



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 YEAR ENDED 31 MARCH 2023

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

RESULTS

The board of Directors (“Board”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2023, together with the comparative audited figures for the corresponding period in 2022, have been reviewed by the audit committee of the Company and approved by the Board on 20 June 2023 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	4	160	80,197
Other income and gains	5	4,670	5,543
Production costs		(2)	(18,428)
Staff costs		(6,719)	(11,071)
Depreciation and amortisation		(336)	(1,690)
Gain on disposal of property, plant and equipment		–	319
Gain on partial disposal of interests in an associate		–	7,272
Impairment loss on other receivables		(532)	(557)
Gain/(loss) on fair value changes of an investment property		1,300	(700)
Loss on fair value changes of financial assets at fair value through profit or loss		(2,859)	(1,894)
Gain/(loss) on derecognition of financial assets at fair value through profit or loss		293	(2,258)
Other operating expenses		(5,325)	(11,307)
Share of (loss)/profit of associates		(90)	304
Finance costs	6	(236)	(657)
(Loss)/profit before tax		(9,676)	45,073
Income tax expense	7	(827)	(8,441)
(Loss)/profit for the year	8	(10,503)	36,632
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(8,464)	5,090
Total comprehensive (expense)/income for the year		(18,967)	41,722
(Loss)/profit attributable to:			
Owners of the Company		(8,231)	6,948
Non-controlling interests		(2,272)	29,684
		(10,503)	36,632
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(10,432)	8,272
Non-controlling interests		(8,535)	33,450
		(18,967)	41,722
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share	9		
– Basic and diluted		(0.29)	0.25

Consolidated Statement of Financial Position

At 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		573	157
Right-of-use assets		5,492	6,165
Investment property		9,200	7,900
Intangible assets		–	–
Exploration and evaluation assets		13,932	13,956
Interests in associates		408	401
Financial assets at fair value through profit or loss		4,473	7,290
Land rehabilitation costs		–	–
		<u>34,078</u>	<u>35,869</u>
Current assets			
Inventories		119	130
Trade receivables	10	–	5
Prepayments, deposits and other receivables		10,248	16,510
Financial assets at fair value through profit or loss		11,543	1,719
Bank balances and cash		90,885	127,065
		<u>112,795</u>	<u>145,429</u>
Current liabilities			
Trade and other payables	11	10,489	11,418
Provision for land rehabilitation		2,837	860
Loans from related parties		9,003	11,200
		<u>22,329</u>	<u>23,478</u>
Net current assets		<u>90,466</u>	121,951
Total assets less current liabilities		<u>124,544</u>	157,820
Non-current liabilities			
Provision for land rehabilitation		4,684	7,246
Deferred tax liabilities		1,990	2,218
		<u>6,674</u>	9,464
Net assets		<u>117,870</u>	<u>148,356</u>
Capital and reserves			
Share capital		906,074	906,074
Reserves		(855,450)	(845,018)
Equity attributable to owners of the Company		<u>50,624</u>	61,056
Non-controlling interests		67,246	87,300
Total equity		<u>117,870</u>	<u>148,356</u>

NOTES:

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on GEM of the Stock Exchange. The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

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

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

The financial information relating to the years ended 31 March 2023 and 2022 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 March 2023 to the Registrar of Companies in due course.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment– Proceed before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for an investment property and certain financial instruments that are measured at fair values at the end of each reporting period.

4. REVENUE AND SEGMENT INFORMATION

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

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

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

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

Segment revenues and results

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

For the year ended 31 March 2023

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

For the year ended 31 March 2022

	Mining and Metal Business <i>HK\$'000</i>	Software and Innovation Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
External sales	79,766	431	80,197
Segment profit	44,698	237	44,935
Interest income			3,769
Unallocated other income and gains			994
Unallocated corporate expenses			(6,135)
Gain on partial disposal of interests in an associate			7,272
Impairment loss on other receivables			(557)
Loss on fair value changes of an investment property			(700)
Loss on fair value changes of financial assets at FVTPL			(1,894)
Loss on derecognition of financial assets at FVTPL			(2,258)
Share of profit of associates			304
Finance costs			(657)
Group's profit before tax			45,073

There were no inter-segment sales in the current year (2022: nil).

