

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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This announcement, for which the directors (the “Directors” or individually a “Director”) of Timeless Software 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 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 2019 together with the comparative unaudited figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2019

		(Unaudited)	
		Three months ended 30 June	
		2019	2018
	Notes	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		15,755	4,753
Other income and gains		178	1,085
Purchase and production costs		(19,098)	(878)
Staff costs		(2,807)	(2,923)
Depreciation and amortisation		(318)	(732)
Other expenses		(1,782)	(3,611)
Gain on disposal of intangible assets		1,716	–
Loss arising on change in fair value of held-for-trading investments		–	(135)
Fair value changes on financial assets at fair value through profit or loss		(60)	–
Finance costs		(171)	(40)
Share of losses of associates		(1,836)	(170)
Impairment loss on amount due from an associate		(2)	–
		<hr/>	<hr/>
Loss before tax		(8,425)	(2,651)
Income tax credit/(expense)	3	404	(1,958)
		<hr/>	<hr/>
Loss for the period		(8,021)	(4,609)
		<hr/>	<hr/>
Other comprehensive expense, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,343)	(11,212)
		<hr/>	<hr/>
Other comprehensive expense for the period, net of income tax		(4,343)	(11,212)
		<hr/>	<hr/>
Total comprehensive expense for the period		(12,364)	(15,821)
		<hr/> <hr/>	<hr/> <hr/>
Loss attributable to:			
Owners of the Company		(4,894)	(3,028)
Non-controlling interests		(3,127)	(1,581)
		<hr/>	<hr/>
		(8,021)	(4,609)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive expense attributable to:			
Owners of the Company		(6,023)	(5,936)
Non-controlling interests		(6,341)	(9,885)
		<hr/>	<hr/>
		(12,364)	(15,821)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
– Basic and diluted	5	(0.174)	(0.108)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

(Unaudited)

	Share capital <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	General 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 2018	906,074	2,068	647	964	107	(771,128)	138,732	200,850	339,582
Loss for the period	-	-	-	-	-	(3,028)	(3,028)	(1,581)	(4,609)
Other comprehensive expense for the period	-	-	-	-	(2,908)	-	(2,908)	(8,304)	(11,212)
Total comprehensive expense for the period	-	-	-	-	(2,908)	(3,028)	(5,936)	(9,885)	(15,821)
Transfer to reserve	-	-	508	-	-	(508)	-	-	-
Balance at 30 June 2018	<u>906,074</u>	<u>2,068</u>	<u>1,155</u>	<u>964</u>	<u>(2,801)</u>	<u>(774,664)</u>	<u>132,796</u>	<u>190,965</u>	<u>323,761</u>
Balance at 1 April 2019	<u>906,074</u>	<u>2,024</u>	<u>1,150</u>	<u>964</u>	<u>(3,683)</u>	<u>(799,372)</u>	<u>107,157</u>	<u>125,776</u>	<u>232,933</u>
Loss for the period	-	-	-	-	-	(4,894)	(4,894)	(3,127)	(8,021)
Other comprehensive expense for the period	-	-	-	-	(1,129)	-	(1,129)	(3,214)	(4,343)
Total comprehensive expense for the period	-	-	-	-	(1,129)	(4,894)	(6,023)	(6,341)	(12,364)
Transfer to reserve	-	-	456	-	-	(456)	-	-	-
Balance at 30 June 2019	<u>906,074</u>	<u>2,024</u>	<u>1,606</u>	<u>964</u>	<u>(4,812)</u>	<u>(804,722)</u>	<u>101,134</u>	<u>119,435</u>	<u>220,569</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

1. GENERAL INFORMATION

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

The Company acts as an investment holding company. The Group is principally engaged in (i) the exploration and exploitation of mines (“Mining Business”); and (ii) the provision of consultancy and software maintenance and development, e-commerce services as well as various investments in IT and innovation projects, including e-Sport tournament organiser, bio and nano new materials, and IT startup fund and intelligent agricultural applications (“Other 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 2019.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and method of computation used in the preparation of these financial statements are consistent with those used in annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2019. 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 2019. 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 2019.

The financial information relating to the year ended 31 March 2019 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 2019 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 2019. 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	
	2019	2018
	HK\$'000	HK\$'000
Current tax		
PRC Enterprise Income Tax		
– charge for the period	–	(1,849)
– under provision in respect of prior years	–	(61)
Deferred tax	<u>404</u>	<u>(48)</u>
Total income tax credit/(expense) recognised in profit or loss	<u><u>404</u></u>	<u><u>(1,958)</u></u>

Hong Kong profits tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the period, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered tax rate regime with effect from the year of assessment 2018/2019. 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% (2018: 25%).

4. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2019 (2018: 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	
	2019	2018
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u><u>HK\$4,894,000</u></u>	<u><u>HK\$3,028,000</u></u>
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>2,812,881,803</u></u>	<u><u>2,812,881,803</u></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 2019 and 2018 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	
	2019	2018
	HK\$'000	HK\$'000
Rental and share of office expenses paid to a related company (<i>Note i</i>)	59	55
Interest expenses paid to a related company (<i>Note ii</i>)	–	34
Loan interest paid to related companies (<i>Note iii</i>)	168	–
Rental income received from an associate (<i>Note iv</i>)	–	90
	—————	—————

Notes:

- i. Rental and share of office expenses in respect of the leasing of office premises were paid to a related company which is beneficially owned by Mr. Felipe Tan (“Mr. Tan”), a director and shareholder of the Company, at terms mutually agreed by both parties.
- ii. Effective interest expenses on promissory note issued by the Group on 11 May 2012 was charged at 2.99% per annum and payable to a related company which is beneficially owned by Mr. Tan at terms mutually agreed by both parties. The promissory note was fully repaid in May 2018 and the charge was released accordingly.
- iii. Interest expenses in respect of loans with interest rate at 4.5% per annum were paid to related companies which are beneficially owned by Mr. Tan at terms mutually agreed by both parties.
- iv. 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. On 30 September 2018, the Group disposed of that 48% equity interest.

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT THE GROUP

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

BUSINESS REVIEW

Mining Business

The Mining Business primarily comprises of exploration and exploitation of a nickel-copper mine in the PRC. For the three months ended 30 June 2019, nickel-copper ores, nickel concentrate and copper concentrate were the products sold under the Mining Business. For the three months ended 30 June 2018, only nickel-copper ores were sold. The Group has been operating from focusing on high-grade nickel-copper ores to parallel sale of nickel-copper ores and nickel and copper concentrates which will ensure a more proactive response to any market change.

During the three months ended 30 June 2019, the Group was confronted with volatile metal market and stringent security requirements. Additional staff and safety measures had been employed to ensure work safety and prevent recurrence of accident caused by misconduct of outsourced contractor in December 2018. To cater for the requirement on enhanced mining methodology and the timely adjustment of the mining plan in response to ore grading and ore body along the mine vein, further preparation work had been undergone for commencement of production in April 2019. The total cost of production for the quarter had been increased accordingly.

For the three months ended 30 June 2019, approximately 30,267 tonnes of nickel-copper ores were extracted (2018: 20,401 tonnes) and 27,208 tonnes were processed (2018: nil). For the three months ended 30 June 2019, the Group sold approximately 1,949 tonnes of nickel-copper ores, 2,287 tonnes of nickel concentrate and 359 tonnes of copper concentrate which contributed respectively of approximately HK\$4.4 million, HK\$7.4 million and HK\$4.0 million of turnover to the Group (2018: 1,714 tonnes of nickel-copper ores with turnover of HK\$4.8 million). The product mix for the quarter under review included a total of 2,646 tonnes of concentrates. The unit cost of production is the same to all ores with different grading. The cost of production of nickel concentrate was therefore higher than that of nickel-copper ores because production of concentrates involved additional processing cost and concentrates are produced from low-grade ores. As a result, the gross margin of the Group for the period under review was declined.

Other Business

Other Business comprised of the provision of consultancy, software maintenance and development, e-commerce services as well as various investments in IT and innovation projects, including e-Sport tournament organiser, bio and nano new materials, IT startup fund and intelligent agricultural applications. There is no turnover from Other Business for the three months ended 30 June 2019 (2018: nil).

As at 30 June 2019, the Group owned 32.52% indirect equity interest in CGA Holdings Limited and its subsidiaries (“CGA Group”), which operates an e-sports gaming platform to provide systematic gaming and social services to e-sports enthusiasts with over 100 sizable online and offline e-sports competitions and activities. In 2019, CGA Group expanded its business scope and opened an eSports Stadium in Mong Kok, Hong Kong, the largest integrated eSports stadium in Asia, which covers an area of 25,000 square feet.

The Group also owned a 22.53% indirect equity interest in Nano Bubble Limited which mainly engaged in the development of domestic pesticide removal, surface cleaning and sanitisation products with the application of nano technology, and 27.03% indirect equity interest in Nano Energy Limited which engaged in the development of different power generation mechanisms.

For the three months ended 30 June 2019, the segment loss was approximately HK\$36,000 (2018: HK\$0.3 million), which mainly represent expenses incurred for the period.

Outlook

The performance of the Mining Business was adversely impacted by the decrease in nickel grading and price for the period under review. However, the situation is expected to be improved in view that the nickel price has been rebounded from the average price of RMB98,354 per tonne for the three months ended 30 June 2019 to RMB116,800 per tonne as at 5 August 2019.

