



TIMELESS RESOURCES HOLDINGS LIMITED

天時資源控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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.



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Corporate Information

Directors

Executive Directors

Felipe TAN (*Chairman*)

Ronald TAN (*Chief Executive Officer*)

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

TANG Chung Kan

Auditors

CCTH CPA Limited

Certified Public Accountants

Legal Adviser

CLKW Lawyers LLP

in association with 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 Bank (Hong Kong) Limited

Registered Office

Room 2208

118 Connaught Road West

Hong Kong

Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8028

Authorised Representatives to the Stock Exchange

Felipe TAN

TANG Chung Kan

Website

www.timeless.com.hk

Email

info@timeless.com.hk

Chairman's Statement

On behalf of the board (the "Board") of directors of the Company, I would like to present the annual results of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2025.

The global economic and market conditions remained volatile in the past financial year with rising trade tensions and continued geopolitical conflicts. Nickel prices have trended down since breaking US\$20,000 per metric ton in May 2024. The decline has been attributed to high output from Indonesia and weaker demand particularly from Mainland China, the world's largest consumer of nickel. Potential US tariffs on nickel have added to market uncertainty. However, with a declining market balance and reduced oversupply, we believe that nickel price will rise and the long-term outlook of nickel remain positive as electric vehicle industry is the future.

The past financial year was a solid progress of the Company for both the Mining and Metal Business and Software Business. The Company have successfully renewed the mining licence with increased production scale and we are currently engaging professionals to perform extra exploration work for locating additional resources of Baishiquan Nickel-copper Mine. We are also preparing the feasibility studies and other required reports for submission to local government authority for approval and it is expected that they may be completed within this year. Upon completion of mine construction, the extraction of the phase two mining zone may be commenced in the mid of 2027 under such schedule.

For the Software Business, we have made a good start at the end of 2024 by forming a joint venture software company with our business partner which has extensive experience in information technology and the Software Business has contributed to the Group's revenue this year. With the growing demand of software development industry, we are confident that we can achieve revenue growth in the long run.

Finally, I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and shareholders. I would also express our sincere thanks to the Board members and all staff for their valuable contributions to the business.

On behalf of the Board

Felipe Tan

Chairman

Hong Kong, 26 June 2025

Management Discussion and Analysis

About the Group

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

Segmental Information

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in (i) the exploration, development and exploitation of mines, gold processing and trading (“Mining and Metal Business”); and (ii) the provision of integrated IT solutions and other related services (“Software Business”).

During the year under review, the revenue from the Mining and Metal Business and the Software Business accounted for 97% (2024: 100%) and 3% (2024: nil) of the Group’s total revenue, respectively.

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 Mainland China and gold processing and trading in Hong Kong.

During the year under review, 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 licence was completed. The Group also obtained the renewed its mining licence in November 2024 and started preparing various reports for the feasibility study in compliance with requirements of the local government. For the year ended 31 March 2025, the Group have incurred approximately HK\$1,394,000 (2024: HK\$411,000) for drilling of approximately 987 meters. The Group also incurred HK\$239,000 (2024: HK\$156,000) for various development activities, including the preparation of proposal for development plan.

During the year, the Group completed trading of processed gold products of 4,478 ounces (2024: 3,017 ounces) with revenue and gross profit of HK\$107,567,000 (2024: HK\$48,251,000) and HK\$196,000 (2024: HK\$1,260,000) respectively. Due to keen competition and unfavourable movement in gold prices, the gross profit ratio for gold processing and trading deteriorated during the year under review.

Management Discussion and Analysis (Continued)

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Outlook

Although nickel price was declining in the past two years, we still believe that the long-term underlying fundamentals for sustained growth in nickel demand remain unchanged. Global demand for electric vehicles and energy storage is expected to remain robust and nickel prices are forecasted to increase by 2030 and beyond.

Following the renewal of the mining licence, the Group commenced the feasibility study for the phase two mining zone. The feasibility study and relevant reports are expected to be completed by October 2025. Upon obtaining the approval of feasibility study, the mine design may commence in January 2026. Thereafter, the mining facilities construction would be started by the first half of 2026 which would take about 20 months to complete. Under such timeline, it is expected that the extraction of the phase two mining zone would be commenced in the second half of year 2027 subject to the progress of completing the feasibility study and related reports, and the timing of obtaining the relevant approvals from the government authority. Once the Group obtained the approval of feasibility study for phase two of Baishiquan Nickel-copper Mine, the forecast of the development costs will be prepared with greater reliability and accuracy.

Resource Estimates Update

As at 31 March 2025, the details of the resource estimates of the mining zone (phase two) are set out below:

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

Notes:

- (1) The resource estimates are based on the verification report of resources and reserves approved by the PRC Ministry of Natural Resources on 10 November 2023. It was prepared in accordance with the standard in the classifications for mineral resources and mineral reserves (GB/T 17766-2020) of the PRC.
- (2) Cut-off grade is 0.3%.

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 year ended 31 March 2025 are summarised below:

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	Completed 2 surface drill holes of a total of approximately 987 meters	Obtained the approval letter of proposal for development plan Obtained the renewed mining licence Commenced feasibility study	No material activity

Expenditure Incurred

During the year ended 31 March 2025, the Group had incurred the following expenditure related to the exploration and development activities:

		Total HK\$'000
1. Capital Expenditure		
1.1 Exploration activities		
Drilling and analysis		1,394
1.2 Development activities (including mine construction)		
Preparation of proposal for development plan		239
Total Capital Expenditure		1,633
2. Operating Expenditure for Mining Activities		
Staff cost		—
Consumables		—
Fuel, electricity, water and other services		—
Non-income taxes, royalties and other government charges		—
Others		—
Total Operating Expenditure		—
Total Capital and Operating Expenditure		1,633
3. Processing Expenditure		—
Total Expenditure		1,633

Management Discussion and Analysis (Continued)

Business Review and Outlook (Continued)

Mining and Metal Business (Continued)

Infrastructure Projects and Subcontracting Arrangements

There were new contracts entered into during the year ended 31 March 2025 (2024: nil) which were related to feasibility study and related reports of Baishiquan Nickel-copper Mine. As at 31 March 2025, the capital commitment related to these contracts amounted to approximately HK\$2,023,000 (2024: nil).

Software Business

Overview

Software Business comprised of the provision of integrated IT solutions and other related services, including software maintenance and development services, digital management software transformation services, centralised data storage and AI data analysis, development of high performance systems. A subsidiary (the “JV”) of the Group allotted its shares to an independent third party (the “JV Partner”) during the year under review. The JV is principally engaged in provision of integrated hardware and software solutions services in Hong Kong and Mainland China. The Group believes that the joint venture arrangement combined the Group’s knowledge and expertise in software business and the resources and experience in information technology of the JV Partner. In January 2025, the Group also engaged a related company of the JV Partner to prepare for the application of the double-soft certification for a newly-formed PRC subsidiary of the JV. Double-soft certification is an important indicator of research and development ability and overall technical strength of software enterprises. Software company in the PRC with double-soft certification can enjoy tax concessions and other preferential policies offered by the PRC government. For the year ended 31 March 2025, the Group had segment revenue of approximately HK\$3,055,000 (2024: nil) from Software Business and the segment profit was approximately HK\$343,000 (2024: nil).

Outlook

The software industry in the PRC has grown strongly over the past five years. Strong demand from the government and downstream software users have supported the industry’s performance. With the government’s preferential policies to support the industry, software industry is expected to remain on a remarkable growth in the future. Looking ahead, the Group will direct more resources to the JV to further expand its customer base and source of income.

Interests in Associates

On 31 March 2025, the Group owned 46% (2024: 46%) equity interests in Nano Bubble Limited (“Nano Bubble”) which mainly engaged in research and development for hygienic and sanitisation products, and the related solutions using the nano-ozone technology. Due to the current market conditions, the Group decided to cease the innovation business of Nano Bubble.

For the year ended 31 March 2025, the Group recorded share of loss of associates of approximately HK\$88,000 (2024: HK\$466,000).

Business Review and Outlook (Continued)

Other Investments

On 11 July 2024, the proposed listing of CGA Holdings Limited (“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 was changed from 15.28% to 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 disposed 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 1.15% (2024: 1.25%) equity interests in Trip Guru Holdings Limited which is principally engaged in the provision of tour reservation services. During the year under review, the expected growth for the tour reservation services decelerated and the Group recorded a loss on fair value changes of HK\$577,000 (2024: gain on fair value changes of HK\$853,000) during the year.

Financial Performance Review

For the year ended 31 March 2025, the Group recorded a total turnover of approximately HK\$110,622,000 (2024: HK\$48,251,000), representing an increase of 129% as compared with the last financial year, which was contributed by the sale of processed gold products of 4,478 ounces and service fees from the provision of integrated IT solutions services. Other income and gains of approximately HK\$1,705,000 for the year under review (2024: HK\$3,694,000) mainly represented interest income and rental income. Loss for the year was approximately HK\$16,035,000 (2024: HK\$21,312,000).

For the year under review, there was turnover of HK\$107,567,000 from the Mining and Metal Business (2024: HK\$48,251,000) and HK\$3,055,000 from the Software Business (2024: nil). The segment loss from the Mining and Metal Business was approximately HK\$6,449,000 (2024: HK\$3,206,000) and segment profit from the Software Business was approximately HK\$343,000 (2024: nil). The segment loss for the Mining and Metal Business increased by 101% due to the decrease in gross profit margin for gold processing and trading as well as increase in operating expense in the current year. Following the establishment of the JV, the Group generated segment revenue and segment profit for the Software Business in the current year.

Loss attributable to owners of the Company was approximately HK\$12,421,000, as compared to HK\$19,438,000 for the last financial year.

The adjusted LBITDA of the Group, a non-HKFRSs financial measure, for the current year was HK\$13,952,000 as compared to HK\$10,686,000 in the last financial year.

Liquidity and Financial Resources

As at 31 March 2025, the Group had cash and cash equivalents and time deposits with original maturity of over three months of approximately HK\$73,052,000 (2024: HK\$82,618,000) and net current assets of HK\$68,463,000 (2024: HK\$71,516,000). Out of the Group's cash and cash equivalents and time deposits with original maturity of over three months, about 45% was denominated in Hong Kong dollars (2024: 12%) and 55% was denominated in Renminbi (2024: 87%).

As at 31 March 2025, the current ratio was 4.80 (2024: 4.64).

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

As at 31 March 2025, the Group did not have any outstanding borrowings (2024: HK\$9,800,000).

Details of the Company's share capital are set out in note 27 to the consolidated financial statements.

The Directors will continue to follow a prudent policy in managing the Group's cash balances to maintain strong and healthy liquidity and to ensure that the Group is well placed to take advantage of future growth opportunities.

Placing of New Shares

On 4 March 2024, the Company entered into the placing agreement (the "Placing Agreement") with the placing agent place up to 56,000,000 new ordinary shares (the "Placing Shares") to not less than six placees (the "Placing").

Management Discussion and Analysis (Continued)

Liquidity and Financial Resources (Continued)

Placing of New Shares (Continued)

On 19 March 2024, the Company completed the Placing to allot and issue the Placing Shares at HK\$0.173 each. The net proceeds from the Placing were approximately HK\$9,300,000 and the net price per Placing Share was HK\$0.166. As at 31 March 2025, the Company has utilised the following amount according to the use of proceeds as disclosed in the announcement of the Company dated 19 March 2024:

	31 March 2025 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	(6,308)
Unutilised proceeds	—

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

Rights Issue

On 27 February 2025, the Company proposed to raise gross proceeds of up to approximately HK\$30 million by way of the issue of 168,644,090 rights shares ("Rights Shares") at the subscription price of HK\$0.178 per Rights Share on the basis of one (1) Rights Share for every two (2) existing shares held on the record date on a non-underwritten basis (the "Rights Issue"). On 8 April 2025, an aggregate of 168,644,090 Rights Shares were issued. The net proceeds from the Rights Issue after deducting the expenses amounted to approximately HK\$29.1 million and the net price is HK\$0.173 per Rights Shares.

The Company intends to use the net proceeds from the Rights Issue as to approximately HK\$10 million for the development of the gold processing and trading business, approximately HK\$10 million for the development of the software business and the remaining approximately HK\$9.1 million for the working capital of the Group's operating business including the payment of salary, rental expenses, legal and professional fees and other office expenses.

Details of the Rights Issue are set out in the Company's announcements dated 27 February 2025 and 7 April 2025, and the Company's prospectus dated 14 March 2025.

Management Discussion and Analysis (Continued)

Capital Commitments

As at 31 March 2025, the Group had capital commitment in respect of the development of the Baishiquan Nickel-copper Mine of approximately HK\$2,023,000 (2024: nil).

Gearing Ratio

As at 31 March 2025, the Group did not have any outstanding borrowings (2024: HK\$9,800,000) and therefore the gearing ratio was 0% (2024: 24.47%).

Employee Information

Particulars of the employee information on the Group are set out in “Business Review” section of the Directors’ Report.

Charge on the Group’s Assets

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

Order Book and Prospects for New Business

There was no order book on hand as at 31 March 2025.

Significant Investments, Material Acquisitions and Disposals

Other than the disposal of shares in CGA Holdings and the investment in the JV engaging in provision of integrated hardware and software solutions services in Hong Kong and Mainland China, the Group did not have any significant investments, acquisitions or disposals during the year ended 31 March 2025.

Future Plans for Material Investments

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

Exposure to Exchange Risks

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

Contingent Liabilities

As at 31 March 2025, the Group has no material contingent liabilities.

