



TIMELESS SOFTWARE LIMITED

天時軟件有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)

RESULTS ANNOUNCEMENT

For the nine months ended 31 December 2016

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors” or individually a “Director”) of TIMELESS SOFTWARE LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.timeless.com.hk

The board of directors (“Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and nine months ended 31 December 2016 together with the comparative unaudited figures for the corresponding periods in 2015 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2016

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	30,891	26,445	46,950	137,329
Other income and gains	444	203	1,511	415
Purchase and production costs	(16,566)	(9,099)	(29,825)	(61,153)
Staff costs	(2,953)	(8,679)	(16,065)	(21,262)
Depreciation and amortisation	(3,180)	(1,004)	(4,862)	(12,013)
Other expenses	(6,606)	(4,627)	(9,232)	(24,409)
Net gains/(losses) on investments held for trading	–	(305)	488	(538)
Gain/(loss) on disposal/written off of property, plant and equipment	116	–	(823)	–
Gain on disposal of subsidiaries	6	–	1	225
Finance costs	(167)	(276)	(595)	(861)
Share of gains/(losses) of associates	2,916	(25)	2,856	(116)
	<hr/>	<hr/>	<hr/>	<hr/>
Profit/(loss) before tax	4,895	2,633	(9,596)	17,617
Income tax expense	3	(951)	(1,605)	(9,565)
	<hr/>	<hr/>	<hr/>	<hr/>
Profit/(loss) for the period	4,540	1,682	(11,201)	8,052

		(Unaudited)			
		Three months ended		Nine months ended	
		31 December		31 December	
		2016	2015	2016	2015
Notes		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income/(loss), net of income tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
	Exchange differences on translating foreign operations	(13,210)	(6,821)	(22,025)	(15,206)
	Reclassification adjustment on exchange differences released upon disposal of subsidiaries	–	–	–	(4,565)
	Share of other comprehensive income/(loss) of associates	282	(2,432)	(18)	(197)
	Other comprehensive loss for the period, net of income tax	(12,928)	(9,253)	(22,043)	(19,968)
	Total comprehensive loss for the period	(8,388)	(7,571)	(33,244)	(11,916)
	Profit/(loss) attributable to:				
	Owners of the Company	2,443	(5,599)	(11,230)	(13,155)
	Non-controlling interests	2,097	7,281	29	21,207
		4,540	1,682	(11,201)	8,052
	Total comprehensive income/(loss) attributable to:				
	Owners of the Company	(853)	(9,858)	(17,204)	(22,069)
	Non-controlling interests	(7,535)	2,287	(16,040)	10,153
		(8,388)	(7,571)	(33,244)	(11,916)
		<i>HK cents</i>	<i>HK cents</i> (Restated)	<i>HK cents</i>	<i>HK cents</i> (Restated)
	Earning/(loss) per share				
	– Basic and diluted	5	0.10	(0.27)	(0.47)
			(0.64)		

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2016

(Unaudited)

	Share capital <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	General reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated deficit <i>HK\$'000</i>	Attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 April 2015	806,049	4,110	–	2,612	10,850	(737,580)	86,041	250,520	336,561
Profit/(loss) for the period	–	–	–	–	–	(13,155)	(13,155)	21,207	8,052
Other comprehensive loss for the period	–	–	–	(197)	(8,717)	–	(8,914)	(11,054)	(19,968)
Total comprehensive income/(loss) for the period	–	–	–	(197)	(8,717)	(13,155)	(22,069)	10,153	(11,916)
Issue of ordinary shares under employee share option plan	4,070	(1,499)	–	–	–	–	2,571	–	2,571
Issue of ordinary shares by way of placing	18,125	–	–	–	–	–	18,125	–	18,125
Transaction costs attributable to issue of new ordinary shares	(469)	–	–	–	–	–	(469)	–	(469)
Release of reserve upon lapse of share options	–	(441)	–	–	–	441	–	–	–
Capital injection from non-controlling interests	–	–	–	–	–	–	–	1,249	1,249
Disposal of subsidiaries	–	–	–	–	–	–	–	(735)	(735)
Balance at 31 December 2015	<u>827,775</u>	<u>2,170</u>	<u>–</u>	<u>2,415</u>	<u>2,133</u>	<u>(750,294)</u>	<u>84,199</u>	<u>261,187</u>	<u>345,386</u>
Balance at 1 April 2016	866,564	1,809	–	1,793	(1,213)	(757,400)	111,553	250,441	361,994
Profit/(loss) for the period	–	–	–	–	–	(11,230)	(11,230)	29	(11,201)
Other comprehensive loss for the period	–	–	–	(18)	(5,956)	–	(5,974)	(16,069)	(22,043)
Total comprehensive loss for the period	–	–	–	(18)	(5,956)	(11,230)	(17,204)	(16,040)	(33,244)
Issue of ordinary shares by way of placing	40,375	–	–	–	–	–	40,375	–	40,375
Transaction costs attributable to issue of new ordinary shares	(866)	–	–	–	–	–	(866)	–	(866)
Transfer to general reserve	–	–	639	–	–	(639)	–	–	–
Release of reserve upon lapse of share options	–	(244)	–	–	–	244	–	–	–
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(8,195)	(8,195)
Balance at 31 December 2016	<u>906,073</u>	<u>1,565</u>	<u>639</u>	<u>1,775</u>	<u>(7,169)</u>	<u>(769,025)</u>	<u>133,858</u>	<u>226,206</u>	<u>360,064</u>