In respect of other investment projects, the Group found itself in a complex environment as CGA Group entered a critical development stage where its new e-sports stadium registered a lower-than-expected performance, profound market changes took place affecting our pace of launching the nano products. While working to overcome such difficulties, we will also focus on bringing down the cost of the ongoing projects. Budgets should highlight priorities; more should be spent on the lucrative business to maintain its existing strength and non-priority spending should be scaled down to cut budgets for deficit segments.

Given all these factors, it was not easy for us to maintain stable performance in all business segments. The task we now face is to speed up its technique upgrading and projects structure optimization. We will do more to implement the strategy of innovation-driven development of mining techniques, and improve the performance and competitiveness of investment projects. We are confident that the e-sports industry and nano material industry will record stable performance with good momentum for growth, and we will manage to make progress on many fronts.

FINANCIAL PERFORMANCE REVIEW

For the three months ended 30 June 2019, the Group recorded turnover of approximately HK\$15.8 million (2018: HK\$4.8 million), representing an increase of 2.3 times as compared with the same period in 2018. Loss for the period under review was approximately HK\$8.0 million (2018: HK\$4.6 million), representing an increase of 74% as compared to the corresponding period in 2018. The increase in turnover is mainly contributed by the sales of nickel and copper concentrates of approximately HK\$11.4 million with the commencement of operation of the processing plant in May 2019 while there is no sales of nickel and copper concentrates in 2018 as the processing plant commenced operation in July 2018. The increase in loss for the period was mainly due to the decrease in average price of nickel from RMB115,635 per tonne for the three months ended 30 June 2018 to RMB98,354 per tonne for the three months ended 30 June 2019 combined with the effect of decrease in ore grading and the increase in cost of products sold.

For the period under review, the Mining Business recorded turnover of approximately HK\$15.8 million. For the three months ended 30 June 2019, the Group completed the disposal of an exploration right to an independent third party and recorded a gain on disposal of intangible assets of HK\$1.7 million. There was no activity carried on the related area. The segmental loss was approximately HK\$6.3 million, representing an increase of 20 times as compared with the corresponding period in 2018 (2018: HK\$0.3 million).

For the period under review, there is no turnover from the Other Business (2018: nil). The segmental loss was approximately HK\$36,000, representing a decrease of 88% as compared with the corresponding period in 2018 (2018: HK\$0.3 million).

For the three months ended 30 June 2019, the Group reported share of losses of associates of approximately HK\$1.8 million (2018: HK\$0.2 million).

Loss attributable to owners of the Company was approximately HK\$4.9 million, as compared to HK\$3.0 million for the same period in 2018.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, 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			
	Beneficial owner	Controlled corporation	Total number of shares	Percentage of shareholding
Executive Director				
Felipe Tan	158,128,000	678,074,400*	836,202,400	29.73%
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. Tan. By virtue of the SFO, Mr. Tan is deemed to have interests in the shares held by Starmax.*

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

Name of Director	Name of associated corporation	Capacity	Number of shares/registered capital	Percentage of interest in the registered capital of the associated corporation
Felipe Tan	Goffers Management Limited	Interest of controlled corporation	200	49%
	Goffers Resources Limited	Interest of controlled corporation	1,000	100%
	Kangshun HK Limited	Interest of controlled corporation	1,000	100%
	Kangshun Investments Limited	Interest of controlled corporation	1,000	100%
	新疆天目礦業資源開發有限公司 (Xinjiang Tianmu Mineral Resources Development Co. Ltd.)	Interest of controlled corporation	RMB36,000,000	51%

(c) Options to subscribe for ordinary shares of the Company

Particulars of the Directors' interests in share options to subscribe for shares of 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 underlying shares					
				Outstanding at 01.04.2019	During the period			Outstanding at 30.06.2019	
				Granted	Exercised	Cancelled	Lapsed		
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, as at 30 June 2019, 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 2019, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholders had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholders	Nature of interests	Number of ordinary shares held	Percentage of the issued share capital as at 30 June 2019
Starmax Holdings Limited*	Beneficial owner	678,074,400	24.11%
Wong Kei Yuen**	Interest of a controlled corporation	149,100,000	5.30%
CHP 1855 Limited**	Beneficial owner	149,100,000	5.30%

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

** *CHP 1855 Limited is beneficially owned by Mr. Wong Kei Yuen. By virtue of the SFO, Mr. Wong Kei Yuen was deemed to have interest in the shares of the Company held by CHP 1855 Limited.*

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 2019.

COMPETING INTEREST

Mr. 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 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. 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 2019.

On behalf of the Board
Timeless Software Limited
Felipe Tan
Chairman

Hong Kong, 8 August 2019

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