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

Segment assets and liabilities

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Segment assets		
Mining and Metal Business	21,307	22,278
Software and Innovation Business	20	60
	<u>21,327</u>	<u>22,338</u>
Total reportable segment assets	21,327	22,338
Interests in associates	408	401
Unallocated	125,138	158,559
	<u>146,873</u>	<u>181,298</u>
Consolidated assets	<u>146,873</u>	<u>181,298</u>
Segment liabilities		
Mining and Metal Business and total reportable segment liabilities	19,157	20,911
Unallocated	9,846	12,031
	<u>29,003</u>	<u>32,942</u>
Consolidated liabilities	<u>29,003</u>	<u>32,942</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain of the Group's property, plant and equipment, an investment property, financial assets at FVTPL, interests in associates and an amount due from an associate, certain of the Group's prepayments, deposits and other receivables and bank balances and cash; and
- all liabilities are allocated to reportable segments other than loans from related parties and certain of the Group's other payables.

Other segment information

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Additions to non-current assets*		
Mining and Metal Business	979	14,003
Unallocated	527	–
	<u>1,506</u>	<u>14,003</u>
Gain on disposal of property, plant and equipment		
Mining and Metal Business	–	319
	<u>–</u>	<u>319</u>
Depreciation and amortisation		
Mining and Metal Business	235	1,501
Unallocated	101	189
	<u>336</u>	<u>1,690</u>
Depreciation and amortisation included in production costs		
Mining and Metal Business	–	319
	<u>–</u>	<u>319</u>
Total depreciation and amortisation recognised in profit or loss	<u>336</u>	<u>2,009</u>

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

Geographical Information

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

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	160	431
Mainland China	–	79,766
	160	80,197
Non-current assets		
Hong Kong	9,758	8,032
Mainland China	19,439	20,146
	29,197	28,178

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

Information about major customers

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A ¹	N/A ³	79,766
Customer B ²	156	N/A ³

¹ Revenue from Mining and Metal Business

² Revenue from Software and Innovation Business

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

Disaggregation of revenue from contracts with products

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Types of goods or service		
Sales of high-grade nickel-copper ores	–	79,766
Service fee income	156	406
Sales of water soluble bags	4	25
	<u>160</u>	<u>80,197</u>

5. OTHER INCOME AND GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividend income from a financial asset at FVTPL	–	750
Interest income		
– bank deposits	3,581	3,275
– financial assets at FVTPL	151	188
– other receivable	407	306
Government grants	71	–
Net foreign exchange gain	–	153
Others	460	871
	<u>4,670</u>	<u>5,543</u>

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

6. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on loans from related parties	<u>236</u>	<u>657</u>

7. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax		
– PRC Enterprise Income Tax	–	7,021
– Under provision in prior years	348	27
– PRC withholding tax	651	1,062
Deferred tax	<u>(172)</u>	<u>331</u>
	<u>827</u>	<u>8,441</u>

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

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

8. (LOSS)/PROFIT FOR THE YEAR

	2023	2022
	HK\$'000	HK\$'000
(Loss)/profit for the year has been arrived at after charging/(crediting):		
Directors' and chief executive's emoluments	1,485	2,125
Other staff's retirement benefits scheme contributions	406	406
Other staff costs*	4,828	8,540
	<hr/>	<hr/>
Employee benefits expenses	6,719	11,071
	<hr/> <hr/>	<hr/> <hr/>
Depreciation of property, plant and equipment (including in the production costs line item)	–	319
	<hr/> <hr/>	<hr/> <hr/>
Depreciation of property, plant and equipment	109	1,096
Depreciation of right-of-use assets	227	345
Amortisation of land rehabilitation costs	–	249
	<hr/>	<hr/>
Depreciation and amortisation (included in the depreciation and amortisation line item)	336	1,690
	<hr/> <hr/>	<hr/> <hr/>
Rental income arising from an investment property	(256)	(192)
Less: direct operating expenses incurred for an investment property that generate rental income during the year	85	85
	<hr/>	<hr/>
	(171)	(107)
	<hr/> <hr/>	<hr/> <hr/>
Auditors' remuneration	600	620
Cost of inventories recognised as an expense	2	16,404
Provision for inventories (included in the production costs line item)	–	1,431
Expense relating to short-term leases not included in the measurement of lease liabilities	695	772
Net foreign exchange loss/(gain)	633	(153)
	<hr/> <hr/>	<hr/> <hr/>

* For the year ended 31 March 2022, the costs exclude production staff costs of approximately HK\$274,000 which were included in the production costs line item.