Notes to the Condensed Consolidated Financial Statements

For the three months and nine months ended 31 December 2016

1. General Information

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on the 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.

The Company acts as an investment holding company. The Group engage in (i) the provision of system consultancy and software maintenance services, software development, sales of computer hardware and software and e-Commerce services (“Software Business”); and (ii) the exploration and exploitation of mines (“Mining Business”).

These condensed consolidated financial statements have not been audited but have been reviewed by the audit committee of the Company and were approved for issue by the Board on 13 February 2017.

2. Basis of Preparation and Accounting Policies

This condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2016. The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 April 2016. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the condensed consolidated financial statements and does not result in substantial changes to the Group’s accounting policies.

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

In the preparation of these condensed consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2016.

The financial information relating to the year ended 31 March 2016 included in these financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622, Laws of Hong Kong) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2016 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622, Laws of Hong Kong).

The Company’s auditor has reported on the financial statements for the year ended 31 March 2016. The auditor’s report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622, Laws of Hong Kong).

3. Income Tax Expense

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax				
– Charge for current period	–	1,049	–	10,741
– Under-provision in respect of prior years	461	–	636	–
Deferred tax	(106)	(98)	969	(1,176)
Total income tax charged in profit or loss	355	951	1,605	9,565

Hong Kong profits tax is calculated at the rate of 16.5% (2015: 16.5%) of the estimated assessable profit. No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for both periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2015: 25%).

4. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the period (for the nine months ended 31 December 2015: nil).

5. Earning/(loss) per Share

The calculation of the basic and diluted earning/(loss) per share is based on the following data:

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
		(Restated)		(Restated)
Profit/(loss):				
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earning/(loss) per share	HK\$2,443,000	(HK\$5,599,000)	(HK\$11,230,000)	(HK\$13,155,000)
Number of ordinary shares:				
Weighted average number of ordinary shares for the purpose of basic and diluted earning/(loss) per share	2,397,120,933	2,050,759,069	2,390,972,712	2,054,198,540

The computation of diluted earning/(loss) per share did not assume the exercise of the Company's outstanding share options during the three months and nine months ended 31 December 2016 and 2015 since their exercise would result in decrease in loss per share or increase in earning per share.

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the period ended 31 December 2015 has been adjusted to reflect the bonus element of the open offer completed during the year ended 31 March 2016.

6. Disposal of subsidiaries

On 28 July 2016, the Group disposed of the entire equity interest of Three Principles Computer Service Company Limited, Encore Trading Limited and Corp-Vision Publishing Limited at a total consideration of HK\$155,000. The consideration was approximate to the net asset value of the disposed companies as at 28 July 2016.

Analysis of assets and liabilities over which control was lost

	<i>HK\$'000</i>
Trade and other receivables	63
Bank balances and cash	448
Trade and other payables	<u>(357)</u>
Net assets disposed of	<u>154</u>

Gain on disposal

	<i>HK\$'000</i>
Consideration	155
Net assets disposed of	<u>(154)</u>
	<u>1</u>

Net cash outflow arising on disposal

	<i>HK\$'000</i>
Consideration received in cash and cash equivalents	155
Less: cash and cash equivalents disposed of	<u>(448)</u>
	<u>(293)</u>

7. Related Party Transactions

The Group had the following significant related party transactions during the period:

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expenses paid to a related company (<i>note i</i>)	151	226	484	709
Rental expenses paid to related companies (<i>note ii</i>)	226	191	322	191
Service income from a related company (<i>note iii</i>)	550	–	550	–
	<u>550</u>	<u>–</u>	<u>550</u>	<u>–</u>

Notes:

- i. Effective interest expenses on Promissory Note were charged at 2.99% (2015: 2.99%) per annum and payable to a related company, in which Mr. Felipe Tan (“Mr. Tan”) is a director and has direct and indirect equity interests, at terms mutually agreed by both parties. Mr. Tan is a Director and substantial shareholder of the Company.
- ii. Rental expenses in respect of the leasing of office premises were paid to related companies, in which Mr. Tan is a director and has indirect equity interest, at normal commercial terms mutually agreed by both parties.
- iii. Service income in respect of services provided by the Group was received from a related company, in which Mr. Tan is a director and has indirect equity interest, at normal commercial terms mutually agreed by both parties.

