



**TIMELESS** SOFTWARE LIMITED

**天時軟件有限公司**

(incorporated in Hong Kong with limited liability)  
(Stock Code: 8028)

# Quarterly Report

FOR THE THREE MONTHS ENDED 30 JUNE 2022

# 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 report, 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 report 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 report misleading.*

*This report shall remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://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](http://www.timeless.com.hk).*

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2022

	Notes	(Unaudited) Three months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Revenue	3	48	62,739
Other income and gains	4	1,166	405
Costs of sales		(7)	(15,153)
Staff costs		(1,458)	(4,934)
Depreciation and amortisation		(108)	(639)
Gain on disposal of property, plant and equipment		–	143
Loss on fair value changes of financial assets at fair value through profit or loss		(60)	(188)
Other operating expenses		(1,602)	(6,406)
Gain on derecognition of financial assets at fair value through profit or loss		140	–
Impairment loss on other receivables		(37)	–
Share of (loss)/profit of associates		(32)	116
Finance costs		(86)	(168)
(Loss)/profit before tax		(2,036)	35,915
Income tax expense	5	(676)	(9,504)
(Loss)/profit for the period	6	(2,712)	26,411
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(5,809)	1,671
<b>Total comprehensive (expense)/income for the period</b>		<b>(8,521)</b>	<b>28,082</b>
(Loss)/profit attributable to:			
Owners of the Company		(1,821)	5,570
Non-controlling interests		(891)	20,841
		(2,712)	26,411
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(3,332)	6,005
Non-controlling interests		(5,189)	22,077
		(8,521)	28,082
<b>(Loss)/earnings per share</b>		<b>HK cents</b>	<b>HK cents</b>
– Basic and diluted	8	(0.06)	0.20

# Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2022

	Share capital HK\$'000	Share options reserve HK\$'000	General reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated deficit HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Balance at 1 April 2021 (Audited)	906,074	1,986	2,205	964	(3,882)	(854,563)	52,784	82,495	135,279
Profit for the period	-	-	-	-	-	5,570	5,570	20,841	26,411
Other comprehensive income for the period	-	-	-	-	435	-	435	1,236	1,671
Total comprehensive income for the period	-	-	-	-	435	5,570	6,005	22,077	28,082
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	(18,866)	(18,866)
Balance at 30 June 2021 (Unaudited)	906,074	1,986	2,205	964	(3,447)	(848,993)	58,789	85,706	144,495
<b>Balance at 1 April 2022 (Audited)</b>	<b>906,074</b>	<b>1,747</b>	<b>2,205</b>	<b>964</b>	<b>(2,558)</b>	<b>(847,376)</b>	<b>61,056</b>	<b>87,300</b>	<b>148,356</b>
Loss for the period	-	-	-	-	-	(1,821)	(1,821)	(891)	(2,712)
Other comprehensive expense for the period	-	-	-	-	(1,511)	-	(1,511)	(4,298)	(5,809)
Total comprehensive expense for the period	-	-	-	-	(1,511)	(1,821)	(3,332)	(5,189)	(8,521)
Balance at 30 June 2022 (Unaudited)	906,074	1,747	2,205	964	(4,069)	(849,197)	57,724	82,111	139,835

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 30 June 2022

## 1. General Information

Timeless Software Limited (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 is Room 2208, 118 Connaught Road West, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) the exploration 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 unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. These unaudited 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 of Directors (the “Board”) on 9 August 2022.

## 2. Basis of Preparation and Accounting Policies

These unaudited condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules. These unaudited 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 2022.

The unaudited condensed 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 the reporting period.

The accounting policies and method of computation used in these unaudited condensed consolidated financial statements for the three months ended 30 June 2022 are same as those followed in the Group’s audited consolidated financial statements for the year ended 31 March 2022, except for those related to new and revised HKFRSs effective for the first time for the periods beginning on or after 1 April 2022. The adoption of these new and revised HKFRSs during the three months ended 30 June 2022 has had no material impact on the Group’s financial performance and positions for the three months ended 30 June 2022 and 2021 and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early adopted any new and revised HKFRSs that has been issued but not yet effective in the current accounting period.

The preparation of these unaudited condensed consolidated 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 2022 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:

## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the three months ended 30 June 2022

### 2. Basis of Preparation and Accounting Policies (Continued)

The Company will deliver the financial statements for the year ended 31 March 2022 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 2022. 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. 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. These operating divisions are the basis upon which the information that is regularly reviewed by the CODM is prepared and are analysed under HKFRS8 *Operating Segments*.

Specifically, the Group's reportable segments under HKFRS 8 are (i) Mining and Metal Business; and (ii) Software and Innovation Business.

