



# 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 2020

#### 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](http://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](http://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 2020 together with the comparative unaudited figures for the corresponding period in 2019 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2020

		(Unaudited)	
		Three months ended 30 June	
	Notes	2020 HK\$'000	2019 HK\$'000
Revenue		36,879	15,755
Other income and gains	3	954	178
Production costs		(19,129)	(19,098)
Staff costs		(2,527)	(2,807)
Depreciation and amortisation		(358)	(318)
Other operating expenses		(3,993)	(1,782)
Fair value changes on financial assets at fair value through profit or loss		147	(60)
Gain on disposal of intangible assets		–	1,716
Gain on disposal of interest in an associate		407	–
Finance costs		(170)	(171)
Share of losses of associates		(24)	(1,836)
Impairment loss on amount due from an associate		(2)	(2)
Profit/(loss) before tax		<u>12,184</u>	(8,425)
Income tax (expense)/credit	4	<u>(3,248)</u>	404
Profit/(loss) for the period		<u>8,936</u>	(8,021)
<b>Other comprehensive income/(expense), net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>325</u>	(4,343)
Other comprehensive income/(expense) for the period, net of income tax		<u>325</u>	(4,343)
<b>Total comprehensive income/(expense) for the period</b>		<u><u>9,261</u></u>	<u><u>(12,364)</u></u>
Profit/(loss) attributable to:			
Owners of the Company		1,782	(4,894)
Non-controlling interests		<u>7,154</u>	<u>(3,127)</u>
		<u><u>8,936</u></u>	<u><u>(8,021)</u></u>
Total comprehensive income/(expense) attributable to:			
Owners of the Company		1,867	(6,023)
Non-controlling interests		<u>7,394</u>	<u>(6,341)</u>
		<u><u>9,261</u></u>	<u><u>(12,364)</u></u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share</b>			
– Basic and diluted	6	<u><u>0.06</u></u>	<u><u>(0.17)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 30 June 2020*

(Unaudited)

	Share capital	Share options reserve	General reserve	Property revaluation reserve	Translation reserve	Accumulated deficit	Attributable to owners of the Company	Non- controlling interests	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 April 2019	906,074	2,024	1,150	964	(3,683)	(799,372)	107,157	125,776	232,933
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>
Balance at 1 April 2020	<u>906,074</u>	<u>2,024</u>	<u>1,590</u>	<u>964</u>	<u>(6,082)</u>	<u>(861,833)</u>	<u>42,737</u>	<u>55,768</u>	<u>98,505</u>
Profit for the period	-	-	-	-	-	1,782	1,782	7,154	8,936
Other comprehensive income for the period	-	-	-	-	85	-	85	240	325
Total comprehensive income for the period	-	-	-	-	85	1,782	1,867	7,394	9,261
Transfer to reserve	-	-	570	-	-	(570)	-	-	-
Balance at 30 June 2020	<u>906,074</u>	<u>2,024</u>	<u>2,160</u>	<u>964</u>	<u>(5,997)</u>	<u>(860,621)</u>	<u>44,604</u>	<u>63,162</u>	<u>107,766</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2020*

## 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) research and development of bio and nano new materials as well as various investments in startup fund, software maintenance and development, and e-commerce services (“**Other Business**”). In addition to these operating segments, the Group has investments in various projects including e-sports tournament services, nano applications as well as smart farming solutions and services.

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 11 August 2020.

## 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.

These condensed consolidated financial statements do not include all information and disclosures required in a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2020. 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 2020, which have been prepared in accordance with HKFRSs, except for those related to new or revised HKFRSs effective for the first time for the periods beginning on or after 1 April 2020. 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 these condensed 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.

The financial information relating to the year ended 31 March 2020 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 2020 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 2020. 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. OTHER INCOME AND GAINS

	(Unaudited)	
	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Government grant ( <i>Note i</i> )	320	–
Employment Support Scheme	240	–
Other income	394	178
	<hr/>	<hr/>
Total other income and gains	<b>954</b>	178
	<hr/> <hr/>	<hr/> <hr/>

#### Notes:

- i. Government grant is recognised as income when all conditions attaching to them are fulfilled. It represented government rebate of research and development expenses from the Innovation and Technology Fund in current period.