Management Discussion and Analysis

About the Group

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

Business Review

Software Business

Revenue of the Software Business is mainly sourced from the development of software products, consultancy services for clients plus computer related hardware trading. After conducting business integration strategies and disposal of certain deficit subsidiaries, the Group has eliminated some outdated business and eased the pressure on the operation. In addition, due to the decrease in expenses including staff cost, overhead cost, and additional cost associated with such segment, the situation of the Software Business has made some improvement. For the three and nine months ended 31 December 2016, the segment respectively resulted in operating losses of approximately HK\$658,000 and approximately HK\$9,555,000, representing a decrease of 89% and 39% as compared to the corresponding period of last year (2015: HK\$5,784,000 and HK\$15,788,000).

Mining Business

The Mining Business primarily comprises of the exploration and exploitation of mines and the processing and sale of their outputs in the PRC. For the nine months ended 31 December 2016, the main products sold under the Mining Business were gold dores and nickel-copper ores.

Compared with the relatively stable gold price during the last two quarters, the three months ended 31 December 2016 have witnessed a sharp declining trend of gold market price from US\$1,315.87 per ounce on 30 September 2016 to US\$1,147.5 per ounce at the end of 2016. Attributable to the huge pressure of the significant drop in gold price together with the decrease in outputs mined from the Hongshannan Gold Mine due to its exhaustion, sales volume of gold dores were only approximately 48kg for the nine months ended 31 December 2016, representing a decrease of 63% as compared to the corresponding period last year.

During this quarter, prior to another slide in December 2016, the nickel market price got back to some level of raise as compared to the last several months. In addition, benefitted from the sales contract entered into in October 2016 in respect of the disposal of 15,000 tonnes of nickel-copper ores, the Group has sold approximately 15,200 tonnes of nickel-copper ores and recorded a revenue of HK\$30,976,000 during the nine months ended 31 December 2016 (2015: approximately 36,700 tonnes, HK\$97,268,000), representing a decrease of 59% and 68% respectively.

Outlook

The gold market price was under pressure during this quarter. In spite of the increase in interest rates in the US, the gold price for 2017 would still be at risks due to the downside pressure on the US economy and increment of interest rate. In respect of the nickel business, although analysts remain generally optimistic towards the nickel market, the actual performance of the nickel price was barely satisfactory. In addition, Indonesian Government is relaxing its ban on raw ore exports, which may lead to renewed downward price challenge. Considering the uncertainty of the metal market, the Group is inclined to extend its business module and develop new operations.

In January 2017, the Group entered into a memorandum of understanding in relation to possible investment in small hydropower projects in the PRC and development of small hydropower intellectual management software. Hopefully, the possible investment will create new business opportunities for the Group and generate returns to the shareholders.

Looking to the future, the Group will adhere to its cost minimization and profit maximization strategy with a focus on seeking additional investment opportunities. With the profound expertise of the management team, we will take more cautions in exploring market possibilities and implementing our strategic plans to meet the challenges ahead.

Financial Performance Review

For the nine months ended 31 December 2016, the Group recorded a total turnover of approximately HK\$46,950,000 (2015: HK\$137,329,000), representing a decrease of 66% as compared with the same period in 2015. Other income and gains of approximately HK\$1,511,000 for the nine months ended 31 December 2016 (2015: approximately HK\$415,000) mainly represented the sale of used charcoal and steel ball and service income. Loss for the period was approximately HK\$11,201,000 (2015: profit of approximately HK\$8,052,000), representing a decrease of 2.4 times as compared with the corresponding period in last year.

The Software Business recorded turnover of approximately HK\$801,000 (2015: HK\$3,777,000) for the period under review, representing a decrease of 79% against the corresponding period in 2015. The segmental loss was approximately HK\$9,555,000 (2015: HK\$15,788,000), representing a decrease of 39% as compared with the corresponding period in 2015.

For the period under review, the Mining Business recorded turnover of approximately HK\$46,149,000 (2015: approximately HK\$133,552,000), representing a decrease of 65% against the corresponding period in 2015. The segmental profit was approximately HK\$34,000 (2015: segmental profit of approximately HK\$37,614,000), representing a decrease of 100% as compared with the same period in 2015.

Loss attributable to owners of the Company was approximately HK\$11,230,000, as compared to approximately HK\$13,155,000 over the same period in 2015.

