



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 three months ended 30 June 2017

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 ended 30 June 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months ended 30 June 2017

| | | (Unaudited) | |
|---|--------------|-----------------------------------|-----------------|
| | | Three months ended 30 June | |
| | | 2017 | 2016 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Turnover | | 19,634 | 250 |
| Other income and gains | | 599 | 958 |
| Purchase and production costs | | (14,283) | (40) |
| Staff costs | | (2,631) | (10,775) |
| Depreciation and amortisation | | (705) | (886) |
| Other expenses | | (3,007) | (1,227) |
| Net gains on investments held for trading | | – | 488 |
| Loss on disposal of property, plant and equipment | | – | (939) |
| Finance costs | | (122) | (231) |
| Share of losses of associates | | (1,517) | (24) |
| | | <hr/> | <hr/> |
| Loss before tax | | (2,032) | (12,426) |
| Income tax credit/(expense) | 3 | 531 | (596) |
| | | <hr/> | <hr/> |
| Loss for the period | | (1,501) | (13,022) |
| | | <hr/> | <hr/> |
| Other comprehensive income/(expense), net of income tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | | 5,034 | (7,564) |
| Share of other comprehensive expense of associates | | (866) | (325) |
| | | <hr/> | <hr/> |
| Other comprehensive income/(expense) for the period, net of income tax | | 4,168 | (7,889) |
| | | <hr/> | <hr/> |
| Total comprehensive income/(expense) for the period | | 2,667 | (20,911) |
| | | <hr/> | <hr/> |

| | | (Unaudited) | |
|---|---------------------------|-----------------------------------|------------------------|
| | | Three months ended 30 June | |
| | | 2017 | 2016 |
| <i>Notes</i> | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit/(loss) attributable to: | | | |
| | Owners of the Company | (2,571) | (11,278) |
| | Non-controlling interests | 1,070 | (1,744) |
| | | <u>(1,501)</u> | <u>(13,022)</u> |
| Total comprehensive income/(expense) attributable to: | | | |
| | Owners of the Company | (2,136) | (13,553) |
| | Non-controlling interests | 4,803 | (7,358) |
| | | <u>2,667</u> | <u>(20,911)</u> |
| | | <i>HK cents</i> | <i>HK cents</i> |
| Loss per share | | | |
| | – Basic and diluted | (0.091) | (0.472) |
| | | <u>(0.091)</u> | <u>(0.472)</u> |

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Condensed Consolidated Statement of Changes in Equity
For the three months ended 30 June 2017

(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> | Property 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 2016 | 866,564 | 1,809 | - | 1,793 | - | (1,213) | (757,400) | 111,553 | 250,441 | 361,994 |
| Loss for the period | - | - | - | - | - | - | (11,278) | (11,278) | (1,744) | (13,022) |
| Other comprehensive expense for the period | - | - | - | (325) | - | (1,950) | - | (2,275) | (5,614) | (7,889) |
| Total comprehensive expense for the period | - | - | - | (325) | - | (1,950) | (11,278) | (13,553) | (7,358) | (20,911) |
| Transfer to general reserve | - | - | 672 | - | - | - | (672) | - | - | - |
| Release of reserve upon lapse of share options | - | (158) | - | - | - | - | 158 | - | - | - |
| Balance at 30 June 2016 | 866,564 | 1,651 | 672 | 1,468 | - | (3,163) | (769,192) | 98,000 | 243,083 | 341,083 |
| Balance at 1 April 2017 | 906,074 | 2,778 | 647 | 1,631 | 964 | (6,119) | (773,840) | 132,135 | 217,250 | 349,385 |
| Profit/(loss) for the period | - | - | - | - | - | - | (2,571) | (2,571) | 1,070 | (1,501) |
| Other comprehensive income/ (expense) for the period | - | - | - | (866) | - | 1,301 | - | 435 | 3,733 | 4,168 |
| Total comprehensive income/ (expense) for the period | - | - | - | (866) | - | 1,301 | (2,571) | (2,136) | 4,803 | 2,667 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (5,880) | (5,880) |
| Balance at 30 June 2017 | 906,074 | 2,778 | 647 | 765 | 964 | (4,818) | (776,411) | 129,999 | 216,173 | 346,172 |

Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2017

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 is principally engaged in (i) the provision of 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 8 August 2017.

2. Basis of Preparation and Accounting Policies

This condensed consolidated financial information has been prepared to comply with the applicable disclosure requirements 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 2017, 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 2017. 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 January 2017. 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 2017.