9. (LOSS)/EARNINGS PER SHARE

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

(Loss)/earnings for the basic and diluted (loss)/earnings per share:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/earnings for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u><u>(8,231)</u></u>	<u><u>6,948</u></u>

Number of shares:

	2023 <i>'000</i>	2022 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u><u>2,812,882</u></u>	<u><u>2,812,882</u></u>

The computation of the diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share option since the exercise prices of those options were higher than the average market price for shares for both 2023 and 2022.

10. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables from contracts with customers	<u><u>–</u></u>	<u><u>5</u></u>

The following is an aged analysis of trade receivables presented based on the invoice dates.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 30 days	<u><u>–</u></u>	<u><u>5</u></u>

As at 31 March 2022, none of trade receivables balance are past due.

The Group does not hold any collateral over its trade receivables.

11. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	229	907
Other payables	10,260	10,511
	<hr/> 10,489 <hr/>	<hr/> 11,418 <hr/>

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 90 days	–	352
More than 90 days	229	555
	<hr/> 229 <hr/>	<hr/> 907 <hr/>

12. DIVIDEND

No dividend had been paid or declared by the Company during the year (2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Mining and Metal Business

Overview

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

During the year under review, the Group submitted to the related government authorities for approval of the renewal application of the mining license in June 2022 and the first draft of the verification report of resources and reserves in respect of the phase two mining zone of the Baishiquan Nickel-copper Mine in July 2022. Due to the spread of the COVID-19 pandemic and long lockdown in Urumqi, Xinjiang since August 2022, the approval of the renewal of the mining license and the verification report of resources and reserves was seriously delayed. The Group's business office located in Hami, Xinjiang was also impacted by the local lockdown for 98 days. The PRC government had lifted the quarantine measures in December 2022 and the renewed mining license was received by the Group in March 2023. For phase two mining zone of the Baishiquan Nickel-copper Mine, the verification report of resources and reserves was amended to include supplementary information as requested by the related authorities after initial assessment and was re-submitted in November 2022. However, the government authorities requested additional drilling and exploration work to be done. We have designed an additional drilling plan and have completed supplementary drilling in June 2023. For the year ended 31 March 2023, we have incurred approximately HK\$1.0 million (2022: HK\$1.6 million) for completing drilling of approximately 120 meters.

For the year ended 31 March 2023, the Group did not generate any revenue from sales of nickel-copper products (2022: HK\$79.8 million).

For metal trading in Hong Kong, the Group completed trading of 113 kg gold with profit of HK\$293,000 recorded as gain on derecognition of financial assets in the current year (2022: HK\$89,000).

Outlook

For the Mining and Metal Business, we have a positive view on the nickel market outlook following the expected recovery of China's economy after uplifting the anti-pandemic measures, which would boost the country's economic growth and increase the demand of nickel. After the completion of the supplementary drilling in June 2023, we shall arrange for the laboratory testing of the samples and update the verification report of resources and reserves. According to our latest schedule, the updated report will be re-submitted to the government for approval in the third quarter of 2023 and it is anticipated that the approval of report would be obtained within 2023. The Group will actively communicate with the related government authorities to push forward the progress in order to reach our revised target to commence extraction of the phase two of the Baishiquan Nickel-copper Mine by the end of 2025. Subject to the approval of the relevant PRC government authority and the work results of the qualified professionals, after the approval of the verification report of resources and reserves, we will commence the feasibility study and the preparation of other reports which would take about 4 to 6 months to obtain approval. After that, the work relating to mine design would then take another 3 to 4 months. The construction of mining facilities would commence by the third quarter of 2024 and will last for approximately 18 to 20 months. Under such estimated timelines, it is expected that the extraction of the phase two mine zone would be delayed to the last quarter of year 2025. Given the early stage of development of phase two of Baishiquan Nickel-copper Mine, the Group does not have sufficient information to prepare a forecast of development expense at the current stage.

Resource estimates update

As at 31 March 2023, the details of the resource estimates of the mining zone (phase two) are set out below:

Mine	Resource category	Tonnage	Average grade	
		<i>(tonnes*1,000)</i>	<i>(Ni%)</i>	<i>(Cu%)</i>
Baishiquan Nickel-copper Mine	Indicated	4,047	0.55	0.36
	Inferred	3,180	0.60	0.32

Notes:

- (1) The resource estimates are prepared by internal experts based on the exploration works done and the new national standard of the PRC, Classifications for Mineral Resources and Mineral Reserves (GB/T 17766-2020).
- (2) Cut-off grade is 0.3%.