Biographical Details

Directors

Executive Directors

Mr. Felipe TAN, aged 70, has been re-appointed as an executive Director and Chairman of the Company since 17 March 2021. Mr. Tan was appointed as an executive Director of the Company on 30 September 2012 and Chairman of the Company on 29 July 2016 and resigned on 12 September 2019. He is also directors of certain subsidiaries of the Company. He has over 40 years of experience in metals trading including over 25 years of management experience in mining industry in the People's Republic of China (the "PRC"). He is also the chairman of the board, president and chief executive officer of GobiMin Inc. ("GobiMin") from September 2005, the shares of which were listed on the TSX Venture Exchange in Canada (symbol: GMN) since 2005 and were delisted by way of privatization in March 2023. GobiMin and its subsidiaries are principally engaged in the investment in equity, debt or other securities as well as direct ownership stakes in projects. Mr. Tan is the father of Mr. Ronald Tan, an executive Director and Chief Executive Officer of the Company.

Mr. Ronald TAN, aged 33, has been appointed as an executive Director of the Company since 2 October 2019 and has been appointed as the Chief Executive Officer of the Company since 13 January 2025. He joined the Group in 2016. In addition to evaluating and overseeing different investment projects, Mr. Ronald Tan is also responsible for the business strategic planning and overall management of the Group. He is directors of certain subsidiaries of the Company. Mr. Ronald Tan graduated from the University of Hong Kong with a Master degree of Arts. He is the son of Mr. Felipe Tan, an executive Director, the Chairman and a substantial shareholder of the Company.

Independent Non-executive Directors

Ms. CHAN Choi Ling, aged 50, has been appointed as an independent non-executive director ("INED") of the Company since 30 September 2012. Ms. Chan is a qualified solicitor in Hong Kong. She obtained her Bachelor of Laws degree from the City University of Hong Kong. Ms. Chan has over 20 years' experience in civil litigation. Ms. Chan currently is a consultant in a law firm in Hong Kong.

Mr. LAM Kwai Yan, aged 65, has been appointed as an INED of the Company since 23 December 2008. Mr. Lam has a degree in Business Studies from the University of Southern Queensland, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the CPA Australia and Institute of Singapore Chartered Accountants. Mr. Lam has worked for various large corporations, and has vast experience with SME's, including auditing and consulting on re-organisation and restructuring businesses that have cross-border operations in Mainland China. His work also included advising and consulting for listed public companies.

Mr. YU Leung Fai, aged 48, has been appointed as an INED of the Company since 31 March 2023. He has extensive experience in the field of accounting and corporate services. Mr. Yu joined Fung, Yu & Co. CPA Limited (formerly known as Fung, Yu & Co.) since 2001 and is currently its managing partner. Mr. Yu holds a Bachelor of Commerce (Honour) degree from the University of Toronto and a Bachelor of Laws degree from the University of London. He is also a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia and the Hong Kong Institute of Certified Public Accountants, and a Certified Trust Practitioner of the Hong Kong Trustee Association. Mr. Yu is also the independent non-executive director of certain listed companies in Hong Kong, namely Realord Group Holdings Limited (Stock Code: 1196) since 2014, and The Sincere Company, Limited (Stock Code: 0244) and Mount Everest Gold Group Company Limited (formerly known as "CSMall Group Limited") (Stock Code: 1815) since 2021. Mr. Yu was the independent non-executive director of Dowway Holdings Limited (Stock Code: 8403) from 2019 and resigned on 27 October 2023. Mr. Yu is also the joint company secretary or company secretary of certain listed companies in Hong Kong including Beijing Media Corporation Limited (Stock Code: 1000), Yuanda China Holdings Limited (Stock Code: 2789), and Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631) since 2010, 2012 and 2017 respectively.

Biographical Details (Continued)

Directors (Continued)

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

Company Secretary

Mr. TANG Chung Kan, aged 38, is the financial controller and company secretary of the Company. Mr. Tang joined the Group in 2021 and is responsible for accounting and financial function as well as company secretarial matters of the Group. Mr. Tang graduated from City University of Hong Kong with a bachelor's degree in accountancy and have over 15 years of accounting and audit experience. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants.

Corporate Governance Report

Corporate Governance Practices

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

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

The Company has adopted the code provisions (“Code Provisions”) set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 to the GEM Listing Rules. The Company had complied with all Code Provisions as set out in the Code throughout the year ended 31 March 2025.

Board of Directors

Composition and Responsibilities

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

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

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

Board of Directors (Continued)

Composition and Responsibilities (Continued)

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

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

The composition of the Board is currently as follows:

Executive Directors:

Mr. Felipe TAN (*Chairman*)
Mr. Ronald TAN (*Chief Executive Officer*)

Independent Non-executive Directors:

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

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

Board Meetings

The Board held 8 meetings during the year ended 31 March 2025.

Directors’ Attendance at Board/Board Committee/General Meetings

The details of all Directors’ attendance at the board meetings, board committee meetings and general meetings held during the year ended 31 March 2025 are set out below:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2024 Annual General Meeting
	Number of Meetings Attended/Held				
<i>Executive Directors:</i>					
Felipe TAN (<i>Chairman</i>)	8/8	N/A	N/A	N/A	1/1
Ronald TAN (<i>Chief Executive Officer</i>)	8/8	N/A	N/A	N/A	1/1
<i>Independent Non-executive Directors:</i>					
CHAN Choi Ling	8/8	4/4	2/2	2/2	1/1
LAM Kwai Yan	8/8	4/4	2/2	2/2	1/1
YU Leung Fai	8/8	4/4	2/2	2/2	1/1

Board of Directors (Continued)

Composition and Responsibilities (Continued)

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

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

Appointment, Re-election and Removal

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

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

Each of the independent non-executive Directors was appointed for a term of one year and renewable for successive terms of a year unless terminated by either party giving not less than three months' notice in writing.

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

Confirmation of Independence

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

Directors' Securities Transactions

The Company has adopted a code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the year ended 31 March 2025.

Board of Directors (Continued)

Directors' Participation in Continuous Professional Trainings

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

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

Directors' and Officers' Liabilities Insurance and Indemnity

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

Board Committees

Audit Committee

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

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

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

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

For the year ended 31 March 2025, the Audit Committee held 4 meetings. Details of the attendance of the members of the Audit Committee in the said meetings are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

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

- To make recommendation to the Board on appointment and re-appointment of the external auditor;
- To monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences; and
- To monitor integrity of the Company's consolidated financial statements and annual report and accounts, half-year report, and to review significant financial reporting judgments contained in them.

Board Committees (Continued)

Audit Committee (Continued)

The Audit Committee has reviewed the accounts for the year ended 31 March 2025 which were audited by CCTH CPA Limited, whose term of office will expire upon the coming AGM. The Audit Committee has recommended to the Board that CCTH CPA Limited will be re-appointed as the auditors of the Company at the coming AGM. During the year ended 31 March 2025, the Board did not take different view from the Audit Committee on the appointment of external auditor.

Nomination Committee

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

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

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

For the year ended 31 March 2025, the Nomination Committee held 2 meetings. Details of the attendance of the members of the Nomination Committee in the said meeting are set out under the sub-heading “Directors’ Attendance at Board/Board Committee/General Meetings” above.

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

- To review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board regarding any proposed changes;
- To identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individual shall be their ability to contribute to the effective carrying out by the Board of its responsibilities;
- To assess the independence of independent non-executive directors;
- To recommend the retiring Directors to the Board for it to recommend to the shareholders of the Company for re-election at the AGM; and
- To review and make recommendation to the Board on the appointment of Mr. Ronald Tan, the executive Director of the Company, as the chief executive officer of the Company on 13 January 2025 on the basis of the terms of the appointment letter, his education background, contribution, experience, duties and responsibilities.

I. Nomination Policy

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

Board Committees (Continued)

Nomination Committee (Continued)

I. Nomination Policy (Continued)

Nomination Process

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

1. Procedures for Appointment of New Director

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

- (a) The Nomination Committee, with or without assistance from Human Resources Department and external agencies, identifies candidates in accordance with the selection criteria set out in the Nomination Policy.
- (b) The Nomination Committee evaluates the candidates and recommends to the Board the appointment of the appropriate candidate for directorship.
- (c) The Board decides the appointment based upon the recommendation of the Nomination Committee.
- (d) The letter of appointment or the key terms and conditions of the appointment should be approved by Remuneration Committee.
- (e) The Company Secretary or his or her designated delegate shall ensure all disclosure obligations under the GEM Listing Rules regarding the appointment or re-election are duly complied.

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

- (a) The Nomination Committee reviews the overall contribution to the Company of the retiring Director.
- (b) The Nomination Committee also reviews and determines whether the retiring Director continues to meet the selection criteria set out in the Nomination Policy.
- (c) The Nomination Committee shall recommend to the Board which shall then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

3. Procedures for Nomination by Shareholders

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

Board Committees (Continued)

Nomination Committee (Continued)

I. Nomination Policy (Continued)

Selection Criteria

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

- (a) The board diversity policy, which was adopted by the Company on 29 January 2019, and the requirements under the GEM Listing Rules.
- (b) The expected contribution the candidate would add to the Board and to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.
- (c) The candidate or the re-elected Director is able to commit and devote sufficient time and attention to the Company's affairs.
- (d) The level of independence from the Company, and potential or actual conflicts of interest of the candidate or the re-elected Director.
- (e) Other relevant factors considered by Nomination Committee on a case-by-case basis.

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

II. Board Diversity Policy

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

Summary of the Diversity Policy

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

Measurable Objectives

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

Board Committees (Continued)

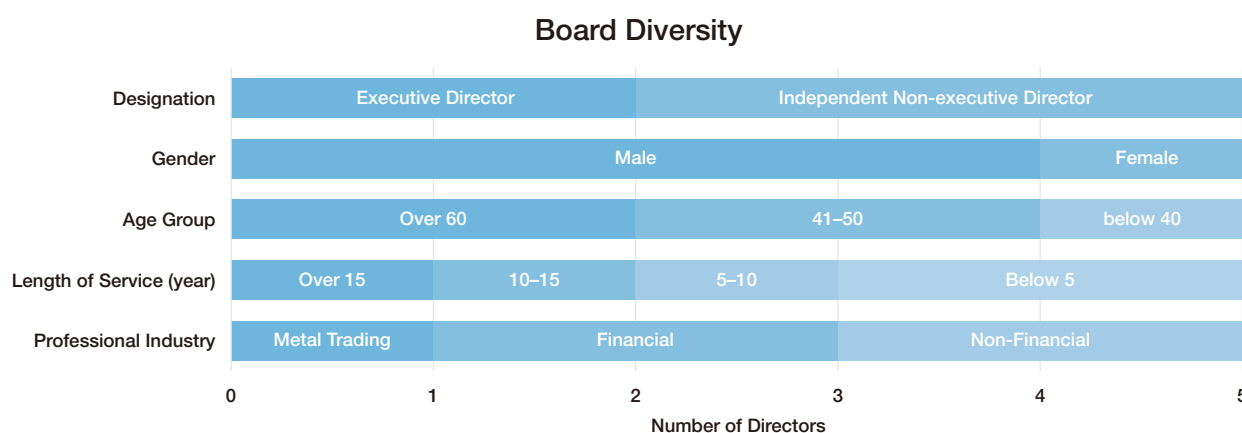
Nomination Committee (Continued)

II. Board Diversity Policy (Continued)

Monitoring and Reporting

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

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



The workforce of the Group as at the date of this Corporate Governance Report was comprised of 36% female and 64% male in which 32% male staff was employed by the Group for Mining Business due to shortage female workforce in mining sector.

Remuneration Committee

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

Ms. CHAN Choi Ling (*Chairlady*)

Mr. LAM Kwai Yan

Mr. YU Leung Fai

The primary aim of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for the employees of the Group. The Remuneration Committee is also responsible for reviewing and/or approving matter relating to the share scheme under Chapter 23 of the GEM Listing Rules and approving the grant of options to eligible participants pursuant to the share scheme of the Company.

Board Committees (Continued)

Remuneration Committee (Continued)

For the year ended 31 March 2025, the Remuneration Committee held 2 meetings. Details of the attendance of the members of the Remuneration Committee in the said meeting are set out under the sub-heading “Directors’ Attendance at Board/Board Committee/General Meetings” above.

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

- To determine the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors’ service contracts;
- To make recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time;
- To review and approve the senior management’s remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time; and
- To review and make recommendation to the Board on the annual remuneration of the appointment of Mr. Ronald Tan as the chief executive officer of the Company on 13 January 2025 on the basis of his education background, contribution, experience, duties and responsibilities, the Company’s remuneration policy and the prevailing market conditions.

No material matters relating to the share scheme of the Company under Chapter 23 of the GEM Listing Rule were required to be reviewed or approved during the financial year ended 31 March 2025.

Auditors’ Remuneration

For the year ended 31 March 2025, the fees paid/payable to the auditors in respect of the audit and non-audit services were as follows:

Types of services	Amount (HK\$)
Annual audit services	490,000
Non-audit services	88,000

Accountability and Audit

Directors’ Responsibility for the Consolidated Financial Statements

The following statements, which set out the responsibilities of the Directors in relation to the consolidated financial statements, should be read in conjunction with, but distinguished from, the Independent Auditors’ Report on pages 58 to 63 of this annual report which acknowledges the reporting responsibilities of the Group’s auditors.

Accountability and Audit (Continued)

Directors' Responsibility for the Consolidated Financial Statements (Continued)

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

Review of Risk Management and Internal Control

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

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

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

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

Whistleblowing Policy

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

The purpose of the Whistleblowing Policy is to assist individual employees (permanent or temporary employees) to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety. It is not designed to further any personal disputes, question financial or business decisions taken by the Group. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the Chairman of the Board or the Chairman of the Audit Committee of the Group. No incident of fraud or misconduct has been discovered on the Group’s financial statements or overall operations for the year ended 31 March 2025. The Whistleblowing Policy is reviewed annually by the Board to ensure its effectiveness.