The financial information relating to the year ended 31 March 2017 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 will deliver the financial statements for the year ended 31 March 2017 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 2017. 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 (Credit)/Expense

| | (Unaudited) | |
|---|----------------------------|-------------------|
| | Three months ended 30 June | |
| | 2017 | 2016 |
| | HK\$'000 | HK\$'000 |
| Current tax | | |
| PRC Enterprise Income Tax | | |
| Last year under provision | – | 10 |
| Deferred tax | <u>(531)</u> | <u>586</u> |
| Total income tax recognised in profit or loss | <u>(531)</u> | <u>596</u> |

Hong Kong profits tax is calculated at the rate of 16.5% (2016: 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% (2016: 25%).

4. Interim Dividend

The directors do not recommend the payment of an interim dividend for the period (for the three months ended 30 June 2016: nil).

5. Loss per Share

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

| | (Unaudited) | |
|---|-----------------------------|------------------------------|
| | Three months ended 30 June | |
| | 2017 | 2016 |
| Loss: | | |
| Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share | <u>HK\$2,571,000</u> | <u>HK\$11,278,000</u> |
| Number of ordinary shares: | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <u>2,812,881,803</u> | <u>2,387,881,803</u> |

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options during the three months ended 30 June 2017 and 2016 since their exercise would result in decrease in loss per share.

6. Related Party Transactions

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following significant related party transactions during the period:

| | (Unaudited) | |
|--|----------------------------|-----------------|
| | Three months ended 30 June | |
| | 2017 | 2016 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Rental expenses paid to related companies (<i>note i</i>) | 54 | 48 |
| Interest expenses paid to a related company (<i>note ii</i>) | 109 | 183 |
| Rental income received from an associate (<i>note iii</i>) | 90 | – |

Notes:

- i. Rental expenses in respect of the leasing of office premises were paid to related companies which are beneficially owned by Mr. Felipe Tan, a director and shareholder of the Company, at terms mutually agreed by both parties.
- ii. Effective interest expenses on promissory note (“Promissory Note”) issued by the Group on 11 May 2012 is charged at 2.99% (2016: 2.99%) per annum and payable to a related company which is beneficially owned by Mr. Felipe Tan, a director and shareholder of the Company, at terms mutually agreed by both parties.
- iii. Rental income in respect of the leasing of office premises was received from an associate, in which the Company owned 48% equity interest, at 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. During the quarter ended 30 June 2017, the Company has integrated its capital resources. 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 operating expenses associated with such segment, the performance of the Software Business has been improved. For the three months ended 30 June 2017, the segment resulted in operating losses of approximately HK\$0.3 million, representing a decrease of 97% as compared to the corresponding period of last year (2016: approximately HK\$9.6 million).

Mining Business

The Mining Business primarily comprises of exploration and exploitation of mines and the processing and sale of outputs from the mines in the PRC. For the three months ended 30 June 2017, nickel-copper ores and nickel concentrate were the products sold under the Mining Business.

The Group entered into a rental agreement for a processing plant in March 2017 and started processing nickel-copper ores to produce nickel and copper concentrates in April 2017. For the three months ended 30 June 2017, the nickel-copper ores processed was approximately 31,422 tonnes, with 3,704 tonnes of nickel concentrate and 435 tonnes of copper concentrate produced. The Group has sold approximately 7,118 tonnes nickel-copper ores and approximately 2,464 tonnes nickel concentrate for the three months ended 30 June 2017.

Due to the delayed resumption of the mining work in the Hongshannan Gold Mine caused by the engineering work taken place in early 2016, the extracted gold ores increased by 56% to 11,589 tonnes for the three months ended 30 June 2017, as compared to the corresponding period in 2016. The gold ores processed increased by 1.6 times to 13,257 tonnes as compared to the corresponding period of last year. Considering the weak performance of gold during the period under review, no sale was recorded for gold dores for this quarter (2016: nil). Gold content of approximately 33.5 kg are expected to be sold in due course in the following quarters.

Outlook

After consolidation of the operation of the Software Business, we are now proceeding to develop the projects in various industries potentially hydropower and car parking projects in the PRC. It is expected that the diversified business scope will inject new vitality to the Group and steer the Company to a new position of growth.

During this quarter, the gold price stayed volatile and ended at US\$1,241 an ounce on 30 June 2017. Due to the interest rate hike of US Federal Reserve accompanying the complex geopolitical situation, the gold market price is expected to experience more fluctuations. After the engineering work in the Hongshannan Gold Mine prior to its exhaustion, the Company will extract the remaining gold resources.

