Independent Non-Executive Directors</b>				
CHAN Choi Ling	1,200,000	–	1,200,000	0.04%
LAM Kwai Yan	1,200,000	–	1,200,000	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 Management Limited	Interest of controlled corporation	200	49%
	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	RMB 36,000,000	51%

\* Unofficial English name translated for identification purpose only

(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 01.04.2023	During the period		Outstanding at 30.09.2023
				Granted	Lapsed		
<b>Executive Directors</b>							
Felipe TAN	02.03.2017	02.03.2017– 01.03.2027	0.1080	2,000,000	–	–	2,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
Ronald TAN	02.03.2017	02.03.2017– 01.03.2027	0.1080	2,000,000	–	–	2,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	8,000,000	–	8,000,000
<b>Independent Non-Executive Directors</b>							
CHAN Choi Ling	02.03.2017	02.03.2017– 01.03.2027	0.1080	1,000,000	–	–	1,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
LAM Kwai Yan	02.03.2017	02.03.2017– 01.03.2027	0.1080	1,000,000	–	–	1,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
YU Leung Fai	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
				<u>6,000,000</u>	<u>16,000,000</u>	<u>–</u>	<u>22,000,000</u>

*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 will be vested on 14 August 2024.

Save as disclosed above, at 30 September 2023, 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 2023, 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 2023
		Ordinary shares	Share options	Total	
Starmax Holdings Limited*	Beneficial owner	678,074,400	–	678,074,400	24.11%
Zhang Ming	Beneficial owner	142,120,000	–	142,120,000	5.05%

\* Starmax is beneficially owned by Mr. Felipe Tan.

Saved as disclosed above, as at 30 September 2023, 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

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 30.09.2023
				Outstanding as at 01.04.2023	During the period		
					Granted	Lapsed	
<b>Executive Directors</b>							
Felipe TAN	02.03.2017	02.03.2017– 01.03.2027	0.1080	2,000,000	–	–	2,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
Ronald TAN	02.03.2017	02.03.2017– 01.03.2027	0.1080	2,000,000	–	–	2,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	8,000,000	–	8,000,000

Grantees	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options			
				Outstanding as at 01.04.2023	During the period		Outstanding as at 30.09.2023
				Granted	Lapsed		
<b>Independent Non-Executive Directors</b>							
CHAN Choi Ling	02.03.2017	02.03.2017– 01.03.2027	0.1080	1,000,000	–	–	1,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
LAM Kwai Yan	02.03.2017	02.03.2017– 01.03.2027	0.1080	1,000,000	–	–	1,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
YU Leung Fai	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	2,000,000	–	2,000,000
				<u>6,000,000</u>	<u>16,000,000</u>	<u>–</u>	<u>22,000,000</u>
<b>Employees</b>	03.10.2013	03.10.2013– 02.10.2023	0.1435	3,632,433	–	(518,919)	3,113,514
	17.02.2014	17.02.2014– 16.02.2024	0.1329	622,703	–	–	622,703
	02.03.2017	02.03.2017– 01.03.2027	0.1080	10,000,000	–	–	10,000,000
	14.08.2023	14.08.2024– 13.03.2027	0.0242	–	25,000,000	–	25,000,000
				<u>14,255,136</u>	<u>25,000,000</u>	<u>(518,919)</u>	<u>38,736,217</u>
<b>Consultant</b>	02.03.2017	02.03.2017– 01.03.2027	0.1080	12,000,000	–	–	12,000,000
<b>Total</b>				<u><u>32,255,136</u></u>	<u><u>41,000,000</u></u>	<u><u>(518,919)</u></u>	<u><u>72,736,217</u></u>
<b>Weighted average exercise price</b>				<u><u>HK\$0.1125</u></u>	<u><u>HK\$0.0242</u></u>	<u><u>HK\$0.1435</u></u>	<u><u>HK\$0.0625</u></u>



*Notes:*

1. No share option granted under the 2013 share option scheme was exercised or cancelled during the six months ended 30 September 2023.
2. The share options granted on 3 October 2013, 17 February 2014 and 2 March 2017 were vested upon granting.
3. The 41,000,000 share options granted on 14 August 2023 will be vested on 14 August 2024. The vesting period is from 14 August 2023 to 13 August 2024.
4. There are no performance targets attached to the share options granted on 14 August 2023.
5. The closing price of the shares of the Company immediately before the date of the grant of share options on 14 August 2023 was HK\$0.024.
6. The fair value of the share options at the date of grant on 14 August 2023 was HK\$627,000.
7. The 2013 Share Option Scheme expired on 25 September 2023 and no share option are available for grant thereafter and as at 30 September 2023. As at 1 April 2023, the number of share options available for grant is 105,065,014.
8. Under the 2013 share option scheme, there are 72,736,217 share options outstanding as at 30 September 2023, representing approximately 2.586% of the weighted average number of issued shares of the Company for the period under review.

The fair value of the share options granted under 2013 Share Option Scheme on 14 August 2023 was determined using the Binomial Option Pricing Model (the“Model”). Where relevant, 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.

Details of the fair values of share options determined at the date of grant using the Model with the inputs are 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 fair value of the share options granted on 14 August 2023 was approximately HK\$627,000.

During the six months ended 30 September 2023, equity-settled share-based payments to employees and directors of approximately HK\$82,000 (six months ended 30 September 2022: nil) has been included in the consolidated statement of profit or loss and other comprehensive income, the corresponding amount of which has been credited to share options reserve.

The total consideration received during the six months ended 30 September 2023 from grant of share options amounted to HK\$11 (six months ended 30 September 2022: nil).

## ***2023 Share Option Scheme***

The 2023 Share Option Scheme was adopted by the Company on 26 September 2023. Under the 2023 Share Option Scheme, the number of share options available for grant is 281,288,180 as at 30 September 2023 and no share option has been granted, exercised, cancelled or lapsed.

### **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 2023, the Company had complied with the Corporate Governance Code as set out in Appendix 15 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 officer 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 Officer and the role of the Chief Executive Officer 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 Officer 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 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 quarterly reports 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 announcement, 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 result announcement, including the unaudited condensed consolidated financial statements for the six months ended 30 September 2023.

By Order of the Board  
**TIMELESS RESOURCES HOLDINGS LIMITED**  
**Felipe Tan**  
*Chairman*

Hong Kong, 13 November 2023

*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