Exploration, Development and Mining Production Activities

The exploration, development and mining production activities of the mining zone (phase two) of the Group for the year ended 31 March 2023 are summarised below:

Mine	Activity		
	Exploration	Development	Mining
Baishiquan Nickel-copper Mine	Hydrological drilling of approximately 120 meters	No material activity	No material activity

Expenditure Incurred

During the year ended 31 March 2023, the Group had incurred the following expenditure related to the mining activities which mainly included drilling and analysis of approximately HK\$979,000:

	Total <i>HK\$'000</i>
1. Capital Expenditure	
1.1 Exploration activities	
Drilling and analysis	979
1.2 Development activities (including mine construction)	
Construction of drift	—
Total Capital Expenditure	979
2. Operating Expenditure for Mining Activities	
Staff cost	—
Consumables	—
Fuel, electricity, water and other services	—
Non-income taxes, royalties and other government charges	—
Others	—
Total Operating Expenditure	—
Total Capital and Operating Expenditure	979
3. Processing Expenditure	—
Total Expenditure	979

Infrastructure projects and subcontracting arrangements

No new contracts related to infrastructure projects and subcontracting arrangements were concluded during the year ended 31 March 2023 (2022: nil). As at 31 March 2023, there was no outstanding commitments (2022: HK\$1.0 million).

Software and Innovation Business

Overview

Software and Innovation Business comprised of research, development and sale agency of bio and nano materials products as well as software maintenance and development services. For the year ended 31 March 2023, there was turnover of approximately HK\$160,000 (2022: HK\$431,000) from Software and Innovation Business and the segment profit was approximately HK\$47,000 (2022: HK\$237,000). The segment profit was mainly contributed by the service fee income of HK\$156,000 from the provision of sales agency services of bio and nano materials products. The Group also engaged in the development and sales of water soluble and biodegradable products, which contributed a revenue of approximately HK\$4,000 (2022: HK\$25,000) for the year ended 31 March 2023.

Outlook

For the Software and Innovation Business, biodegradable packing material and nano projects remains our focus as development of personal and environmental hygiene and sanitization products are the global trend. However, as the macroeconomic environment remains uncertain after the pandemic, the Group will continue to assess the potentials of these projects and will cease those without good prospects.

Interests in Associates

The Group owned 36.04% (2022: 22.53%) equity interests in Nano Bubble Limited (“Nano Bubble”) which mainly engaged in research and development for hygienic and sanitisation products, and the related solutions using the nano-ozone technology. The hydroponic machine is used for replacing chemical detergent for sterilisation and disinfection. It can also be applied to aquaculture and agriculture to enrich oxygen level in fish and vegetable cultivation media. During the year, Nano Bubble commenced the sales of hydroponic machine.

For the year ended 31 March 2023, the Group recorded share of loss of associates of approximately HK\$90,000 (2022: profit of HK\$304,000). In addition, the Group acquired additional equity interests in Nano Bubble at a cash consideration of HK\$150,000.

Other Investments

As at 31 March 2023, the Group owned 3,890 ordinary shares, representing 15.28% equity interests in CGA Holdings Limited (“CGA Holdings”). CGA Holdings and its subsidiaries (“CGA Group”) are principally engaged in e-sport business. Due to the pandemic and prolonged social distancing restrictions, the financial performance of CGA Holdings was adversely affected. There are still uncertainties associated with its operating performance notwithstanding the gradual release of anti-epidemic policies such as lifting the nucleic acid test arrangement and cancellation of isolation order in January 2023.

As further detailed in the Company’s announcement dated 18 October 2021, the proposed listing of CGA Holdings has not been proceeded as planned by the deadline on 18 April 2023. CGA Holdings is actively negotiating with the subscriber for the subsequent arrangement.

As at 31 March 2023, the Group also had profit guarantee receivables, together with accrued interest, from the founders of CGA Group amounting to approximately HK\$8,855,000 (31 March 2022: HK\$8,448,000) secured by pledge of ordinary shares of CGA Holdings held by the founders. Details of such receivables are set out in the Company’s announcement dated 30 June 2021.

FINANCIAL PERFORMANCE REVIEW

For the year ended 31 March 2023, the Group recorded a total turnover of approximately HK\$160,000 (2022: HK\$80,197,000), representing a decrease of 99.8% as compared with the last financial year, which mainly due to the completion of phase one of the Baishiquan Nickel-copper Mine. Other income and gains of approximately HK\$4,670,000 for the year under review (2022: HK\$5,543,000) mainly represented interest income and rental income. Loss for the year was approximately HK\$10,503,000 (2022: profit of HK\$36,632,000). The decrease in profit was mainly because there was no revenue generated from the Mining and Metal Business (2022: HK\$79,766,000).