Anti-bribery and Corruption Policy

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

Company Secretary

With effect from 2 June 2025, Ms. Ko Yuen Kwan (“Ms. Ko”) resigned as the Company Secretary and Mr. Tang Chung Kan (“Mr. Tang”) was appointed as the Company Secretary. The Company Secretary has day-to-day knowledge of the Company’s affairs and plays an important role in supporting the Board by ensuring that Board policy and procedures, all applicable laws, rules and regulations are followed. The Company Secretary reports to the Chief Executive Officer or the Chairman on corporate governance matters and is accountable to the Board for matters relating to the Director’s duties.

For the year ended 31 March 2025 and for the period up to the date of this Annual Report, each of Mr. Tang and Ms. Ko (the former Company Secretary) has undertaken over 15 hours’ professional training in compliance with the Code.

Changes in Constitutional Documents

During the year, the articles of association of the Company was adopted by the shareholders of the Company at the annual general meeting held on 3 September 2024 for the purpose of, among others, bringing the articles of association of the Company in line with regulatory requirements of the GEM Listing Rules and the Companies Ordinance. A copy of the articles of association of the Company is available on the websites of the Company and the Stock Exchange.

Save as disclosed above, for the year ended 31 March 2025, there was no change in its constitutional documents.

Shareholders' Rights

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

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

For putting forward proposal at general meetings and the relevant contact details, the Procedures for Shareholders to Convene General Meetings and to Put Forward Proposals are available on the Company's website at <http://www.timeless.com.hk/en/investor-relations/corporate-governance>.

Communication with Shareholders

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

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

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

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

Dividend Policy

1. The Company adopted a dividend policy (the “Dividend Policy”) on 29 January 2019 in compliance with the Code with retrospective effect from 1 January 2019, which decides whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:
 - (a) the Group’s actual and expected financial performance;
 - (b) shareholders’ interests;
 - (c) retained earnings and distributable reserves of the Company and each of the other members of the Group;
 - (d) the level of the Group’s debts to equity ratio, return on equity and financial covenants to which the Group is subject;
 - (e) possible effects on the Group’s creditworthiness;
 - (f) any restrictions on payment of dividends that may be imposed by the Group’s lenders;
 - (g) the Group’s expected working capital requirements and future expansion plans;
 - (h) liquidity position and future commitments of the Group at the time of declaration of dividend;
 - (i) taxation considerations;
 - (j) statutory and regulatory restrictions;
 - (k) general business conditions and strategies;
 - (l) general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
 - (m) other factors that the Board deems appropriate.

Dividend Policy (Continued)

2. Pursuant to the Dividend Policy, the declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements under the Hong Kong Companies Ordinance and the Articles of Association of the Company. Except for the interim dividend which can be declared and distributed by the discretion of the Board, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at the general meeting and must not exceed the amount recommended by the Board.
3. The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Voting by Poll

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

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

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

The Procedures for Sending Enquiries to the Board

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

Environmental, Social and Governance Report

For the year ended 31 March 2025

About this Report

Pursuant to the Environmental, Social and Governance (“ESG”) Reporting Guide (“ESG Reporting Guide”) under Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “GEM Listing Rules”), this Environmental, Social and Governance Report (the “ESG Report”) confirms and discloses information on the ESG issues and key performance indicators (“KPIs”) of Timeless Resources Holdings Limited (“Timeless” or the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2025.

The Group is principally engaged in the exploration, development and exploitation of mines, gold processing and trading (“Mining and Metal Business”) and provision of integrated IT solutions and other related services (“Software Business”). The Mining and Metal Business includes exploration, development and exploitation of mines and processing and sale of the outputs from the mines in Xinjiang, the People’s Republic of China (“PRC”). The Software Business includes the provision of integrated IT solutions services, digital management software transformation services, centralised data storage and AI data analysis and development of high performance systems in Mainland China.

This ESG Report details the ESG performance of the Group from 1 April 2024 to 31 March 2025 (the “Reporting Period”). It highlights our approaches and strategies implemented in pursuit of sustainability during the Reporting Period and is prepared in accordance with the ESG Reporting Guide under Appendix C2 to the GEM Listing Rules.

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

Reporting Boundary

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

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

About this Report (Continued)

Reporting Principles

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

1. **Materiality:** ESG issues that have significant impacts on investors and other stakeholders will be identified and reported. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.
2. **Quantitative:** To facilitate objective evaluation of our ESG performance and management effectiveness, quantitative information is provided with standards, targets, methodological assumptions and calculation tools disclosed where appropriate.
3. **Consistency:** Unless otherwise stated, the preparation approach of this ESG Report was substantially consistent with the previous report. For any changes in calculation methodologies that may affect the comparison with previous reports, explanations will be provided in the corresponding section.
4. **Balance:** Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of the ESG performance of the Group.

Governance Structure

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

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

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

Stakeholders Engagement

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

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

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

Stakeholders' Feedbacks

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

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

Materiality Assessment

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

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

Environmental Protections

Emissions (A1)

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

For the year ended 31 March 2025, there have been no cases of prosecution against the Group due to violation of any relevant environmental laws or regulations in relation to exhaust gas and greenhouse gas emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes that have a significant impact on the Group.

Air and Greenhouse Gas (“GHG”) Emissions

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

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

	Units	FY2025	FY2024	FY2023
Number of vehicles in use	Number	7	8	9
Kilometres travelled	Kilometres	64,698	89,696	54,138
Diesel consumed	Litre	4,735	7,709	6,025
Exhaust gases				
Nitrogen Oxides*	Gram	4,833	6,700	4,044
Sulphur Oxides*	Gram	76	124	97
Particulate Matter*	Gram	356	493	298
GHG				
Direct emission of CO ₂ *	Kilogram	12,525	20,393	15,938
Indirect emission of CO ₂ *	Kilogram	91,583	94,325	79,698

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

Environmental, Social and Governance Report (Continued)

For the year ended 31 March 2025

Environmental Protections (Continued)

Emissions (A1) (Continued)

Air and Greenhouse Gas (“GHG”) Emissions (Continued)

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

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

- Replacing aged vehicles with electric vehicles
- Optimisation of transportation routes
- Promoting the use of public transportation instead of using private cars
- Regular inspection and maintenance of vehicles and replace aged items to improve the motor's efficiency

Waste Management

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

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

	Units	FY2025	FY2024	FY2023
Non-hazardous wastes				
Paper	pieces	28,973	26,177	30,382

Environmental Protections (Continued)

Use of Resources (A2)

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

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

Use of Resources	KPIs	Unit	FY2025	FY2024	FY2023
Energy	Electricity	kWh	146,406	151,932	128,404

Energy Consumption

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

1. Encourage staff to shut down electrical appliances when idle or leaving the workplace.
2. Use appliances with energy label to reduce electricity consumption.
3. Regular maintenance and upgrade of engines to improve energy efficiency.

Water Consumption

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

Environmental Protections (Continued)

The Environment and Natural Resources (A3)

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

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

The major environmental impacts of mine production are the accumulation of mining barren rocks, the covering or damage of the land, and the pollution due to domestic sewage and other emissions. In the past, we used the mining barren rock for underground filling of mines and established garbage pools, public toilets and other facilities in the living area for garbage and wastes collection and classification. The wastes were processed or disposed, as appropriate, on a regular basis. The Group is actively communicating with relevant government authorities to restore its mine sites which completed extraction and will address other issues raised by government on a timely basis. During the Reporting Period, the Group completed its restoration work on certain mine sites which completed extraction in 2017. With the commencement of exploration of phase two of the Baishiquan project, the Group is in the process of assessing the potential impact of restoration when the project is completed and will arrange sufficient resources to fulfil its obligation of restoration in the future. During the Reporting Period, the Group did not note any significant impact on the environment caused by the mining activities.

Climate Change (A4)

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

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

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

Quality of Working Environment

Employment (B1)

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

As at 31 March 2025, the employee compositions and employee turnover rate were summarised below:

Employee Compositions	FY2025	Turnover Rate	FY2024	Turnover Rate	FY2023	Turnover Rate
By gender						
Male	16	6%	17	7%	15	19%
Female	8	13%	8	20%	5	17%
By age group						
Below 30	1	100%	1	100%	1	0%
30 to 39	4	0%	7	0%	7	14%
40 to 49	4	0%	3	0%	2	50%
50 or above	15	7%	14	10%	10	17%
By employee type						
Senior Management Level	2	0%	2	0%	2	0%
Management Level	10	0%	10	0%	10	17%
General Level	12	15%	13	25%	8	25%
By location						
HK	12	8%	12	17%	6	29%
Mainland China	12	8%	13	7%	14	13%
By employment type						
Full-time	24	8%	25	10%	20	18%
Part-time	–	0%	–	0%	–	0%

Quality of Working Environment (Continued)

Employment (B1) (Continued)

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

1. Remuneration of employees is determined in accordance with the staff salaries management measures.
2. Employees are recruited, promoted and dismissed pursuant to the “Labour Law of the PRC” (《中華人民共和國勞動法》), the “Employment Contract Law of the PRC” (《中華人民共和國勞動合同法》) and the Employment Ordinance (Cap. 57).
3. Flexible employee leave policies are established based on the relevant requirements by the government and are in place to provide the Group’s employees with sufficient rest time and work-life balance, depending on their plans and needs.
4. Equal opportunities and anti-discrimination are promoted within the Group so all candidates and employees are treated equally when it comes to recruitment and promotion. The Group strictly complied with the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 527), the Family Status Discrimination Ordinance (Cap. 487) and the Race Discrimination Ordinance (Cap. 602).
5. Various welfares and benefits are provided to all the employees pursuant to the requirements as stipulated by local governments where our enterprises are located, including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident funds.
6. Various leisure facilities including basketball courts, table tennis rooms and snooker rooms are made available to employees during their spare time.

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

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

Health and Safety (B2)

Ensuring health and safety of our employees is one of our prime responsibilities. The Group strictly complies with the relevant laws and regulations, including but not limited to the “Work Safety Law of the PRC” (《中華人民共和國安全生產法》), the “Safety Regulations for Metal and Nonmetal Mines” (《金屬非金屬礦山安全規程》), the “Code for Design of Nonferrous Metal Mining” (《有色金屬採礦設計規範》) and the Occupational Safety and Health Ordinance (Cap. 509).

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

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

Quality of Working Environment (Continued)

Health and Safety (B2) (Continued)

Following the completion of mining and processing activities, the risk relating to health and safety resulting from the Group's mining operation had been reduced significantly. For office premises, the Group performed regular clean-up, disinfection, carpet cleaning and pest control treatments in order to provide a hygienic and healthy workplace.

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

Training and Development (B3)

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

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

Employees Trained (in percentage)	FY2025	FY2024	FY2023
By Gender			
Male	29%	29%	33%
Female	25%	25%	40%
By Type			
Senior Management Level	100%	100%	100%
Management Level	40%	40%	40%
General Level	8%	8%	13%
Average Training Hours Completed per employee (in hours)	FY2025	FY2024	FY2023
By Gender			
Male	10	10	11
Female	13	13	21
By Type			
Senior Management Level	10	10	10
Management Level	21	21	21
General Level	3	3	5

Quality of Working Environment (Continued)

Labour Standard (B4)

The Group strictly complies with laws and regulations, including but not limited to the “Labour Law of the PRC” (《中華人民共和國勞動法》), the “Labour Contract Law of the PRC” (《中華人民共和國勞動合同法》), “Law of the PRC on the Protection of Minors” (《中華人民共和國未成年人保護法》), “Order No. 619 of the State Council of Special Rules on the Labour Protection of Female Employees” (《女職工勞動保護特別規定(國務院令第619號)》), “Order No. 364 of the State Council of Provisions on the Prohibition of Using Child Labour” (《禁止使用童工規定(國務院令第364號)》) and the Employment Ordinance (Cap. 57).

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

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

Operating Practices and Social Investment

Supply Chain Management (B5)

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

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

For the year ended 31 March 2025, the Group has a total of 7 major suppliers, 1 of which is located in Mainland China and the remaining 6 are located in Hong Kong. All of such suppliers are subject to the supplier selection and acceptance process. For the years ended 31 March 2024, the Group had 5 major suppliers, 1 of which is located in Mainland China and the remaining 4 are located in Hong Kong. For the year ended 31 March 2023, the Group had 3 major suppliers located in Mainland China.

Operating Practices and Social Investment (Continued)

Product Responsibility (B6)

Quality Assurance

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

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

For the sales of processed gold products, customers had different requirements over the specification of gold products, including size, shape and purity. Before the acceptance of products by the customers, they will perform detailed inspection and engage third party professional where necessary. In order to minimise the return rate, the Group's sales team will maintain close communication with all customers to understand their needs before procurement and processing.

For the Software Business, the Group provides integrated IT solutions and other related services to its customers in accordance with their needs. Before accepting a particular customer, we will hold meetings with the customer and engage internal and external IT professionals to ensure the feasibility of the related services to be provided. The contract terms with customers also allowed an average warranty period of 3 months to customers during which the Group will assist its customers in applying the integrated IT solutions to customers' business and make adjustments where necessary. Up to the date of this report, the Group did not have any expenses incurred in respect of such warranty period.

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

Intellectual Property Rights

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

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

Operating Practices and Social Investment (Continued)

Product Responsibility (B6) (Continued)

Data Privacy Protection

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

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

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

Anti-corruption (B7)

The Group strives to be ethical in its business operations, and does not tolerate any form of corruption, such as bribery, extortion, fraud or money laundering. The Group strictly complies with the relevant laws and regulations, including but limited to the "Anti-money Laundering Law of the PRC" (《中華人民共和國反洗錢法》), "Interim Provisions on Banning Commercial Bribery" (《關於禁止商業賄賂行為的暫行規定》), the Prevention of Bribery Ordinance (Cap. 201) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

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

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

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

Operating Practices and Social Investment (Continued)

Anti-corruption (B7) (Continued)

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

For the year ended 31 March 2025, we have not received any report on illegal and criminal activities and were not involved in any illegal and criminal cases.

Community Investment (B8)

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

Directors' Report

The Directors present this Directors' report and the audited consolidated financial statements for the year ended 31 March 2025.