### 4. INCOME TAX (EXPENSE)/CREDIT

	(Unaudited)	
	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
<b>Current tax</b>		
PRC Enterprise Income Tax		
– charge for the period	(3,453)	–
– under provision in respect of prior years	(7)	–
<b>Deferred tax</b>	212	404
	<hr/>	<hr/>
Total income tax (expense)/credit recognised in profit or loss	<b>(3,248)</b>	404
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong profits tax is calculated at the rate of 16.5% (2019: 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. 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% (2019: 25%).

### 5. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the three months ended 30 June 2020 (2019: nil).

## 6. EARNINGS/(LOSS) PER SHARE

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

	(Unaudited)	
	Three months ended 30 June	
	2020	2019
<b>Profit/(loss):</b>		
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<b>HK\$1,782,000</b>	(HK\$4,894,000)
<b>Number of ordinary shares:</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<b>2,812,881,803</b>	2,812,881,803

The computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options during the three months ended 30 June 2020 since their exercise price is higher than the average market price of the shares for the period.

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 since they have anti-dilutive effect on the loss per share calculation.

## 7. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the condensed consolidated financial statement, the Group had the following significant transactions with related parties during the period:

	(Unaudited)	
	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Rental and share of office expenses paid to related companies (Note i)	152	59
Loan interest paid to related companies (Note ii)	168	168
Management fee income from an associate (Note iii)	75	–
Recharge of consultancy fee received from an associate (Note iii)	12	–

Notes:

- i. Rental and share of office expenses in respect of the leasing of office premises were paid to related companies which are beneficially owned by Mr. Felipe Tan (“**Mr. Tan**”), a substantial shareholder holding more than 20% equity interest in the Company, who resigned as a Director of the Company on 12 September 2019, at terms mutually agreed by both parties.
- ii. 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.
- iii. Management fee income and recharge of consultancy fee were received from an associate in which the Company owned a 22.53% 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 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 2020, high grade nickel-copper ores, nickel concentrate and copper concentrate were the products sold under the Mining Business.

As coronavirus quarantine rules have been loosened gradually in Xinjiang, our mining operation resumed in April 2020, compared to resumption in June last year. However, the COVID-19 pandemic still has a major knock-on effect on our normal business activities. To safeguard the health of our employees, stringent hygiene policies were implemented at the mine site and the processing plant, which laid more pressure on our on-site management. Shortage of workforce, in particular skilled technical staff, impacted the production in the processing plant. In addition, some of the head ores were oxidized due to long-term storage, thus increased difficulties in producing nickel and copper concentrates. In this regard, the Group have taken a series of actions to maintain the quality and volume of processed ores, including adjustment of processing technique, and to increase the sale of high grade ores. Benefited from economies of scale, reformulated chemical mix of processing and decrease in amortisation, the average cost of production therefore decreased. Owing to the increase in sales volume of high grade ores by 3.3 times and nickel concentrate by 60%, and increase in average grading of nickel, the Mining Business provided a better segment profit of HK\$12.8 million (2019: loss of HK\$6.3 million).

For the three months ended 30 June 2020, approximately 46,704 tonnes of nickel-copper ores were extracted (2019: 30,267 tonnes) and 29,108 tonnes were processed (2019: 27,208 tonnes), both of which were increased as compared to the corresponding period of last year. Turnover comprised of sales of 8,324 tonnes of high grade ores of approximately HK\$20.9 million (2019: 1,949 tonnes of HK\$4.4 million), 3,664 tonnes of nickel concentrate of approximately HK\$12.9 million (2019: 2,287 tonnes of HK\$7.4 million) and 294 tonnes of copper concentrate of approximately HK\$3 million (2019: 359 tonnes of HK\$4 million).

## **Other Business**

Other Business comprised of research and development of bio and nano new materials as well as various investments in startup fund, software maintenance and development, and e-commerce services. There was no turnover from Other Business during the three months ended 30 June 2020 and the segment profit was approximately HK\$0.3 million (2019: loss of HK\$36,000). The segment profit was contributed by the government rebate of research and development expenses of HK\$0.3 million from the Innovation and Technology Fund in the current period.