For the year under review, there was no turnover from the Mining and Metal Business (2022: HK\$79,766,000) and the turnover from the Software and Innovation Business was approximately HK\$160,000 (2022: HK\$431,000). The segment loss from the Mining and Metal Business was approximately HK\$5,015,000 (2022: profit of HK\$44,698,000) and segment profit from the Software and Innovation Business was approximately HK\$47,000 (2022: HK\$237,000). The segment profit for the Mining and Metal Business decreased by 111% as there was no sale of nickel-copper products during the year under review.

Loss attributable to owners of the Company was approximately HK\$8,231,000, as compared to profit of HK\$6,948,000 for the last financial year.

The adjusted LBITDA of the Group, a non-HKFRSs financial measure, for the current year was HK\$11,516,000 as compared to EBITDA of HK\$41,788,000 in the last financial year, details of which is provided in the annual report of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2023, the Group had bank balances and cash of approximately HK\$90,885,000 (2022: HK\$127,065,000) and net current assets of HK\$90,466,000 (2022: HK\$121,951,000). Out of the Group's bank balances and cash, about 10% was denominated in Hong Kong dollars (2022: 1%) and 90% was denominated in Renminbi (2022: 99%). The cash denominated in United States dollars is less than 1% (2022: less than 1%).

As at 31 March 2023, the current ratio was 5.05 (2022: 6.19).

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

As at 31 March 2023, the Group had outstanding borrowings of approximately HK\$9,003,000 (2022: HK\$11,200,000), which mainly represented a loan from a director (2022: loan from a related company).

CAPITAL COMMITMENTS

The Group has no significant capital commitment as at 31 March 2023.

GEARING RATIO

As at 31 March 2023, the Group's gearing ratio was approximately 17.78% (2022: 18.34%), based on total borrowings of approximately HK\$9,003,000 (2022: HK\$11,200,000) and equity attributable to owners of the Company of approximately HK\$50,624,000 (2022: HK\$61,056,000).

EMPLOYEE INFORMATION

As at 31 March 2023, the Group employed a total of 20 staff (2022: 22). Staff remuneration is reviewed by the management of the Group from time to time and increases are granted normally annually or by special adjustment depending on length of service and performance when warranted. In addition to salaries, the Group provides staff benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group. The Group also concerns on work safety to the employees. During the year ended 31 March 2023, there was no serious work safety issue on our Group's employees.

CHARGE ON THE GROUP'S ASSETS

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

ORDER BOOK AND PROSPECTS FOR NEW BUSINESS

There was no order book on hand as at 31 March 2023.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 March 2023, the Group entered into a contract in respect of a structured deposit of HK\$11,420,000 issued by a financial institution with guaranteed principal and varying return rate from 1.30% to 3.18%, depending on the performance of the underlying.

Save as disclosed above, the Group did not have any significant investments, acquisitions or disposals during the year ended 31 March 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS

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

EXPOSURE TO EXCHANGE RISKS

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

CONTINGENT LIABILITIES

As at 31 March 2023, the Group has no material contingent liabilities.

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

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

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, Mr. Yu Leung Fai, Ms. Chan Choi Ling and Mr. Lam Kwai Yan. The audit committee has reviewed the audited financial results of the Group for the year ended 31 March 2023.

CORPORATE GOVERNANCE PRACTICES

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

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

The Company has adopted the code provisions (“Code Provisions”) set out in the Corporate Governance Code (the “Code”) as set out in Appendix 15 to the GEM Listing Rules. The Company had complied with all Code Provisions as set out in the Code, throughout the year ended 31 March 2023, except for Code Provision C.2.1.

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

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

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “AGM”) will be held on Monday, 25 September 2023, the notice of which will be sent to the shareholders of the Company (the “Shareholders”) in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 20 September 2023 to Monday, 25 September 2023 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for attending at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 19 September 2023.

By Order of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 20 June 2023

Executive Directors:

Mr. Felipe Tan (*Chairman*)

Mr. Ronald Tan

Independent non-executive Directors:

Ms. Chan Choi Ling

Mr. Lam Kwai Yan

Mr. Yu Leung Fai