



TIMELESS RESOURCES HOLDINGS LIMITED

天時資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8028)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

RESULTS

The board of Directors (“Board”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2024, together with the comparative audited figures for the corresponding period in 2023, which have been reviewed by the audit committee of the Company and approved by the Board on 24 June 2024 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

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

Consolidated Statement of Financial Position

For the year ended 31 March 2024

	As at 31 March 2024 <i>HK\$'000</i>	As at 31 March 2023 <i>HK\$'000</i> (Restated)	As at 1 April 2022 <i>HK\$'000</i> (Restated)
Non-current assets			
Property, plant and equipment	496	573	157
Right-of-use assets	4,970	5,492	6,165
Investment property	8,680	9,200	7,900
Intangible assets	–	–	–
Exploration and evaluation assets	13,713	13,932	13,956
Interests in associates	137	408	401
Financial assets at fair value through profit or loss	1,926	4,473	7,290
Land rehabilitation costs	–	–	–
Restricted bank balance	1,378	–	–
	31,300	34,078	35,869
Current assets			
Inventories	1,239	119	130
Trade receivables	–	–	5
Prepayments, deposits and other receivables	7,298	10,248	16,510
Financial assets at fair value through profit or loss	21	11,543	1,719
Time deposit with original maturity of over three months	32,340	–	–
Cash and cash equivalents	50,278	90,885	127,065
	91,176	112,795	145,429
Current liabilities			
Trade and other payables	10	8,779	10,489
Provision for land rehabilitation		1,081	2,837
Loans from related parties		9,800	9,003
		19,660	22,329
			23,478
Net current assets	71,516	90,466	121,951
Total assets less current liabilities	102,816	124,544	157,820

	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
<i>Note</i>	HK\$'000	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)	(Restated)
Non-current liabilities			
Provision for land rehabilitation	4,422	4,684	7,246
Deferred tax liabilities	738	526	1,414
	<u>5,160</u>	<u>5,210</u>	<u>8,660</u>
Net assets	<u>97,656</u>	<u>119,334</u>	<u>149,160</u>
Capital and reserves			
Share capital	915,382	906,074	906,074
Reserves	(875,328)	(855,069)	(844,809)
Equity attributable to owners of the Company	40,054	51,005	61,265
Non-controlling interests	57,602	68,329	87,895
Total equity	<u>97,656</u>	<u>119,334</u>	<u>149,160</u>

NOTES:

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on GEM of the Stock Exchange. The address of the registered office and principal place of business of the Company is Room 2208, 118 Connaught Road West, Hong Kong. The Company changed its name from Timeless Software Limited to Timeless Resources Holdings Limited on 9 October 2023.

The principal activity of the Company is investment holding. The Group is principally engaged in (i) the exploration, development and exploitation of mines and trading of metal (“Mining and Metal Business”); and (ii) research, development and sale agency of bio and nano materials products as well as software maintenance and development services (“Software and Innovation Business”).

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

The financial information relating to the years ended 31 March 2024 and 2023 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 March 2024 to the Registrar of Companies in due course.

The Company’s auditors have reported on the financial statements of the Group for both financial years. The auditors’ reports were unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

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

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has no material impact on the Group's financial position and performance for the current and prior years.

Impacts on application of Amendments to HKAS 12

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

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

Impact on the consolidated statement of financial position:

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

The Directors 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.

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

4. REVENUE AND SEGMENT INFORMATION

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

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

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

- (i) Mining and Metal Business – the exploration, development and exploitation of mines and trading of metal; and
- (ii) Software and Innovation Business – research, development and sale agency of bio and nano material products as well as software maintenance and development services.

Segment revenues and results

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

For the year ended 31 March 2024

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

For the year ended 31 March 2023

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

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

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

Segment assets and liabilities

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

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 fair value through profit or loss, interests in associates, certain of the Group's prepayments, deposits and other receivables, a time deposit and cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than loans from related parties and certain of the Group's other payables.

Other segment information

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

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

Geographical information

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

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

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

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

Information about major customers

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ¹	24,061	N/A ³
Customer B ¹	16,255	N/A ³
Customer C ¹	7,935	N/A ³
Customer D ²	<u>–</u>	<u>156</u>

¹ Revenue from Mining and Metal Business

² Revenue from Software and Innovation Business

³ The corresponding revenue did not contribute over 10% of the Group's revenue

Disaggregation of revenue from contracts with products

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

5. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income		
– bank deposits	1,906	3,581
– financial assets at fair value through profit or loss	87	151
– other receivable	408	407
Government grants	–	71
Others	1,293	460
	<u>3,694</u>	<u>4,670</u>

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

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on loans from a related party	<u>217</u>	<u>236</u>

7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Current tax		
– Under provision in prior years	–	348
– PRC withholding tax	–	651
Deferred tax	216	(890)
	<u>216</u>	<u>109</u>

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

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

8. LOSS FOR THE YEAR

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

9. LOSS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u><u>(19,438)</u></u>	<u><u>(8,044)</u></u>
Number of shares:		
	2024 <i>'000</i>	2023 <i>'000</i> (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>283,277</u></u>	<u><u>281,288</u></u>

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

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

10. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	216	229
Other payables	8,563	10,260
	<u>8,779</u>	<u>10,489</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
More than 90 days	216	229

11. DIVIDEND

No dividend had been paid or declared by the Company during the year (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Mining and Metal Business

Overview

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

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

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

Outlook

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

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

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

Resource Estimates Update

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

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

Notes:

- (1) The resource estimates are based on the verification report of resources and reserves approved by the PRC Ministry of Natural Resources on 10 November 2023.
- (2) Cut-off grade is 0.3%.

Exploration, Development and Mining Production Activities

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

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	<ul style="list-style-type: none"> – Completed 4 surface drill holes of a total of approximately 1,030 meters – Obtained the approved verification report of resources and reserves 	Completed the proposal for development plan	No material activity

Expenditure Incurred

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

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

Infrastructure Projects and Subcontracting Arrangements

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

Software and Innovation Business

Overview

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

Outlook

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

Interests in Associates

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

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

Other Investments

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

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

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

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

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

FINANCIAL PERFORMANCE REVIEW

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

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

Placing of New Shares

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

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

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

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

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

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

ADOPTION OF 2023 SHARE OPTION SCHEME

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

CAPITAL COMMITMENTS

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

GEARING RATIO

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

EMPLOYEE INFORMATION

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

CHARGE ON THE GROUP’S ASSETS

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

ORDER BOOK AND PROSPECTS FOR NEW BUSINESS

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

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS

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

EXPOSURE TO EXCHANGE RISKS

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

CONTINGENT LIABILITIES

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, Mr. Yu Leung Fai, Ms. Chan Choi Ling and Mr. Lam Kwai Yan. The audit committee has reviewed the audited financial results of the Group for the year ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

A Corporate Governance Report will be dispatched with the annual report of the Company.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “AGM”) will be held on Tuesday, 3 September 2024, the notice of which will be sent to the shareholders of the Company (the “Shareholders”) in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 29 August 2024 to Tuesday, 3 September 2024 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for attending at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 28 August 2024.

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

Hong Kong, 24 June 2024

Executive Directors:

Mr. Felipe Tan (*Chairman*)

Mr. Ronald Tan

Independent non-executive Directors:

Ms. Chan Choi Ling

Mr. Lam Kwai Yan

Mr. Yu Leung Fai