## **Interest in Associates**

In May 2020, the Group disposed of 110 shares of CGA Holdings Limited (“**CGA Holdings**”, together with its subsidiaries “**CGA Group**”) to its single major shareholder at the request of CGA Holdings in order to facilitate CGA Group to apply for the government guaranteed loan. The Group recorded a gain on disposal of interest in associates of HK\$407,000 for the period. As at 30 June 2020, the Company owned 29.97% indirect equity interest in CGA Group, which operates an e-sports gaming platform that provides various gaming and marketing services to e-sports enthusiasts and enterprise promoters. As the Hong Kong Government adopted social distancing and gathering restriction measures, business of CGA Group, especially its e-sports stadium in Mong Kok, suffered significant loss. During the three months ended 30 June 2020, there is no further share of loss of CGA Group being recognised as its carrying value has been fully impaired in the year ended 31 March 2020 (2019: share of loss of HK\$1.8 million).

The Company owned 22.53% indirect equity interest in Nano Bubble Limited which is mainly engaged in hygienic, sanitisation products and related solutions research and development based on nano-ozone technology. As public awareness of sanitation and hygiene issues were raised due to the outbreak of COVID-19, the Group expects such products to have good potential demand in the market. Despite delay caused by the pandemic, the Group is pushing the completion of the final modification of the production sample for timely launch of the products to the market.

The Company also owned 27.03% indirect equity interest in Nano Energy Limited which is engaged in the research and development of nano-power generation products using different nanomaterials and related technologies. As affected by the COVID-19, the development schedule and the progress of such project was postponed.

For the three months ended 30 June 2020, the Group recorded share of loss of associates and impairment loss on amount due from an associate of approximately HK\$26,000 (2019: HK\$1.8 million).



## **Outlook**

Although the performance of our Mining Business was positive during the reporting period, it is still confronted with great challenges in the second half of 2020. Due to the resurgence of COVID-19 infections in Xinjiang in July and the latest restrictions on inter-provincial travel, our sales of high grade ores to purchasers located outside Xinjiang were temporarily suspended. Other sales and the mining and processing activities kept operating but subject to stringent anti-epidemic measures. Furthermore, as the remaining resources in the current mining zone of the Baishiquan Nickel-copper Mine are decreasing, our mining segment is at risk of exhaustion of resources. The current mining licence of the Baishiquan Nickel-copper Mine was expired by July 2020. We have arranged submission of the renewal documents by December 2019. Our application is still under review due to work piled up during COVID-19. The renewed licence is expected to be issued after payment of the related fee calculated based on the mineral resources estimated by the independent valuer appointed by the regulatory authority. According to the mining rights management measures during COVID-19 issued by the Xinjiang Government, licences expired in this period would be granted a three-month extension from the date of release of the pandemic control measures.

The other investment projects of the Group, especially the e-sports project, had recorded negative results during the reporting period and are expected to face complex environments attributable to the effect of COVID-19 on the economy. More focus had been put on marketing/promotion events through online e-sports tournaments and related activities aiming at increasing revenue. Government imposed COVID-19 gathering restriction rules forced the shut down of the Mong Kok e-sports stadium for almost six weeks during the reporting period. The third wave of pandemic has forced the stadium to close again and dealt further blow to its already struggling offline e-sports business. The stadium's business could not return to normal until the social restrictions are eased and ended.

## **FINANCIAL PERFORMANCE REVIEW**

For the three months ended 30 June 2020, the Group recorded turnover of approximately HK\$36.9 million (2019: HK\$15.8 million), representing an increase of 1.3 times as compared with the same period in 2019. Other income and gains of approximately HK\$1.0 million for the period under review (2019: HK\$0.2 million) mainly represented interest income, rental income, subsidy from Employment Support Scheme and government rebate of research and development expenses. Profit for the period was approximately HK\$8.9 million (2019: loss of HK\$8.0 million), representing an increase of 2.1 times as compared to the corresponding period in 2019. The increase in profit was mainly due to the increase in turnover generated by the Mining Business.

For the period under review, the Mining Business recorded turnover of approximately HK\$36.9 million (2019: HK\$15.8 million). The segmental profit was approximately HK\$12.8 million, representing an increase of 3.0 times as compared with the corresponding period in 2019 (2019: loss of HK\$6.3 million), which was contributed by increased quantity of ores sold, higher grading of nickel, reduced production cost and amortisation as well as improved processing technique.