The principal activity of the Company is investment holding.

The principal activities of the Company's principal subsidiaries are set out in note 31 to the consolidated financial statements.

Business Review

Review of Business and Performance

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

Principal Risks and Uncertainties

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

Mining and Metal Business

(i) Metal Prices

The profitability of the Group may be significantly affected by changes in the market price of metals. Metal prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Group. Interest rates, inflation, exchange rates, global political stability, social situation, global economy and world supply of mineral commodities can all cause fluctuations in the market prices for these metals. Such external economic factors are in turn influenced by changes in international economic growth patterns and political developments.

(ii) Currency Risks

The Group's operating expenses and revenues from the Mining and Metal Business are denominated in Renminbi ("RMB"), one of the main currencies used by the Group. Accordingly, exchange rate fluctuations with the RMB may adversely affect the Group's financial position and operating results. The Group does not currently engage in foreign currency hedging activities.

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

Business Review (Continued)

Mining and Metal Business (Continued)

(iii) Exploration, Development and Operating Risks

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

It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Group. The Group does not maintain insurance against political or environmental risks.

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

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

(iv) Uncertainty of Ore Reserves and Resource Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves. Such estimates are a subjective process, and the accuracy of any mineral resources and mineral reserves estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as mineral prices, market conditions and actual events could have a material adverse effect on the Company's mineral reserve and mineral resource estimates, financial position and results of operations.

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

Business Review (Continued)

Mining and Metal Business (Continued)

(v) Capital Requirements

The Group does have limited financial resources. Although the Group believes it will be able to fund the development of its mineral properties through existing working capital, and a combination of debt and equity, there can be no assurance the Group will be able to raise additional funding if needed. Failure to obtain such additional funding could result in the delay or even termination of the exploration and development of some of the Group's mines.

(vi) Permits and Licences

The operations of exploration and mining require specific licences and permits e.g. mining licence for mining activities and exploration licence for exploration activities. Any changes in regulations imposed by the governments due to any reasons are beyond the control of the Group and may adversely affect its business and its ability to retain title to its property and obtain some of the necessary licences. The changes of regulations may include, but not limited to, varying degrees of those with respect to stricter restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety measures.

The Group's exploration and mining licences are subject to regular review and approval by the Department of Natural Resources of Xinjiang, Mainland China. If the Group fails to meet the relevant requirements or materially breaches any laws or regulations, approvals might not be granted by the relevant authorities, in which case it may be subject to penalties including fines or suspension of operations in accordance with applicable laws, or be given a deadline to rectify deficiencies, or, in serious cases, have its permits and licences revoked. While the Group has never encountered such problems in the past, there can be no assurance that the Group can obtain government's approval if any adverse changes to regulations occur in the future. Should permits or licences be suspended or revoked, the Group's mining and metal business and results of operations could be materially affected.

(vii) Environmental Regulation

The mining operations of the Group are subject to environmental regulations promulgated by relevant governments. The relevant environmental regulations impose restrictions and prohibitions on spills, or handling of various substances produced during mining or processing operations. In addition, approval of environmental impact assessment for certain types of the mining operations are required. In breach of such regulations or failure of the governmental approval may result in the imposition of fines and penalties. The costs of compliance with environmental regulations, such as advanced equipment which is environmental friendly, has the potential to reduce the profitability of future operations.

(viii) Competition

There is significant and increasing competition within the mining industry for the discovery and acquisition of properties considered having commercial potential. The Group competes with other mining companies, some of which have greater financial resources, and as a result, the Group may not be able to acquire mineral interests on terms it considers acceptable. As well, the Group competes for the recruitment and retention of qualified employees and other personnel in order to support its daily activities. The current economic growth in Mainland China and the corresponding creation of a more liquid and transparent market for skilled employees may lead to difficulties in retaining managerial personnel. As a result of this competition, the Group may not be able to acquire additional mineral interests and hire or retain qualified personnel for its projects.

Business Review (Continued)

Software Business

Business Risks

The software business operates in a highly competitive industry which faces rapid changes in market trends, consumer preferences and constantly evolving technological advances in hardware models, software features and functionalities. The Company faces forever changing hardware model and feature changes in various products which have to be incorporated into our software products and/or services to cope with the evolving environment.

Compliance with the Relevant Laws and Regulations

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

Environmental Policies and Performance

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

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

The Group endeavored to maintain safety standard and environmental protection by adhering to targets such as "zero work casualty, zero environmental incident", energy conservation and emission reduction, etc. It also made efforts to contribute the development of local communities. More details are set out in the "Environmental Protections" section of Environmental, Social and Governance Report on pages 28 to 42, which form part of this Directors' Report.

Summary Financial Information

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 136. The summary does not form part of the audited consolidated financial statements.

Business Review (Continued)

Financial Key Performance Indicators

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

		For the year ended 31 March	
		2025	2024 (Restated)
<i>The Group</i>			
1. Loss per share – basic and diluted	HK cents	(3.55)	(6.61)
2. Adjusted Loss Before Interest, Taxes, Depreciation and Amortisation ("Adjusted LBITDA")*	HK\$'000	(13,952)	(10,686)
3. Operating cash flows per share*	HK cents	(3.49)	(7.14)
4. Current ratio*	times	4.80	4.64
5. Gearing ratio	%	–	24.47

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

1. Loss Per Share – Basic and Diluted

The basic and diluted loss per share amounted to HK\$3.55 cents for the year ended 31 March 2025 (2024 (restated): HK\$6.61 cents).

The weighted average number of ordinary shares for the prior year ended 31 March 2024 has been adjusted for the rights issue of shares implemented during the year ended 31 March 2025. The basic loss per share for the year ended 31 March 2024 has been restated accordingly.

Relevance to Strategy: It is calculated by dividing the loss attributable to the owners of the Company of approximately HK\$12,421,000 in 2025 (2024: HK\$19,438,000) by the weighted average of the total issued ordinary shares. It measures the Group's loss per outstanding ordinary share. It is often used as an important indicator to determine the Company's share price and value.

Business Review (Continued)

Financial Key Performance Indicators (Continued)

2. Adjusted LBITDA

The adjusted LBITDA of the Group was approximately HK\$13,952,000 for the year ended 31 March 2025 as compared to HK\$10,686,000 for the year ended 31 March 2024.

Reconciliation of the Adjusted LBITDA loss for the year	For the year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Loss for the year	(16,035)	(21,312)
Income tax expense	–	216
Equity-settled share-based payments	231	396
Gain on disposal of property, plant and equipment	(95)	(85)
Write-down on inventories	–	18
Expected credit loss on trade and other receivables, net	20	8,419
Loss on fair value changes of an investment property	2,340	520
Loss on fair value changes of financial assets at fair value through profit or loss	319	2,959
Gain on disposal of financial assets at fair value through profit or loss	(150)	–
Interest income	(1,115)	(2,401)
Depreciation and amortisation	347	367
Finance costs	186	217
Adjusted LBITDA	<u>(13,952)</u>	<u>(10,686)</u>

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

Business Review (Continued)

Financial Key Performance Indicators (Continued)

3. Operating Cash Flows Per Share

For the year ended 31 March 2025, the Group had operating cash outflow of HK\$3.49 cents per share, as compared to operating cash outflow of HK\$7.14 cents per share as restated in the prior year.

The operating cash outflows per share decreased by HK\$3.65 cents per share for the year ended 31 March 2025. It was mainly due to the drop in profitability of gold processing and trading business during the year.

Relevance to Strategy: Operating cash flows per share is considered a non-HKFRSs financial measure and should be considered in addition to, rather than as a substitute for, loss per share as a measure of the Group's performance. It is computed by dividing net cash used in operating activities of approximately HK\$12,195,000 (2024: HK\$20,995,000) by the weighted average of the total issued ordinary shares. It helps measure the ability to generate cash from the Group's principal activities. Operating cash flows per share eliminated significant non-cash items such as depreciation and amortisation expenses, impairment loss and fair value changes of various financial and non-financial assets. Operating cash flows per share is useful in comparing our operating performance with other companies in similar industries although our measures of operating cash flows per share may not be directly comparable to similar measures used by other companies.

4. Current Ratio

The current ratio as at 31 March 2025 is 4.80 (2024: 4.64). The increase in current ratio was mainly due to the decrease in loan from a related party during the year under review.

Relevance to Strategy: Current ratio is considered a non-HKFRSs financial measure which is calculated by dividing the current assets of approximately HK\$86,489,000 (2024: HK\$91,176,000) by the current liabilities of approximately HK\$18,026,000 (2024: HK\$19,660,000). It measures the short-term liquidity of the Group and provides insight of the availability of the Group's resources to meet its debts and obligations falling due within 12 months from the end of the reporting period.

5. Gearing Ratio

As at 31 March 2025, the Group did not have any outstanding borrowings (2024: HK\$9,800,000) and therefore the gearing ratio was 0% (2024: 24.47%)

Relevance to Strategy: It is calculated by dividing the total borrowings of the Group divided by the equity attributable to owners of the Company. It measures the Group's financial leverage and assists in monitoring the capital structure of the Group.

Business Review (Continued)

Relationship with Employees, Suppliers and Customers

(i) Major Customers and Suppliers

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

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

During the year, the aggregate sales attributable to the Group's five largest customers comprised 95% (2024: 100%) of the Group's total sales while the sales attributable to the Group's largest customer was approximately 71% (2024: 50%) of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised 100% (2024: 100%) of the Group's total purchases while the purchases attributable to the Group's largest supplier was 54% (2024: 99%) of the Group's total purchases.

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

(ii) Emolument Policy

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

The Company has adopted share option schemes as an incentive to Directors and eligible employees, details of the share option schemes are set out in note 29 to the consolidated financial statements.

(iii) Competing Interest

None of the Directors and their respective close associates is interested in any business which competes or might compete, either directly or indirectly, with the businesses of the Group or has any other conflicts of interest with the Group.

(iv) Management Contract

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

Business Review (Continued)

Relationship with Employees, Suppliers and Customers (Continued)

(v) Employee Information

As at 31 March 2025, the Group employed a total of 24 staff (2024: 25). Staff remuneration is reviewed by the management of the Group from time to time and increases are granted normally annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides staff benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group also concerns on work safety to the employees. During the year ended 31 March 2025, there was no serious work safety issue on our Group's employees.

General Information

Results and Appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 64.

The Directors do not recommend the payment of dividend nor transfer of any amount to reserves (2024: nil).

Share Capital

Details of the movement in share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out on page 66 and note 38 to the consolidated financial statements, respectively.

The Company had no reserves available for distribution to shareholders as at 31 March 2025 (2024: nil).

Property, Plant and Equipment

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

Directors and Directors' Service Contracts

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

Executive Directors:

Felipe TAN (*Chairman*)
Ronald TAN (*Chief Executive Officer*)

Independent Non-executive Directors:

CHAN Choi Ling
LAM Kwai Yan
YU Leung Fai

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

Each of the independent non-executive Directors was appointed for a term of one year and renewable for successive terms of a year unless terminated by either party giving not less than three months' notice in writing.

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

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

Other than the Directors named above, the following persons were the directors of the subsidiary undertakings during the financial year ended 31 March 2025 or during the period beginning on 1 April 2025 and ending on the date of this Directors' Report:

- | | |
|-----------------|-----------------|
| 1. HAN Zhaoju | 5. LIN Ka Man |
| 2. HU Caixia | 6. MA Jinlin |
| 3. KO Yuen Kwan | 7. ZENG Xuefeng |
| 4. LI Heyuan | |

Change of Information of Director

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, Mr. Ronald Tan, an executive Director of the Company, has been appointed as the chief executive officer of the Company with effect from 13 January 2025. The appointment of Mr. Ronald Tan will continue until terminated by either party giving to the other party not less than one month's notice in writing, subject to the retirement and re-election requirement in accordance with the Company's Articles of Association. For more details of Mr. Ronald Tan, please refer to "Biographical Details" section of this annual report.

Permitted Indemnity Provision

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

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

As at 31 March 2025, 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 from Chinese registered name of the company for identification purpose only.

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

Long Positions (Continued)

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

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

Name of Directors	Date of grant	Exercise Period	Exercise price per share HK\$	Number of share options and underlying shares			
				Outstanding at 1.4.2024	During the year		Outstanding at 31.3.2025
					Granted	Lapsed	
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
				<u>2,200,000</u>	<u>–</u>	<u>–</u>	<u>2,200,000</u>

Notes:

- No share option granted under the 2013 share option scheme was exercised or cancelled during the year ended 31 March 2025.
- All share options granted on 2 March 2017 were vested upon granting. The vesting period of the 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.

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

Long Positions (Continued)

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

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive or any of their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

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

As at 31 March 2025, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholders had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholders	Nature of interests	Number of shares or underlying shares held			Percentage of the issued share capital as at 31.3.2025
		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%
Zhang Xinman	Beneficial owner	37,106,000	–	37,106,000	11.00%

* Starmax is beneficially owned by Mr. Felipe Tan.

Saved as disclosed above, as at 31 March 2025, the Company has not been notified by any persons (other than the Directors) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

Share Options

Details of the Company's share option schemes adopted on 25 September 2013 ("2013 Share Option Scheme") and 26 September 2023 ("2023 Share Option Scheme") are set out in note 29 to the consolidated financial statements. No option is available to grant under the 2013 Share Option Scheme as the scheme was expired during the financial year ended 31 March 2024. The number of options available for grant under the 2023 Share Option Scheme on 1 April 2024 and 31 March 2025 are both 28,128,818. The total number of shares available for issue under the share option scheme adopted on 26 September 2023 is 28,128,818 shares, representing 5.56% of the total issued shares of the Company as at the date of this annual report.

The number of shares that may be issued in respect of options granted under all share schemes of the Company during the year ended 31 March 2025 represented approximately 1.63% (2024 (restated): 1.94%) of the weighted average number of shares of the Company in issue for the year.