#### Segment revenues and results

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

For the three months ended 30 June 2022 (Unaudited)

	Mining and Metal Business HK\$'000	Software and Innovation Business HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
External sales	–	48	48
Segment (loss)/profit	(1,241)	39	(1,202)
Interest income			1,083
Unallocated other income and gains			76
Unallocated corporate expenses			(1,918)
Loss on fair value changes of financial assets at fair value through profit or loss			(60)
Gain on derecognition of a financial asset at fair value through profit or loss			140
Impairment loss on other receivables			(37)
Share of loss of associates			(32)
Finance costs			(86)
Loss before tax			(2,036)

## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the three months ended 30 June 2022

### 3. Revenue and Segment Information (Continued)

#### Segment revenues and results (Continued)

For the three months ended 30 June 2021 (Unaudited)

	Mining and Metal Business HK\$'000	Software and Innovation Business HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
External sales	62,459	280	62,739
Segment profit	37,009	59	37,068
Interest income			272
Unallocated other income and gains			428
Unallocated corporate expenses			(1,613)
Loss on fair value changes of financial assets at fair value through profit or loss			(188)
Share of profit of associates			116
Finance costs			(168)
Profit before tax			35,915

Disaggregation of revenue from contracts with customers

	<b>(Unaudited)</b> <b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Sales of high-grade nickel-copper ores	–	62,459
Service fee income	44	255
Sales of water soluble bags	4	25
	<b>48</b>	<b>62,739</b>
<b>Time of revenue recognition</b>		
At a point of time	48	62,664
Over time	–	75
	<b>48</b>	<b>62,739</b>

The Group has contracts with customers for the sale of metal, high-grade nickel-copper ores and water soluble bags. The Group has concluded that revenue from sale of goods are recognised at the point of time when a customer obtained control of goods.

## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the three months ended 30 June 2022

### 3. Revenue and Segment Information (Continued)

#### Segment revenues and results (Continued)

Disaggregation of revenue from contracts with customers (Continued)

The revenue from the provision of sales agency services is recognised at a point in time when services are performed.

The revenue from the provision of management services is recognised over time when services are rendered.

### 4. Other Income and Gains

	(Unaudited)	
	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Employment Support Scheme	28	–
Interest income	1,083	272
Rental income	48	48
Exchange gain, net	–	75
Other income	7	10
	<u>1,166</u>	<u>405</u>
Total other income and gains	1,166	405

### 5. Income Tax Expense

	(Unaudited)	
	Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax		
PRC Enterprise Income Tax		
– charge for the period	–	8,929
– underprovision in respect of prior years	357	27
– PRC withholding tax	–	1,062
Deferred tax	319	(514)
	<u>676</u>	<u>9,504</u>

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 the both periods.

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 PRC subsidiaries is 25% for both periods.



## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the three months ended 30 June 2022

### 6. (Loss)/Profit for the Period

(Loss)/profit for the period has been arrived at after charging/(crediting):

	(Unaudited) Three months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Employee benefits expense (including Directors' and chief executive's emoluments)	1,458	5,138
Amount included in the costs of sales line item	–	(204)
Amount included in the staff costs line item	<u>1,458</u>	<u>4,934</u>
Depreciation of property, plant and equipment	–	224
Amortisation of intangible assets	–	3,013
Depreciation and amortisation (included in the costs of sales line item)	<u>–</u>	<u>3,237</u>
Depreciation of property, plant and equipment	49	412
Depreciation of right-of-use assets	59	104
Amortisation of land rehabilitation costs	–	123
Depreciation and amortisation (included in the depreciation and amortisation line item)	<u>108</u>	<u>639</u>
Gross rental income arising from an investment property	(48)	(48)
Less: direct operating expenses incurred for an investment property that generate rental income during the period	20	20
	<u>(28)</u>	<u>(28)</u>
Cost of inventories recognised as an expense	7	13,175
Provision for inventories (included in the costs of sales line item)	–	1,784
Expense relating to short-term leases not included in the measurement of lease liabilities	173	126
Net foreign exchange loss/(gain)	<u>514</u>	<u>(75)</u>

### 7. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: nil).

## Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the three months ended 30 June 2022

### 8. (Loss)/Earnings per Share

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

	<b>(Unaudited)</b> <b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
<b>(Loss)/profit:</b>		
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u><b>(HK\$1,821,000)</b></u>	<u>HK\$5,570,000</u>
<b>Number of ordinary shares:</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u><b>2,812,881,803</b></u>	<u>2,812,881,803</u>

The computation of the diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share options since the exercise prices of those options were higher than the average market price of the shares for the three months ended 30 June 2022 and 2021.