For the period under review, there is no turnover from the Other Business (2019: nil). The segmental profit was approximately HK\$0.3 million, representing an increase of 9.3 times as compared with the corresponding period in 2019 (2019: loss of HK\$36,000).

For the three months ended 30 June 2020, the Group reported share of losses of associates of approximately HK\$24,000 (2019: HK\$1.8 million). Profit attributable to owners of the Company was approximately HK\$1.8 million, as compared to loss of HK\$4.9 million for the same period in 2019.

## **OTHER INFORMATION**

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

At 30 June 2020, 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*

<b>Name of Directors</b>	<b>Number of ordinary shares held in the capacity of</b>		
	<b>Beneficial owner</b>	<b>Total number of shares</b>	<b>Percentage of shareholding</b>
<b>Executive Director</b>			
CHAN Mei Ying Spencer	1,800,000	1,800,000	0.06%
<b>Independent Non-Executive Directors</b>			
CHAN Choi Ling	1,200,000	1,200,000	0.04%
LAM Kwai Yan	1,200,000	1,200,000	0.04%

(b) *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 underlying shares					Outstanding at 30.06.2020
				Outstanding at 01.04.2020	During the period			Outstanding at 30.06.2020	
					Granted	Exercised	Cancelled		
<b>Executive Directors</b>									
CHAN Mei Ying Spencer	02.03.2017	02.03.2017–01.03.2027	0.1080	1,000,000	-	-	-	-	1,000,000
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
Ronald TAN	02.03.2017	02.03.2017–01.03.2027	0.1080	2,000,000	-	-	-	-	2,000,000
<b>Independent Non-Executive Directors</b>									
CHAN Choi Ling	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 2020, 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 2020, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholders had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholders	Nature of interests	Number of shares or underlying shares held			Percentage of the issued share capital as at 30 June 2020
		Ordinary shares	Share options	Total	
Felipe Tan	Beneficial owner	158,128,000	2,000,000	160,128,000	5.69%
	Interest of a controlled corporation	678,074,400	–	678,074,400	24.11%
Starmax Holdings Limited*	Beneficial owner	678,074,400	–	678,074,400	24.11%
Wong Kei Yuen	Interest of a controlled corporation	150,100,000	–	150,100,000	5.33%
CHP 1855 Limited**	Beneficial owner	150,100,000	–	150,100,000	5.33%

\* Starmax Holdings Limited (“**Starmax**”) is beneficially owned by Mr. Felipe Tan. By virtue of the SFO, Mr. Felipe Tan was deemed to have interest in the shares of the Company held by Starmax.

\*\* CHP 1855 Limited (“**CHP**”) 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.

Particulars of the substantial shareholder's interest in share options to subscribe for shares in the Company pursuant to the 2013 Share Options Scheme of the Company were as follows:

Name of substantial shareholder	Date of grant	Vesting and exercisable period	Exercise price per share HK\$	Number of share options and underlying shares					
				Outstanding at 01.04.2020	During the period				Outstanding at 30.6.2020
					Granted	Exercised	Cancelled	Lapsed	
Felipe Tan	02.03.2017	02.03.2017 – 01.03.2027	0.1080	2,000,000	-	-	-	-	2,000,000

Saved as disclosed above, as at 30 June 2020, the Company has not been notified by any persons (other than the Directors) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

## COMPETING INTEREST

For the three months ended 30 June 2020, none of the Directors of the Company and their respective close associates (as defined under the GEM Listing Rules) were engaged in any business that competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

## 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 and 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.

As at the date of the announcement, the audit committee comprises three independent non-executive Directors, Ms. Tsang Wai Chun Marianna, Ms. Chan Choi Ling and Mr. Lam Kwai Yan. The audit committee has reviewed this results announcement, including the unaudited condensed consolidated financial statements for the three months ended 30 June 2020.

On behalf of the Board  
**Timeless Software Limited**  
**Chan Mei Ying Spencer**  
*Executive Director and Chief Executive Officer*

Hong Kong, 11 August 2020

*Executive Directors:*

Mr. Chan Mei Ying Spencer (*Chief Executive Officer*)

Mr. Lam Kai Ling Vincent

Ms. Lau Yun Fong Carman

Mr. Ronald Tan

*Independent non-executive Directors:*

Ms. Chan Choi Ling

Mr. Lam Kwai Yan

Ms. Tsang Wai Chun Marianna