Directors' Interests in Transactions, Arrangements or Contracts

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

Independence of Independent Non-Executive Directors

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

Connected Transaction

Details of related party transactions are set out in note 37 to the consolidated financial statements for the year ended 31 March 2025. The related party transactions were carried out in the ordinary and normal course of business of the Group. The transactions were entered into on normal commercial terms mutually negotiated between the Group and the respective related parties; or where there is no available comparison, on the terms that are no less favourable to the Group than terms to or from independent third parties.

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

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

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

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

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

Sufficiency of Public Float

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

Auditors

With effect from 16 January 2025, HLB Hodgson Impey Cheng Limited ("HLB") has resigned as auditor of the Company. The Board, with the recommendation of the Audit Committee, has resolved to appoint CCTH CPA Limited ("CCTH"), Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance, as the new auditor of the Company to fill the vacancy following the resignation of HLB and to hold office until the conclusion of the next annual general meeting of the Company. The consolidated financial statements of the Group for the year ended 31 March 2025 have been audited by CCTH, who will retire, being eligible, and offer themselves for the re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

TIMELESS RESOURCES HOLDINGS LIMITED

Felipe Tan

Chairman

Hong Kong, 26 June 2025



CCTH CPA LIMITED
中正天恆會計師有限公司

To the members of Timeless Resources Holdings Limited

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Timeless Resources Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 64 to 134, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition – principal versus agent

Refer to note 5 to the consolidated financial statements

Key audit matter

Revenue recognition is identified as a key audit matter because of its financial significance to the consolidated financial statements and is one of key performance indicators of the Group. Accordingly, there may be risks of material misstatements related to revenue recognition.

For the year ended 31 March 2025, the Group recognised revenue from its mining and metals business, primarily from the sale of processed gold products of approximately HK\$107,567,000 was derived from trade transactions in situations where the management considered that the Group acted as a principal.

The Group determined whether itself is acting as a principal or agent required judgement and consideration of all relevant facts and circumstances.

We focused on this area due to the significant judgement involved in the assessment of management's determination of principal or agent for the purpose of revenue recognition of sales of processed gold products.

How our audit addressed the key audit matter

Our procedures in relation to management's revenue recognition included:

- We obtained an understanding of the revenue recognition;
- We inspected agreements, on sample basis, to identify terms and conditions which may affect revenue recognition and assessing the Group's revenue recognition policies;
- We tested, on a sample basis, the supporting documentation and the contractual terms of trade transactions;
- We evaluated the pricing strategy and tender process on a sample basis to determine whether the Group has discretion in customer selection and price setting; and
- We assessed the management's conclusion based on the specific facts and circumstances and the applicable accounting standard.

Key Audit Matters (Continued)

Carrying amount of Exploration and Evaluation (the "E&E") Assets

Refer to note 16 to the consolidated financial statements

Key audit matter

The carrying amount of E&E assets was HK\$15,233,000 as at 31 March 2025.

The management of the Group is responsible for assessing, at reporting date, whether there are any facts and circumstances indicating that the carrying amount of these assets may exceed their recoverable amount. This assessment involves careful consideration of both internal and external information, including operational, technical, and economic factors that could affect the value of E&E assets.

For the year ended 31 March 2025, the management of the Group performed a review of all relevant information, such as the validity of exploration rights, the status and progress of exploration activities, and any changes in market or regulatory conditions, to determine whether any indicators of impairment existed. Management concluded that no facts or circumstances were identified as at 31 March 2025 that would suggest the carrying amount of E&E assets exceeded their recoverable amount. As a result, no recoverable amount estimation was performed and no impairment loss was recognised for the year.

We focused on this area and identified it as the key audit matter because the review of impairment indicators requires management to exercise judgement.

How our audit addressed the key audit matter

Our procedures in relation to the carrying amount of the E&E assets included:

- We reviewed management's documentation and analysis supporting their assessment that no indicators of impairment were present at reporting date;
- We inspected exploration licenses and supporting documents to confirm the Group's continued rights to explore the relevant areas, and verified that the licenses were valid and not close to expiry;
- We considered the progress and results of exploration activities from the feasibility studies, and discussed with the management of the Group their plans for future exploration or development; and
- We considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cashflow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group.

Independent Auditor's Report (Continued)

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 24 June 2024.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

CCTH CPA Limited

Certified Public Accountants

Hong Kong, 26 June 2025

Lee Chi Hang

Practising Certificate Number: P01957

Unit 1510–17, 15/F., Tower 2,
Kowloon Commerce Centre,
51 Kwai Cheong Road,
Kwai Chung, N.T., Hong Kong

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	110,622	48,251
Costs of sales		(109,971)	(47,009)
Other income and gains	6	1,705	3,694
Staff costs		(8,951)	(7,667)
Depreciation and amortisation		(347)	(367)
Gain on disposal of property, plant and equipment		95	85
Expected credit loss on trade and other receivables, net		(20)	(8,419)
Loss on fair value changes of an investment property	15	(2,340)	(520)
Loss on fair value changes of financial assets at fair value through profit or loss		(319)	(2,959)
Gain on disposal of financial assets at fair value through profit or loss		150	–
Other operating expenses		(6,385)	(5,502)
Share of loss of associates	17	(88)	(466)
Finance costs	7	(186)	(217)
Loss before tax		(16,035)	(21,096)
Income tax expense	8	–	(216)
Loss for the year	9	(16,035)	(21,312)
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(361)	(4,680)
Total comprehensive expense for the year		(16,396)	(25,992)
Loss attributable to:			
Owners of the Company		(12,421)	(19,438)
Non-controlling interests		(3,614)	(1,874)
		(16,035)	(21,312)
Total comprehensive expense attributable to:			
Owners of the Company		(12,515)	(20,655)
Non-controlling interests		(3,881)	(5,337)
		(16,396)	(25,992)
		HK cents	HK cents (Restated)
Loss per share	12		
– Basic		(3.55)	(6.61)
– Diluted		(3.55)	(6.61)

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	As at 31 March 2025 HK\$'000	As at 31 March 2024 HK\$'000
Non-current assets			
Property, plant and equipment	13	368	496
Right-of-use assets	14	4,721	4,970
Investment property	15	6,340	8,680
Exploration and evaluation assets	16	15,233	13,713
Interests in associates	17	49	137
Financial assets at fair value through profit or loss	18	1,349	1,926
Prepayments	21	2,052	–
Restricted bank balance	22	1,372	1,378
		31,484	31,300
Current assets			
Inventories	19	6,132	1,239
Trade receivables	20	3,111	–
Prepayments, deposits and other receivables	21	4,168	7,298
Financial assets at fair value through profit or loss	18	26	21
Time deposits with original maturity of over three months	22	32,106	32,340
Cash and cash equivalents	22	40,946	50,278
		86,489	91,176
Current liabilities			
Trade and other payables	23	17,913	8,779
Provision for land rehabilitation	24	–	1,081
Loan from a related party	25	–	9,800
Current tax liabilities		113	–
		18,026	19,660
Net current assets		68,463	71,516
Total assets less current liabilities		99,947	102,816
Non-current liabilities			
Provision for land rehabilitation	24	4,390	4,422
Deferred tax liabilities	26	–	738
		4,390	5,160
Net assets		95,557	97,656
Capital and reserves			
Share capital	27	944,653	915,382
Reserves	28	(887,612)	(875,328)
Equity attributable to owners of the Company		57,041	40,054
Non-controlling interests	31	38,516	57,602
Total equity		95,557	97,656

The consolidated financial statements are approved and authorised for issue by the board of directors on 26 June 2025 and are signed on its behalf by:

Felipe Tan
Director

Ronald Tan
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK\$'000	Share options reserve HK\$'000	General reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2023	906,074	1,479	2,205	964	(4,774)	(854,943)	51,005	68,329	119,334
Loss for the year	-	-	-	-	-	(19,438)	(19,438)	(1,874)	(21,312)
Other comprehensive expense for the year	-	-	-	-	(1,217)	-	(1,217)	(3,463)	(4,680)
Total comprehensive expense for the year	-	-	-	-	(1,217)	(19,438)	(20,655)	(5,337)	(25,992)
Issue of shares (note 27)	9,308	-	-	-	-	-	9,308	-	9,308
Lapse/cancellation of share options	-	(801)	-	-	-	801	-	-	-
Recognition of equity-settled share-based payments	-	396	-	-	-	-	396	-	396
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(5,390)	(5,390)
At 31 March 2024 and 1 April 2024	915,382	1,074*	2,205*	964*	(5,991)*	(873,580)*	40,054	57,602	97,656
Loss for the year	-	-	-	-	-	(12,421)	(12,421)	(3,614)	(16,035)
Other comprehensive expense for the year	-	-	-	-	(94)	-	(94)	(267)	(361)
Total comprehensive expense for the year	-	-	-	-	(94)	(12,421)	(12,515)	(3,881)	(16,396)
Recognition of equity-settled share-based payments	-	231	-	-	-	-	231	-	231
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	792	792
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(15,997)	(15,997)
Issue of rights shares (note 27)	29,271	-	-	-	-	-	29,271	-	29,271
At 31 March 2025	944,653	1,305*	2,205*	964*	(6,085)*	(886,001)*	57,041	38,516	95,557

* These reserve accounts comprise the consolidated debit reserves of HK\$887,612,000 (2024: HK\$875,328,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Loss before tax		(16,035)	(21,096)
Adjustments for:			
Equity-settled share-based payments		231	396
Interest income	6	(1,115)	(2,401)
Finance costs	7	186	217
Share of loss of associates	17	88	466
Depreciation and amortisation		347	367
Gain on disposal of financial assets at fair value through profit or loss		(150)	–
Gain on disposal of property, plant and equipment		(95)	(85)
Expected credit loss on trade and other receivables, net		20	8,419
Write-down of inventories		–	18
Loss on fair value changes of an investment property	15	2,340	520
Loss on fair value changes of financial assets at fair value through profit or loss		319	2,959
Operating cash flows before movements in working capital		(13,864)	(10,220)
Increase in inventories		(4,894)	(1,143)
Increase in trade receivables		(3,211)	–
Increase in restricted bank balance		–	(1,392)
Decrease/(increase) in prepayments, deposits and other receivables		3,469	(5,446)
Decrease in provision for land rehabilitation		(1,084)	(1,612)
Increase/(decrease) in trade and other payables		8,010	(1,182)
Cash used in operations		(11,574)	(20,995)
Income taxes paid		(621)	–
NET CASH USED IN OPERATING ACTIVITIES		(12,195)	(20,995)
INVESTING ACTIVITIES			
Interest received		1,101	1,981
Purchases of property, plant and equipment		(4)	(74)
Purchases of exploration and evaluation assets		(2,916)	(567)
Prepayment for purchase of intangible asset		(780)	–
Placement of time deposits		(75,558)	(32,658)
Proceeds from maturity of time deposits		75,558	–
Proceed on disposal of property, plant and equipment		95	85
Acquisition of additional interests in an associate		–	(195)
Proceed on disposal/settlement of financial assets at fair value through profit or loss		150	10,886
NET CASH USED IN INVESTING ACTIVITIES		(2,354)	(20,542)
FINANCING ACTIVITIES			
Capital contribution from non-controlling interests		792	–
Repayment of a loan from a related company		–	(9,000)
Loans (repaid)/received from a related party		(9,800)	9,800
Interest paid		(186)	(220)
Dividends paid to non-controlling shareholders		(15,997)	(5,390)
Proceed from issue of shares	27	–	9,688
Proceed from rights issue	27	30,704	–
Transaction costs attributable to issue of shares	27	–	(380)
Transaction costs attributable to issue of rights shares	27	(258)	–
NET CASH GENERATED FROM FINANCING ACTIVITIES		5,255	4,498
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,294)	(37,039)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		50,278	90,885
Effect of foreign exchange rate changes		(38)	(3,568)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		40,946	50,278

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. General

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

In the opinion of the directors of the Company, the Company does not have a controlling party.

The principal activity of the Company is investment holding. The principal activities of the Company’s principal subsidiaries are set out in note 31.

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

2. Application of Amendments to HKFRS Accounting Standards

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

In the current year, the Company and its subsidiaries (collectively the “Group”) have applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Contract Referencing Nature-dependent Electricity</i> ³
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ³
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ²
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁴
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of these amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

2. Application of Amendments to HKFRS Accounting Standards (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

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

3.1 Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") and by the Hong Kong Companies Ordinance (Cap. 622).

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

Revenue from contracts with customers

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

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

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

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

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

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

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

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Principal versus agent

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

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

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

When the Group is acting as a principal, revenue is recorded on the gross amount of consideration to which it expects to be entitled in exchange for the good or services. Otherwise, revenue is recognised on a net basis i.e., the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the good or services to be provided by other party.

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability.
- any lease payments made at or before the commencement date, less any lease incentives received.

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

The Group as a lessor

Classification and measurement of leases

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

Refundable rental deposits

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

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

3.2 Material accounting policy information (Continued)

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income.

Borrowing costs

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

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

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

Employee benefits

Retirement benefit costs

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

Termination benefits

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Short-term employee benefits

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

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

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

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

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

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

Taxation

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

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

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

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

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

3.2 Material accounting policy information (Continued)

Investment properties

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

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

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

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

Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

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

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Derecognition of intangible assets

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

Exploration and evaluation assets

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

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

Impairment on property, plant and equipment, exploration and evaluation assets and right-of-use assets

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

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

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

3.2 Material accounting policy information (Continued)

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

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

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

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

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

Inventories

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a know amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment on other purposes.

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

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash.

Provision for land rehabilitation

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

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

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

Financial instruments

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

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

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or financial assets at fair value through other comprehensive income ("FVTOCI") or designated at FVTOCI are measured at FVTPL.