Nickel took a dip to below US\$9,000 per tonne and gradually recovered to US\$10,000 per tonne. The Company expect that with pick-up in US economy, nickel price may stabilize at the current level and allow the Company to turn around into profit. Due to the weak global demand and decrease in commodity prices, nickel market may suffer from a challenging environment in the next quarter. Although such metal price has turned upwards as Chinese stainless market made great gains, the bullish market may not last long. Therefore, to cope with the forthcoming industry pressure, the Company will continue to reduce operating costs and closely monitor the market in order to timely shift business planning strategies with an aim to grasp the potential market opportunity for future long-term growth.

Financial Performance Review

For the three months ended 30 June 2017, the Group recorded turnover of approximately HK\$19.6 million (2016: approximately HK\$0.3 million), representing an increase by 64 times as compared with the same period in 2016. Loss for the period under review was approximately HK\$1.5 million (2016: approximately HK\$13.0 million), representing a decrease by 88% as compared to the corresponding period in 2016. The increase in turnover and the decrease in loss for the period was mainly contributed by the sales of nickel-copper ores and nickel concentrate which only incurred in current period. In addition, after the disposal of certain deficit subsidiaries of Software Business, the result has been improved in current period.

For the period under review, there is no turnover from the Software Business (2016: approximately HK\$0.3 million). The segmental loss was approximately HK\$0.3 million (2016: approximately HK\$9.6 million), representing a decrease of 97% as compared with the corresponding period last year.

In response to the heavy pressure from the dumping of nickel-copper ores from Russia and the weak demand for such product in last year, the Group had delayed the resumption of the mining activities of nickel-copper ores in last year and there was no sale of nickel-copper ores for the three months ended 30 June 2016. For the period under review, the Mining Business recorded turnover of approximately HK\$19.6 million. The segmental profit was approximately HK\$1.5 million (2016: segmental loss of approximately HK\$2.3 million), representing an increase of 1.7 times as compared with the corresponding period in 2016.

For the three months ended 30 June 2017, the Group reported share of losses of associates of approximately HK\$1.5 million (2016: approximately HK\$24,000). The losses were mainly due to the written-off of certain receivables by an associate made during the period under review.

Loss attributable to owners of the Company was approximately HK\$2.6 million, as compared to approximately HK\$11.3 million for the same period in 2016.

Other Information

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

At 30 June 2017, 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 | | | Percentage of shareholding |
|--|---|------------------------|------------------------|----------------------------|
| | Beneficial owner | Controlled corporation | Total number of shares | |
| Executive Directors | | | | |
| Felipe Tan | 149,808,000 | 569,454,400* | 719,262,400 | 25.57% |
| 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\$10,000,000* |

* 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 | Exercisable period | Exercise price per share HK\$ | Number of share options and underlying shares | | | | | Outstanding at 30.06.2017 |
|--|---------------|-----------------------|----------------------------------|---|---------------------------|-----------------------------|-----------------------------|--------------------------|---------------------------|
| | | | | Outstanding at 01.04.2017 | Granted during the period | Exercised during the period | Cancelled during the period | Lapsed during the period | |
| Executive Directors | | | | | | | | | |
| Felipe Tan | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 2,000,000 | - | - | - | - | 2,000,000 |
| Lau Yun Fong Carman | 03.10.2013 | 03.10.2013-02.10.2023 | 0.1435 | 2,075,676 | - | - | - | - | 2,075,676 |
| | 17.02.2014 | 17.02.2014-16.02.2024 | 0.1329 | 415,135 | - | - | - | - | 415,135 |
| | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 1,000,000 | - | - | - | - | 1,000,000 |
| Independent Non-Executive Directors | | | | | | | | | |
| Chan Choi Ling | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 1,000,000 | - | - | - | - | 1,000,000 |
| Chan Mei Ying Spencer | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 1,000,000 | - | - | - | - | 1,000,000 |
| Lam Kwai Yan | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 1,000,000 | - | - | - | - | 1,000,000 |
| Tsang Wai Chun Marianna | 02.03.2017 | 02.03.2017-01.03.2027 | 0.1080 | 1,000,000 | - | - | - | - | 1,000,000 |
| | | | | <u>9,490,811</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,490,811</u> |

Save as disclosed above, at 30 June 2017, 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 30 June 2017, 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 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 30 June 2017 |
|---------------------------------|--------------------------------|--|-------------------------|---|
| Starmax Holdings Limited* | 569,454,400 | – | 569,454,400 | 20.24% |

* 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 30 June 2017.

Competing Interest

Mr. Felipe Tan holds shareholdings and directorship 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, Ms. Chan Choi Ling, Mr. Chan Mei Ying Spencer and Mr. Lam Kwai Yan. The audit committee has reviewed the unaudited quarterly financial results for the three months ended 30 June 2017.

On behalf of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 8 August 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