Other Information

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

At 31 December 2016, 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	133,308,000	513,894,400*	647,202,400	23.01%
Independent Non-Executive Directors				
Chan Choi Ling	1,200,000	–	1,200,000	0.04%
Chan Mei Ying, Spencer	1,800,000	–	1,800,000	0.06%
Lam Kwai Yan	1,200,000	–	1,200,000	0.04%

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

(b) Interests in shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares/registered capital	Percentage of interest in the registered capital of the associated corporation
Felipe Tan	Goffers Management Limited	Interest of controlled corporation	200*	100%
	Goffers Resources Limited	Interest of controlled corporation	1,000	100%
	Kangshun HK Limited	Interest of controlled corporation	1,000	100%
	Kangshun Investments Limited	Interest of controlled corporation	1,000	100%
	Xinjiang Tianmu Mineral Resources Development Co. Ltd.	Interest of controlled corporation	RMB36,000,000	51%

* 98 shares (representing 49%) are held by Mr. Felipe Tan through Starmax whereas 102 shares (representing 51%) are pledged to Starmax as security of the payment obligations of the Group under the Promissory Note.

(c) Interests in debentures of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Amount of debentures
Felipe Tan	Time Kingdom Limited	Interest of controlled corporation	HK\$20,000,000*

* The outstanding balance of the Promissory Note issued to Starmax which is beneficially owned by Mr. Felipe Tan.

(d) 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	Vesting and Exercisable period	Exercise price per share HK\$	Number of share options and number of underlying shares							
				Outstanding at 01.04.2016	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Reclassified during the period	Outstanding at 31.12.2016	
Executive Directors											
Lau Yun Fong	03.10.2013	03.10.2013-02.10.2023	0.1435	2,075,676	-	-	-	-	-	-	2,075,676
Carman	17.02.2014	17.02.2014-16.02.2024	0.1329	415,135	-	-	-	-	-	-	415,135
Zhang Ming*	03.10.2013	03.10.2013-02.10.2023	0.1435	3,113,514	-	-	-	-	-	(3,113,514)	-
				<u>5,604,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,113,514)</u>	<u>2,490,811</u>

* A total of 3,113,514 options as at 31 December 2016 were reclassified from "Directors" category to "Employees" category as Mr. Zhang Ming resigned as a Director of the Company with effect from 26 September 2016.

Save as disclosed above, at 31 December 2016, 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 December 2016, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholder had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholder	Number of ordinary shares held	Number of share options and underlying shares held	Aggregate long position	Percentage of the issued share capital as at 31 December 2016
Starmax Holdings Limited*	513,894,400	–	513,894,400	18.27%

* Starmax is beneficially owned by Mr. Felipe Tan.

Save as disclosed in the section “Directors’ and chief executive’s interests and short positions in shares and underlying shares of the Company”, the Company has not been notified of any other interests or short positions in the issued share capital as at 31 December 2016.

Competing Interest

Mr. Felipe Tan holds shareholdings and directorships in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN). Its subsidiaries and associate companies are principally engaged in exploration of a gold mine and prospecting exploration projects of gold, copper and nickel in Xinjiang, PRC. All of them are in exploration or prospecting stage and are not yet in production, whereas the mining business of the Group are in production stage. In this regard, Mr. Felipe Tan is considered to have interests in businesses which might compete, either directly or indirectly with the businesses of the Group.

The abovementioned competing businesses are operated and managed by companies within independent management and administration. In addition, the Board is independent of the boards of the abovementioned companies. Accordingly, the Group is therefore capable of carrying on business independently of, and at arm’s length from the said competing business.

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

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

Audit Committee

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

Under the terms of reference of the audit committee, the committee is required, amongst other things, to oversee the relationship with the external auditors, review the Group's consolidated financial statements and annual report and accounts, half-year report and quarterly reports and the connected transactions, monitor compliance with statutory and GEM Listing Rules requirements, review the scope, extent and effectiveness of the activities of the Group's internal control, engage independent legal or other advisers as it determines is necessary and perform investigations.

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

The audit committee comprises four independent non-executive Directors, Ms. Tsang Wai Chun Marianna, Mr. Chan Mei Ying Spencer, Mr. Lam Kwai Yan and Ms. Chan Choi Ling. The audit committee has reviewed the unaudited quarterly financial results for the nine months ended 31 December 2016.

On behalf of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 13 February 2017

Executive Directors:

Mr. Felipe Tan (*Chairman*)

Ms. Lau Yun Fong Carman

Independent non-executive Directors:

Ms. Chan Choi Ling

Mr. Chan Mei Ying Spencer

Mr. Lam Kwai Yan

Ms. Tsang Wai Chun Marianna