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

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

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

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

The Group always recognises lifetime ECL for trade receivables. The Group applied simplified approach in HKFRS 9 to measure the loss allowance for lifetime ECL. The ECL on trade receivables is assessed individually for debtors with credit-impaired and/or collectively using a provision matrix with appropriate groupings based primarily on the debtors’ ageing profiles.

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

(i) Significant increase in credit risk

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

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

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

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

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

(ii) Definition of default

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

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

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

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

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

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

Derecognition of financial assets

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

Critical judgements in applying accounting policies

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

Revenue recognition – principal versus agent consideration

The Group engages in sales of processed gold products. The Group concluded that the Group acts as the principal for such transactions as it controls the specified goods before it is transferred to the customer after taking into consideration that the Group has the right to use and obtain substantially all of the remaining benefit of the specified goods or services from another party. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 March 2025, the Group recognised revenue relating to sales of processed gold products amounted to HK\$107,567,000 (2024: HK\$48,251,000).

Impairment of exploration and evaluation assets

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

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

As at 31 March 2025, the carrying amount of exploration and evaluation assets was HK\$15,233,000 (2024: HK\$13,713,000) and no impairment losses has been recognised.

Key sources of estimation uncertainty

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

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

Fair value measurement of financial instruments

As at 31 March 2025, certain of the Group's financial assets amounting to HK\$1,349,000 (2024: HK\$1,926,000) are measured at fair value which are determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof and changes in assumptions relating to these factors could result in material adjustments to the fair value of these financial instruments. Details of which are set out in Note 18 and note 32(c) to the consolidated financial statements.

ECL on trade receivables, deposits and other receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances. The Group's historical credit loss experience may also not be representative of customer's actual default in the future.

The loss allowances for deposits and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history existing market conditions as well as forward-looking estimates at the end of each reporting period.

Details of the key assumptions and inputs used are disclosed in note 32(b).

Fair value of investment property

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 15.

As at 31 March 2025, the carrying amount of the Group's investment properties is HK\$6,340,000 (2024: HK\$8,680,000).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information

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

In previous years, the Group’s software business and business in development of bio and nano new materials were combined as software and innovation business due to their early stage of development. In the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. The software business experiences expansion and it is considered by the CODM as a separate reportable segment. Prior year segment disclosures have been represented to conform with the current year’s presentation. The Group’s reportable segments under HKFRS 8 are as follows:

- (i) Mining and Metal Business – the exploration, development and exploitation of mines, gold processing and trading; and
- (ii) Software Business – provision of integrated IT solutions and other related services.

Segment revenues and results

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

For the year ended 31 March 2025

	Mining and Metal Business HK\$'000	Software Business HK\$'000	Total HK\$'000
Segment revenue			
External sales	<u>107,567</u>	<u>3,055</u>	<u>110,622</u>
Segment (loss)/profit	<u>(6,449)</u>	<u>343</u>	<u>(6,106)</u>
Interest income			1,115
Unallocated other income and gains			205
Unallocated corporate expenses			(8,293)
Reversal of expected credit loss on other receivables			80
Loss on fair value change of an investment property			(2,340)
Gain on disposal of financial assets at FVTPL			150
Loss on fair value changes of financial assets at FVTPL			(572)
Share of loss of associates			(88)
Finance costs			<u>(186)</u>
Group’s loss before tax			<u>(16,035)</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2024

	Mining and Metal Business HK\$'000	Software Business HK\$'000	Total HK\$'000
Segment revenue			
External sales	48,251	–	48,251
Segment loss	(3,206)	–	(3,206)
Interest income			2,401
Unallocated other income and gains			529
Unallocated corporate expenses			(8,549)
Expected credit loss on other receivables			(8,419)
Loss on fair value changes of an investment property			(520)
Loss on fair value changes of financial assets at FVTPL			(2,649)
Share of loss of associates			(466)
Finance costs			(217)
Group's loss before tax			(21,096)

There were no inter-segment sales in the current year (2024: nil).

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information (Continued)

Segment assets and liabilities

	2025 HK\$'000	2024 HK\$'000
Segment assets		
Mining and Metal Business	32,843	20,646
Software Business	3,891	–
Total reportable segment assets	36,734	20,646
Interests in associates	49	137
Unallocated	81,190	101,693
Consolidated assets	117,973	122,476
Segment liabilities		
Mining and Metal Business	17,793	14,118
Software Business	2,872	–
Total reportable segment liabilities	20,665	14,118
Unallocated	1,751	10,702
Consolidated liabilities	22,416	24,820

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

- all assets are allocated to reportable segments other than certain of the Group's property, plant and equipment, an investment property, financial assets at FVTPL, interests in associates, certain of the Group's prepayments, deposits and other receivables, time deposits with original maturity of over three months and cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than a loan from a related party and certain of the Group's other payables.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information (Continued)

Other segment information

	2025 HK\$'000	2024 HK\$'000
Additions to non-current assets*		
Mining and Metal Business	<u>1,637</u>	<u>641</u>
Gain on disposal of property, plant and equipment		
Mining and Metal Business	<u>95</u>	<u>85</u>
Depreciation and amortisation		
Mining and Metal Business	<u>222</u>	<u>225</u>
Unallocated	<u>125</u>	<u>142</u>
Total depreciation and amortisation recognised in profit or loss	<u>347</u>	<u>367</u>
Expected credit losses on trade receivables		
Software Business	<u>100</u>	<u>–</u>
(Reversal of)/expected credit losses on other receivables		
Unallocated	<u>(80)</u>	<u>8,419</u>

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information (Continued)

Geographical information

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

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

	2025 HK\$'000	2024 HK\$'000
Revenue from external customers		
Hong Kong	107,567	48,251
Mainland China	3,055	—
	<u>110,622</u>	<u>48,251</u>
Non-current assets		
Hong Kong	7,410	9,095
Mainland China	21,304	18,764
	<u>28,714</u>	<u>27,859</u>

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

Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A ¹	78,427	24,061
Customer B ¹	N/A ²	16,255
Customer C ¹	N/A ²	7,935

¹ Revenue from the Mining and Metal Business

² The corresponding revenue did not contribute over 10% of the Group's revenue

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

5. Revenue and Segment Information (Continued)

Disaggregation of revenue from contracts with products

	2025 HK\$'000	2024 HK\$'000
Types of goods or service		
Sales of processed gold products	107,567	48,251
Provision of integrated IT solutions services	3,055	–
	<u>110,622</u>	<u>48,251</u>
Timing of revenue recognition		
At a point in time	<u>110,622</u>	<u>48,251</u>

Sales of processed gold products

The Group sells various gold products after processing in accordance with customers' specifications.

Revenue is recognised at a point in time when the customer obtains control of the goods, being when the goods have been delivered to and accepted by customers. The Group satisfied its performance obligations upon delivery in accordance with its contracts with customers, who bears the risk of obsolescence and loss in relation to the goods.

Provision of integrated IT solutions services

The Group's integrated IT solutions are offered to customers with functionalities and interfacing capabilities tailored to customers' operation environment and are integrated with relevant hardware, other service and software.

The Group determines that such contracts typically comprise one single performance obligation. Revenue is recognised at a point in time upon acceptance of the respective solutions or products by customers, which is when the control over the Group's goods or services is transferred to customers.

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

6. Other Income and Gains

	2025 HK\$'000	2024 HK\$'000
Interest income		
– bank deposits	1,115	1,906
– financial assets at FVTPL	–	87
– other receivables	–	408
Rental income	205	288
Others	385	1,005
	<u>1,705</u>	<u>3,694</u>

7. Finance Costs

	2025 HK\$'000	2024 HK\$'000
Interest on loan from a related party	184	217
Others	2	–
	<u>186</u>	<u>217</u>

8. Income Tax Expense

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Charge for the period, PRC Enterprise Income Tax	114	–
– PRC withholding tax	621	–
Deferred tax (note 26)	(735)	216
	<u>–</u>	<u>216</u>

No provision for taxation in Hong Kong has been made as no taxable profit derived in Hong Kong for both years.

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

8. Income Tax Expense (Continued)

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

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(16,035)	(21,096)
Tax at the Hong Kong Profits Tax rate of 16.5%	(2,646)	(3,481)
Tax effect of share of loss of associates	15	77
Tax effect of expenses not deductible for tax purposes	812	1,729
Tax effect of income not taxable for tax purposes	(151)	(215)
Tax effect of tax losses not recognised	3,550	2,903
Utilisation of deductible temporary differences previously not recognised	(1,594)	(397)
Effect of different tax rates for subsidiaries operating in other jurisdictions	(332)	(152)
PRC withholding tax	346	(248)
Income tax expense for the year	–	216

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

9. Loss for the Year

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging/(crediting):		
Directors' and chief executive's emoluments (note 10)	2,031	2,010
Other staff costs	6,310	5,001
Other staff's retirement benefits scheme contributions	474	420
Other staff equity-settled share-based payment	136	236
	<u>8,951</u>	<u>7,667</u>
Employee benefits expenses		
Depreciation of property, plant and equipment	132	150
Depreciation of right-of-use assets	215	217
	<u>347</u>	<u>367</u>
Depreciation and amortisation		
Rental income arising from an investment property	(205)	(288)
Less: direct operating expenses incurred for an investment property that generate rental income during the year	103	99
	<u>(102)</u>	<u>(189)</u>
Expected credit losses on trade receivables	100	–
(Reversal of)/expected credit losses on other receivables	(80)	8,419
	<u>20</u>	<u>8,419</u>
Expected credit losses on trade and other receivables, net		
Auditors' remuneration	578	645
Cost of inventories recognised as an expense	109,971	46,991
Write-down of inventories (included in the costs of sales line item)	–	18
Expense relating to short-term leases not included in the measurement of lease liabilities	613	700
Net foreign exchange loss	159	211

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

10. Directors' and Chief Executive's Emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and section 383(1) of the Hong Kong Companies Ordinance (Cap.622), is as follows:

For the year ended 31 March 2025

	Fee HK\$'000	Salaries and other benefits in kind HK\$'000	Retirement benefits scheme contributions HK\$'000	Performance and discretionary bonus HK\$'000	Equity- settled share-based payment expense HK\$'000	Total emoluments HK\$'000
Executive directors						
Felipe Tan	-	956	-	47	12	1,015
Ronald Tan	-	490	22	31	47	590
Independent non-executive directors						
Lam Kwai Yan	130	-	-	-	12	142
Chan Choi Ling	130	-	-	-	12	142
Yu Leung Fai	130	-	-	-	12	142
	<u>390</u>	<u>1,446</u>	<u>22</u>	<u>78</u>	<u>95</u>	<u>2,031</u>

For the year ended 31 March 2024

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

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

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

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

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

During the year, no emoluments were paid by the Group to any of the directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil). None of the directors or the chief executive has waived any emoluments during the year (2024: nil).

11. Five Highest Paid Employees

For the year ended 31 March 2025, the five highest paid employees of the Group included two directors (2024: two directors). Details of the remuneration of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are stated below.

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	2,226	2,151
Retirement benefits scheme contribution	54	54
Performance and discretionary bonus	145	141
Equity-settled share-based payment expenses	61	104
	<u>2,486</u>	<u>2,450</u>

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

	2025	2024
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	1	1
	<u>3</u>	<u>3</u>

During the year, no emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

12. Loss Per Share

(a) Basic loss per share

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

	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(12,421)</u>	<u>(19,438)</u>
	2025 '000	2024 '000
		(Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>349,603</u>	<u>294,059</u>

Note: The weighted average number of ordinary shares for the year ended 31 March 2024 has been adjusted for the rights issue implemented during the year ended 31 March 2025 as set out in note 27 to the consolidated financial statements. The basic loss per share for the year ended 31 March 2024 has been restated accordingly.

(b) Diluted loss per share

The computation of the diluted loss per share does not assume the exercise of the Company's outstanding share option since the exercise prices of those options were higher than the average market price for shares for both years ended 31 March 2025 and 2024 and therefore were anti-dilutive.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

13. Property, Plant and Equipment

	Building and property HK\$'000	Plant and machinery HK\$'000	Computer equipment HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost						
Balance at 1 April 2023	15,138	4,830	1,499	255	4,286	26,008
Exchange adjustments	(839)	(270)	(84)	(13)	(185)	(1,391)
Additions	–	–	–	74	–	74
Disposals	–	–	–	–	(691)	(691)
Balance at 31 March 2024 and 1 April 2024	14,299	4,560	1,415	316	3,410	24,000
Exchange adjustments	(78)	(33)	(10)	(2)	(10)	(133)
Additions	–	–	–	4	–	4
Written off/disposals	(2,855)	–	–	–	(984)	(3,839)
Balance at 31 March 2025	11,366	4,527	1,405	318	2,416	20,032
Accumulated depreciation and impairment						
Balance at 1 April 2023	15,087	4,830	1,499	234	3,785	25,435
Exchange adjustments	(839)	(270)	(84)	(12)	(185)	(1,390)
Provided for the year	33	–	–	11	106	150
Disposals	–	–	–	–	(691)	(691)
Balance at 31 March 2024 and 1 April 2024	14,281	4,560	1,415	233	3,015	23,504
Exchange adjustments	(78)	(33)	(10)	(2)	(10)	(133)
Provided for the year	18	–	–	9	105	132
Written off/disposals	(2,855)	–	–	–	(984)	(3,839)
Balance at 31 March 2025	11,366	4,527	1,405	240	2,126	19,664
Carrying amounts						
Balance at 31 March 2025	–	–	–	78	290	368
Balance at 31 March 2024	18	–	–	83	395	496

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The above items of property, plant and equipment are depreciated on a straight-line basis at the following estimated useful lives:

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

14. Right-of-Use Assets

	Leasehold land HK\$'000	
As at 31 March 2025		
Carrying amount		4,721
As at 31 March 2024		
Carrying amount		4,970
For the year ended 31 March 2025		
Exchange adjustments		(34)
Depreciation charge		(215)
		(249)
For the year ended 31 March 2024		
Exchange adjustments		(305)
Depreciation charge		(217)
		(522)
	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets	215	217
Expense relating to short-term leases and total cash outflow for leases	613	700

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

The Group regularly entered into short-term leases for office premises and motor vehicle. As at 31 March 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

15. Investment Property

The Group leases out a commercial property under operating leases. The leases typically run for an initial period of 3 years (2024: 2 years) with lease payment that are fixed over the lease term.

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

	2025 HK\$'000	2024 HK\$'000
FAIR VALUE		
At 1 April 2024/2023	8,680	9,200
Net decrease in fair value recognised in profit or loss	<u>(2,340)</u>	<u>(520)</u>
At 31 March	<u>6,340</u>	<u>8,680</u>

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

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

The fair value of the Group's investment property as at 31 March 2025 and 2024 has been arrived at on the basis of a valuation carried out by Norton Appraisals Holdings Limited, independent qualified professional values not connected to the Group. In estimating the fair value of the property, the highest and best use of the property is its current use.

The Group's investment properties are measured at their fair value of approximately HK\$6,340,000 (2024: HK\$8,680,000), which represented a commercial building located in Hong Kong and was classified as Level 3 fair value hierarchy.

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

The key unobservable inputs used in valuing the investment property were the market unit rent per square feet of HK\$11 (2024: HK\$14), and the reversionary yield of 4.5% (2024: 4%).

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

During the year, there were no transfers of fair value measurements between Level 1 and 2 and no transfers into or out of Level 3 (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

16. Exploration and Evaluation Assets

	HK\$'000
At 1 April 2023	13,932
Exchange adjustments	(786)
Additions for the year	567
At 31 March 2024	13,713
Exchange adjustments	(113)
Additions for the year	1,633
At 31 March 2025	15,233

17. Interests in Associates

	2025 HK\$'000	2024 HK\$'000
Share of net assets	49	137

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

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			2025	2024	
Nano Bubble Limited ("Nano Bubble")	Hong Kong	Hong Kong	46%	46%	Research, development and sales of hygienic and sanitisation products
Nano Energy Limited ("Nano Energy")	Hong Kong	Hong Kong	30%	30%	Development of different power generation mechanisms

For the year ended 31 March 2024, the Group acquired additional equity interests in Nano Bubble at a cash consideration of HK\$195,000 with equity interests increased from 40% to 46%.

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

	2025 HK\$'000	2024 HK\$'000
Share of associates' loss and total comprehensive expense for the year	(88)	(466)
Aggregate carrying amount of the Group's interests in the associates	49	137

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

18. Financial Assets at Fair Value through Profit or Loss

	2025 HK\$'000	2024 HK\$'000
Financial assets measured at FVTPL:		
Listed debt securities (note a)	26	21
Unlisted equity investments (note b)	1,349	1,926
	<u>1,375</u>	<u>1,947</u>
Analysed for reporting purposes:		
Current assets	26	21
Non-current assets	1,349	1,926
	<u>1,375</u>	<u>1,947</u>

Notes:

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

For the year ended 31 March 2025, the Group recorded a gain on fair value changes of approximately HK\$5,000 (2024: loss of HK\$102,000) in the consolidated statement of profit or loss and other comprehensive income.

- b. For the year ended 31 March 2025, a net loss on fair value changes of HK\$577,000 (2024: HK\$2,547,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

19. Inventories

	2025 HK\$'000	2024 HK\$'000
Raw materials	<u>6,132</u>	<u>1,239</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

20. Trade Receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables from contracts with customers	3,211	–
Less: Allowance for credit loss	(100)	–
	<u>3,111</u>	<u>–</u>

The group allows an average credit period of 30 days to its customers. The following is an aged analysis of trade receivables net of allowance for credit loss presented based on date of rendering services.

	2025 HK\$'000	2024 HK\$'000
Within 90 days	<u>3,111</u>	<u>–</u>

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$2,800,000 (2024: nil) which are past due as at the reporting date.

Details of impairment assessment of trade receivables are set out in note 32(b).

21. Prepayments, Deposits and Other Receivables

	2025 HK\$'000	2024 HK\$'000
Prepayments	5,758	6,961
Deposits	36	36
Other receivables	9,817	9,772
Less: allowance of credit losses (note 32(b))	(9,391)	(9,471)
	<u>6,220</u>	<u>7,298</u>
Analysed for reporting purposes:		
Current assets	4,168	7,298
Non-current assets	<u>2,052</u>	<u>–</u>
	<u>6,220</u>	<u>7,298</u>

At 31 March 2025, included in the Group's other receivables (before allowance of credit loss) amounting to approximately HK\$9,183,000 (2024: HK\$9,263,000) represent a profit guarantee receivable from the founders of an investee. Such receivable is overdue on 30 June 2023, bearing interest at 5% per annum and is secured by shares of that investee.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

Cash and cash equivalents comprise cash held by the Group and short-term demand deposits with effective interest rates ranging between 0.1% and 1.25% (2024: 0.2% and 4.15%) per annum. The Group also held time deposits with bank carrying interest at ranging between 1.15% and 1.35% (2024: 1.7%) per annum.

At 31 March 2025, restricted bank balance of the Group of approximately HK\$1,372,000 (2024: HK\$1,378,000) carries interest at 0.3% per annum that was placed at a designated bank account to settle future environment restoration for the Group's mines whose usage is restricted and is classified as non-current assets.

At 31 March 2025, the Group had cash and cash equivalents, time deposits with original maturity of over three months and restricted bank balance of approximately HK\$40,092,000 (2024: HK\$71,500,000) which are denominated in Renminbi ("RMB") and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the PRC government.

23. Trade and Other Payables

	2025 HK\$'000	2024 HK\$'000
Trade payables	7,084	216
Other payables and accruals	8,745	8,563
Refund liabilities	2,084	–
	<u>17,913</u>	<u>8,779</u>

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

	2025 HK\$'000	2024 HK\$'000
Less than 90 days	6,869	–
More than 90 days	215	216
	<u>7,084</u>	<u>216</u>

Included in other payables as at 31 March 2024 is an amount of 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

24. Provision for Land Rehabilitation

	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of year	5,503	7,521
Exchange adjustments	(29)	(406)
Utilisation during the year	<u>(1,084)</u>	<u>(1,612)</u>
Balance at the end of year	4,390	5,503
Less: provision for land rehabilitation classified as non-current liabilities	<u>(4,390)</u>	<u>(4,422)</u>
Provision for land rehabilitation classified as current liabilities	<u><u>–</u></u>	<u><u>1,081</u></u>

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

25. 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 loans are unsecured, repayable on demand and bear interest at 4.5% per annum.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

26. Deferred Tax

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

	Withholding tax on undistributed profits HK\$'000	Unused tax loss HK\$'000	Exploration and evaluation assets HK\$'000	Write-down of inventories HK\$'000	Provision for land rehabilitation HK\$'000	Fair value adjustments arising from business combination HK\$'000	Total HK\$'000
At 1 April 2023	526	–	3,482	(431)	(1,464)	(1,587)	526
Exchange adjustments	(4)	–	(194)	24	81	89	(4)
(Credit)/charge to profit or loss							
Origination and reversal of temporary differences	(248)	–	141	–	7	316	216
At 31 March 2024	274	–	3,429	(407)	(1,376)	(1,182)	738
Exchange adjustments	–	–	(25)	3	10	9	(3)
(Credit)/charge to profit or loss							
Origination and reversal of temporary differences	(274)	(1,594)	404	–	269	460	(735)
At 31 March 2025	–	(1,594)	3,808	(404)	(1,097)	(713)	–

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

At the end of the reporting period, the Group has unused tax losses of approximately HK\$367,609,000 (2024: HK\$350,430,000) available for offsetting against future profits. A deferred tax asset has been recognised in respect of approximately HK\$6,376,000 (2024: nil) of such losses. No deferred tax asset has been recognised in respect of the remaining unused tax losses of approximately HK\$361,233,000 (2024: HK\$350,430,000) due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$520,000 expiring in 2027, HK\$5,201,000 expiring in 2028, HK\$7,390,000 expiring in 2029 and HK\$8,412,000 expiring in 2030. Other losses may be carried forward indefinitely.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

27. Share Capital

	Number of shares		Share capital	
	2025	2024	2025	2024
			HK\$'000	HK\$'000
Issued and fully paid				
At beginning of year	337,288,180	2,812,881,803	915,382	906,074
Consolidation of shares (note a)	–	(2,531,593,623)	–	–
Issue of rights shares (note b)	168,644,090	–	30,019	–
Issue of new shares (note c)	–	56,000,000	–	9,688
Transaction costs attributable to issue of rights shares (note b)	–	–	(748)	–
Transaction costs attributable to issue of new shares (note c)	–	–	–	(380)
	<u>505,932,270</u>	<u>337,288,180</u>	<u>944,653</u>	<u>915,382</u>
At end of year	505,932,270	337,288,180	944,653	915,382

Notes:

- (a) On 28 December 2023, the Company passed an ordinary resolution to consolidate ten existing ordinary shares into one consolidated share. Such adjustment was effective on 2 January 2024.
- (b) On 27 February 2025, the Company proposed to raise gross proceeds of up to approximately HK\$30 million by way of the issue of 168,644,090 rights shares ("Rights Shares") at the subscription price of HK\$0.178 per Rights Share on the basis of one (1) Rights Share for every two (2) existing shares held on the record date on a non-underwritten basis (the "Rights Issue"). As set out in the Company's announcement dated 7 April 2025, the Company announced that all conditions set out in the Company's prospectus dated 14 March 2025 had been fulfilled and the Rights Issue became unconditional on 31 March 2025. The Rights Shares were subsequently issued on 8 April 2025 upon completion.

Details of the Rights Issue were set out in the Company's announcements dated 27 February 2025 and 7 April 2025, and the Company's prospectus dated 14 March 2025.

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

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

28. Reserves

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

General reserve

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

Share options reserve

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

Property revaluation reserve

The property revaluation reserve represents cumulative gains arising on the revaluation of the corresponding items of property, plant and equipment that have been recognised in other comprehensive income. Such items will not be reclassified to profit or loss in subsequent periods.

Translation reserve

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

29. Share-based Payment Transactions

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

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

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

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

29. Share-based Payment Transactions (Continued)

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

An offer of the grant of an option shall be accepted when the Company receives in writing the acceptance of the offer from the grantee together with a remittance in favor of the Company of HK\$1 by way of consideration for the grant thereof. The option shall remain open for acceptance by the 2013 Eligible Participants concerned for a period of 28 days from the date of offer.

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

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

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

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

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

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

29. Share-based Payment Transactions (Continued)

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

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

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

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

The exercisable period is determined by the board of directors in its absolute discretion, save that such period shall not be more than ten years from the date of grant. The vesting period of options shall not be less than 12 months. As at 31 March 2025 and 2024, there was no options granted under the 2023 Share Option Scheme.

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

The 2023 Share Option Scheme is valid for a period of ten years commencing on the adoption date of 26 September 2023 and its remaining life as at 31 March 2025 was about 8.49 years.

For the year ended 31 March 2025

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

Notes:

1. No share option was granted under the share option schemes during the year ended 31 March 2025.
2. No share option granted under the 2013 Share Option Scheme was cancelled during the year ended 31 March 2025.
3. No share option granted under the share option schemes was exercised during the year ended 31 March 2025.
4. All share options granted on 2 March 2017 were vested upon granting. The vesting period of the share options granted on 14 August 2023 is from 14 August 2023 to 13 August 2024, and such share options were vested on 14 August 2024. The weighted average closing price of the shares immediately before the dates on which the options were vested was HK\$0.166.
5. Upon completion of the Share Consolidation on 2 January 2024, the number of options and exercise prices were adjusted accordingly.

29. Share-based Payment Transactions (Continued)

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

The Group recognised the total expense of HK\$231,000 (2024: HK\$396,000) for the year ended 31 March 2025 in relation to the share options granted by the Company.

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

30. Retirement Benefits Schemes

Defined contribution plan

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

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

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

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

The retirement benefits scheme contribution expense recognised by the Group amounted to HK\$496,000 (2024: HK\$440,000) during the year ended 31 March 2025.

During the years ended and as at 31 March 2025 and 2024, no contribution was forfeited (by the Group on behalf of its employees who leave the defined contribution schemes prior to vesting fully in such contributions) or was used by the Group to reduce the existing level of contributions.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

31. Particulars of Principal Subsidiaries of the Company

General information of principal subsidiaries

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

Name of subsidiaries	Place of incorporation/ registration/ operations	Issued ordinary/ registered capital	Percentage of equity interests attributable to the Company		Principal activities
			Directly	Indirectly	
Time Rich HK Limited	Hong Kong	HK\$100	–	100%	Investment holding, provision of business services
Time Harvest Trading Limited	Hong Kong	HK\$100	–	100%	Trading of metal
新疆天目礦業資源開發有限公司 Xinjiang Tianmu Mineral Resources Development Co. Ltd.* (“Xinjiang Tianmu”)	Mainland China	RMB36,000,000	–	26%	Exploration and exploitation of nickel- copper mines in Xinjiang, Mainland China and processing and sale of the outputs from the mines
天智雲算(深圳)科技有限公司 Tianzhi Yunsuan (Shenzhen) Technology Company Limited* (“Tianzhi Yunsuan”)	Mainland China	RMB2,000,000	–	90.1%	Provision of integrated IT solutions services, digital management software transformation services, centralised data storage and AI data analysis, development of high performance systems

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

General information of principal subsidiaries (Continued)

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

Tianzhi Yunsuan is a wholly foreign owned enterprise established in Mainland China.

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

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

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

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

Name of subsidiary	Place of establishment/ registration and principal place of business	Proportion of ownership interests held by the non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Xinjiang Tianmu	Mainland China	74%	74%	(3,412)	(1,667)	36,820	56,917
Individually immaterial subsidiaries with non-controlling interests						1,696	685
						38,516	57,602

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

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

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

Xinjiang Tianmu

	2025 HK\$'000	2024 HK\$'000
Current assets	39,369	70,627
Non-current assets	22,675	20,142
Current liabilities	(7,178)	(8,958)
Non-current liabilities	(5,103)	(4,886)
Net assets	49,763	76,925
Equity attributable to owners of the Company	12,943	20,008
Non-controlling interests	36,820	56,917
Total equity	49,763	76,925
Revenue	—	—
Other income and gains	1,371	2,819
Expenses	(5,983)	(5,072)
Loss for the year	(4,612)	(2,253)
Loss for the year attributable to owners of the Company	(1,200)	(586)
Loss for the year attributable to the non-controlling interests	(3,412)	(1,667)
Loss for the year	(4,612)	(2,253)
Other comprehensive expense attributable to owners of the Company	(94)	(1,217)
Other comprehensive expense attributable to non-controlling interests	(267)	(3,463)
Other comprehensive expense for the year	(361)	(4,680)
Total comprehensive expense attributable to owners of the Company	(1,294)	(1,803)
Total comprehensive expense attributable to non-controlling interests	(3,679)	(5,130)
Total comprehensive expense for the year	(4,973)	(6,933)
Dividends paid to non-controlling interests of Xinjiang Tianmu	10,873	—
Net cash outflow from operating activities	(8,291)	(6,505)
Net cash outflow from investing activities	(651)	(20,444)
Net cash outflow from financing activities	(22,189)	—
Effect of foreign exchange rate changes	(38)	(3,568)
Net decrease in cash and cash equivalents	(31,169)	(30,517)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments

(a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at FVTPL	1,375	1,947
Financial assets at amortised cost	77,571	84,043
Financial liabilities		
Amortised cost	16,705	18,462

(b) Financial risk management objectives and policies

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

Market risk

Foreign currency risk management

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

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

32. Financial Instruments (Continued)

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

Market risk (Continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to its fixed rate time deposits, short-term bank deposits and fixed rate borrowings. The Group is also exposed to cash flow interest rate risk in relation to their variable-rate bank balances. The management considers that the exposure to interest rate risk on bank balances is insignificant. For borrowings which are fixed-rate instruments is insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Commodity price risk

Commodity price risk is the risk that fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are affected by a number of economic, political and military factors which are not within the control by the Group.

The change in commodity prices expose the Group to price risk as the Group conducts business activities in precious metal trading. The Group entered into certain derivative financial instruments for economic hedging purposes in order to mitigate the financial impact from price fluctuations on inventories of metals held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group. Hence, the Group considered the price risk arising from precious metals price fluctuations is significantly reduced.

Derivative financial instruments mainly represent gold future contracts. These derivative financial instruments are not qualified for hedge accounting within the context of HKFRS 9 with changes in fair value of any derivative financial instruments are recognised immediately in the consolidation profit or loss under "loss on fair value changes of financial assets at fair value through profit or loss". During the year, the Group recognised a gain on fair value changes of derivative financial instruments of approximately HK\$253,000 (2024: loss of HK\$310,000).

As at 31 March 2025 and 2024, there were no outstanding derivative financial instruments for the Group.

32. Financial Instruments (Continued)

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

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. Other than other receivables as disclosed in note 21 to the consolidated financial statements, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The Group does not provide any guarantees which would expose the Group to credit risk.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Restricted bank balance, time deposits with original maturity of over three months and cash and cash equivalents

The credit risk on restricted bank balance, time deposits with original maturity of over three months and cash and cash equivalents is limited because majority of the counterparties are banks with high credit ratings assigned by international credit-rating agencies and state-owned banks with good reputation. The Group assessed 12m ECL for these balances by reference to information relating to the respective credit rating grades published by external credit rating agencies.

Trade receivables arising from contracts with customers

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group's concentration of credit risk by geographical locations is mainly in Mainland China, which accounted for 100% (2024: nil) of the total trade receivables as at 31 March 2025. The Group has concentration of credit risk as 100% (2024: nil) of the total trade receivables was due from the Group's largest customer within the Software Business segment. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix approach. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

32. Financial Instruments (Continued)

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

Credit risk and impairment assessment (Continued)

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative forward-looking information that is reasonable and supportive. The management estimates the estimated loss rate based on historical credit loss experience of the debtors as well as the fair value of collaterals pledged by the debtors, if any. The Group provided impairment based on 12m ECL for these deposits and other receivables that the directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and based on lifetime ECL for these deposits and other receivables which had significant increase in credit risk or credit-impaired during the year. For the year ended 31 March 2025, the Group reversal of ECL on other receivables of approximately HK\$80,000 in the consolidated statement of profit or loss and other comprehensive income (2024: recognised ECL of HK\$8,419,000).

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments (Continued)

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

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amounts 2025 HK\$'000	2024 HK\$'000
Restricted bank balance, time deposits and cash and cash equivalents	22	A1 to Aa3	Low risk	12m ECL	74,424	83,996
Trade receivables	20	N/A	Low risk	Lifetime ECL	3,211	–
Deposits and other receivables	21	N/A	Low risk	12m ECL	36	47
		N/A	Loss	Lifetime ECL	9,391	9,471
					<u>87,026</u>	<u>93,514</u>

Movement in the loss allowance account recognised using the simplified approach in respect of trade receivables during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 April 2024/2023	–	–
ECL recognised	<u>100</u>	<u>–</u>
Balance at 31 March	<u>100</u>	<u>–</u>

The following table shows reconciliation of ECL that has been recognised for deposit and other receivables.

	12m ECL HK\$'000	Lifetime ECL (credit impaired) HK\$'000	Total HK\$'000
At 1 April 2023	–	1,052	1,052
ECL recognised	<u>–</u>	<u>8,419</u>	<u>8,419</u>
At 31 March 2024 and 1 April 2024	–	9,471	9,471
Reversal of ECL	<u>–</u>	<u>(80)</u>	<u>(80)</u>
At 31 March 2025	<u>–</u>	<u>9,391</u>	<u>9,391</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments (Continued)

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

Liquidity risk management

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities is prepared based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or less than 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts at 31 March HK\$'000
2025				
Trade and other payables	N/A	16,705	16,705	16,705
2024				
Trade and other payables	N/A	8,662	8,662	8,662
Loan from a related party	4.5	9,800	9,800	9,800
		18,462	18,462	18,462

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 March 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at FVTPL				
Listed securities	26	–	–	26
Unlisted equity investments	–	–	1,349	1,349
	<u>26</u>	<u>–</u>	<u>1,349</u>	<u>1,375</u>

Fair value hierarchy as at 31 March 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at FVTPL				
Listed securities	21	–	–	21
Unlisted equity investments	–	–	1,926	1,926
	<u>21</u>	<u>–</u>	<u>1,926</u>	<u>1,947</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 March 2025	Fair value as at 31 March 2024	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Listed debt securities	HK\$26,000	HK\$21,000	Level 1	Quoted market prices	Not applicable
Unlisted equity investments	HK\$1,349,000	HK\$1,926,000	Level 3	Market approach – it values a business entity by comparison of the prices at which other similar business, companies or interests changed hands in arm's length transaction	Enterprise value to sales ratio of 3.5 (2024: 4.7) (note)

Note: An increase in the enterprise value to sales ratio used in isolation would result in an increase in the fair value measurement of the unlisted equity investment, and vice versa. A 10% increase/decrease in the enterprise value to sales ratio holding all other variables constant would increase/decrease the carrying amount of the unlisted equity investments by approximately HK\$133,000 (2024: HK\$190,000) and HK\$133,000 (2024: HK\$191,000) respectively.

There were no transfers between Level 1, 2 and 3 during the year (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

32. Financial Instruments (Continued)

(c) Fair value measurements of financial instruments (Continued)

Reconciliation of level 3 fair value measurement

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024/2023	1,926	15,893
Loss on fair value changes recognised in profit or loss	(577)	(2,547)
Exchange difference	–	(534)
Settlement	–	(10,886)
At 31 March	1,349	1,926

The net loss on fair value change of level 3 financial assets recognised in profit or loss amounting to approximately HK\$577,000 (2024: HK\$2,547,000) within the line item “loss on fair value changes on financial assets at fair value through profit or loss” in the consolidated profit or loss and other comprehensive income for the year ended 31 March 2025.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

33. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts (which includes loans from a related party) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group is not subject to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

33. Capital Risk Management (Continued)

Gearing ratio

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the new share issues as well as the issue of new debts.

The gearing ratio at the end of the reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Debts	–	9,800
Equity attributable to owners of the Company	57,041	40,054
Gearing ratio	0%	24.47%

34. Notes to the Consolidated Statement of Cash Flows

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Loan from related parties HK\$'000	Dividend payable to a non- controlling shareholder HK\$'000	Total HK\$'000
At 1 April 2023	9,003	–	9,003
Changes from financing cash flows	580	(5,390)	(4,810)
Dividend declared to non-controlling interests	–	5,390	5,390
Interest expenses	217	–	217
At 31 March 2024	9,800	–	9,800
Changes from financing cash flows	(9,984)	(15,997)	(25,981)
Dividend declared to non-controlling interests	–	15,997	15,997
Interest expenses	184	–	184
At 31 March 2025	–	–	–

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

35. Operating Lease Arrangements

The Group as lessor

All of the properties held by the Group for rental purposes have lease term of 3 years (2024: 2 years).

Undiscounted lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	288	–
In the second and third year	480	–
	<u>768</u>	<u>–</u>

36. Capital Commitment

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of the acquisition of exploration and evaluation assets contracted for but not provided in the consolidated financial statements	<u>2,023</u>	<u>–</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

37. Related Party Transactions

Other than as disclosed elsewhere in the consolidated financial statement, the Group had the following transactions with related parties:

	2025 HK\$'000	2024 HK\$'000
Rental and share of office expenses paid to related companies (note i)	878	900
Loan interest to a director (note ii)	184	217
Exploration expenses charged by a related company (note iii)	1,394	567

Notes:

- i. Rental and share of office expenses in respect of the leasing of office premises were paid to related companies which are beneficially owned by Mr. Felipe Tan, an executive director of the Company, at terms mutually agreed by both parties. All leases of office premises are classified as short-term leases, with lease terms of less than 12 months. As at the reporting date, the Group has no outstanding lease commitments in respect of these leases.
- ii. Interest expenses were charged at 4.5% per annum in respect of loans from Mr. Felipe Tan.
- iii. Exploration expenses were charged by a related company, which is the non-controlling shareholder of a subsidiary of the Company, at terms mutually agreed by both parties.

Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and respective notes.

Compensation of key management personnel

The key management personnel are the executive directors of the Company. The details of the remuneration paid to them are set out in note 10.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

38. Statement of Financial Position of the Company

Statement of financial position of the Company

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Property, plant and equipment	290	403
Investment property	6,340	8,680
Investments in subsidiaries	—	—
	<u>6,630</u>	<u>9,083</u>
Current assets		
Other receivables	123	210
Amounts due from subsidiaries	24,221	26,581
Bank balances and cash	30,866	393
	<u>55,210</u>	<u>27,184</u>
Current liabilities		
Other payables	<u>1,725</u>	<u>886</u>
Net current assets	<u>53,485</u>	<u>26,298</u>
Net assets	<u>60,115</u>	<u>35,381</u>
Capital and reserves		
Share capital	944,653	915,382
Reserves	(884,538)	(880,001)
Total equity	<u>60,115</u>	<u>35,381</u>

The statement of financial position is approved and authorised for the issue by the Board of Directors on 26 June 2025 and is signed on its behalf by:

Felipe Tan
Director

Ronald Tan
Director

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2025

38. Statement of Financial Position of the Company (Continued)

Movements in the Company's reserve

	Share options reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	1,479	964	(880,043)	(877,600)
Loss and total comprehensive expense for the year	–	–	(2,797)	(2,797)
Equity-settled share-based payments	396	–	–	396
Lapse/cancellation of share options	(801)	–	801	–
	<u>1,074</u>	<u>964</u>	<u>(882,039)</u>	<u>(880,001)</u>
At 31 March 2024	1,074	964	(882,039)	(880,001)
Loss and total comprehensive expense for the year	–	–	(4,768)	(4,768)
Equity-settled share-based payments	231	–	–	231
	<u>1,305</u>	<u>964</u>	<u>(886,807)</u>	<u>(884,538)</u>
At 31 March 2025	<u>1,305</u>	<u>964</u>	<u>(886,807)</u>	<u>(884,538)</u>

Major Property Information

The Group’s property portfolio summary – major property held for investment:

Location	Existing use	Tenure	Group’s interest (%)	
			2025	2024
Unit 6 on 11th Floor of Tower 2 Ever Gain Plaza No. 88 Container Port Road Kwai Chung, New Territories	Office	Medium term lease	100%	100%

Five-Year Financial Summary

	Year ended 31 March				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Restated)		

RESULTS

Revenue	189,935	80,197	160	48,251	110,622
(Loss)/profit before tax	70,240	45,073	(9,676)	(21,096)	(16,035)
Income tax expense	(20,067)	(8,441)	(109)	(216)	–
(Loss)/profit for the year	50,173	36,632	(9,785)	(21,312)	(16,035)
Attributable to:					
Owners of the Company	7,976	6,948	(8,044)	(19,438)	(12,421)
Non-controlling interests	42,197	29,684	(1,741)	(1,874)	(3,614)
	50,173	36,632	(9,785)	(21,312)	(16,035)

	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Restated)		

ASSETS AND LIABILITIES

Total assets	194,440	181,298	146,873	122,476	117,973
Total liabilities	(59,161)	(32,942)	(27,539)	(24,820)	(22,416)
	135,279	148,356	119,334	97,656	95,557
Attributable to:					
Owners of the Company	52,784	61,056	51,005	40,054	57,041
Non-controlling interests	82,495	87,300	68,329	57,602	38,516
	135,279	148,356	119,334	97,656	95,557