### 9. Related Party Transactions

Other than as disclosed elsewhere in these unaudited condensed consolidated financial statements, the Group had the following significant transactions with related parties:

	<b>(Unaudited)</b> <b>Three months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Rental and share of office expenses paid to related companies (Note i)	<b>203</b>	150
Purchase of goods from a related company (Note ii)	–	22
Loans interest paid to related companies (Note iii)	<b>86</b>	168
Management fee income from an associate (Note iv)	–	75
Exploration expenses charged by a related company (Note v)	<u><b>1,006</b></u>	<u>–</u>

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"), an executive Director of the Company, at terms mutually agreed by both parties.
- ii. Goods were purchased from a related company, in which Mr. Tan had significant influence in the prior period, at terms mutually agreed by both parties.
- 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.
- iv. Management fee income was received from an associate, in which the Company owned a 22.53% equity interests, at terms mutually agreed by both parties.
- v. Exploration expenses were charged by a related company, which is the non-controlling shareholder of a subsidiary of the Company, at terms mutually agreed by both parties.

# Management Discussion and Analysis

## About the Group

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

## Business Review

### Mining and Metal Business

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

During the period, the Group had submitted in June 2022 the renewal application of the mining license which will be expired in September 2022 and the expected completion date of the renewal of the mining license will be mid-August 2022 subject to the approval of the relevant local government authority. For the phase two mining zone of the Baishiquan Nickel-copper Mine, the verification report of resources and reserves was first submitted to the government authority in the mid of July 2022. We are now preparing the supplementary information as requested by the government authority which is planned to be submitted in early September 2022. It is estimated that the approval of the verification report of resources and reserves may be obtained in the end of September 2022 and we will commence the feasibility study upon such approval. Upon the completion of production activities and sales of all remaining high-grade nickel-copper ores in the prior period, the Group did not generate any revenue from the sales of nickel-copper products in the current period (three months ended 30 June 2021: HK\$62,459,000).

### Software and Innovation Business

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 three months ended 30 June 2022, there was segment revenue of approximately HK\$48,000 (three months ended 30 June 2021: HK\$280,000) from Software and Innovation Business and the segment profit was approximately HK\$39,000 (three months ended 30 June 2021: HK\$59,000). The segment revenue was contributed by the service fee income from the sales agency of bio and nano materials products and from sales of water soluble and biodegradable products.

## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### Interests in Associates

The Group owned 22.53% equity interests in Nano Bubble Limited 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 to sterilisation and disinfection. It can also be applied to aquaculture and agriculture to enrich oxygen level in fish and vegetable cultivation media. During the period, the industrial hydroponic machine was still under market trial and is expected to be launched to market in the third quarter of 2022. Regarding the nano bubble generator for domestic use, the re-designing of the prototype is still on-going.

For the three months ended 30 June 2022, the Group recorded share of loss of associates of approximately HK\$32,000 (three months ended 30 June 2021: share of profit of HK\$116,000).

#### Outlook

For the Mining and Metal Business, the demand outlook of nickel in the long-term remains strong as the whole world is going electric and decarbonizing the energy system. PRC, Europe and the US will drive most of the growth in the next few years, with the rest of the world picking up in the 2030s. As there will be a deep and long-term demand for nickel, our development plan for phase two of the Baishiquan Nickel-copper Mine will be accelerated.

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 as expected in September 2022, we will commence the feasibility study and the preparation of other reports which would take about 4 to 6 months to obtain the related approval. After that, the work relating to mine design would then take another 3 to 4 months to complete. The construction of mining facilities would commence by the third quarter of 2023 and will last for approximately 18 to 20 months. Under such estimated timelines, the extraction of the phase two mine zone would be started from the first quarter of 2025.

For the Software and Innovation Business, we will focus on biodegradable packing material and nano projects. In June 2022, the procurement of the required parts for the industrial hydroponic machine was completed and we target to approach the Vegetable Marketing Organization, Food and Environmental Hygiene Department and other potential customers to promote the use of the machine in the coming quarter. However, as the macroeconomic environment remains uncertain under the pandemic, the Group will evaluate the potential of these side businesses, where possible, we shall cease those which are not delivering good prospects.

#### Other Investments

As at 30 June 2022, the Group owned 3,890 ordinary shares, representing 15.28% equity interests in CGA Holdings Limited ("CGA Holdings") after the subscription of 12,470 shares of CGA Holdings by an independent third party (the "Subscriber") on 18 October 2021 with the subscription price to provide funding for the proposed listing of CGA Holdings on an overseas stock exchange (the "Subscription"). In the event of unsuccessful listing on or before 18 April 2023, the Subscriber shall transfer all of its shareholding in CGA Holdings to Bloom Explorer Limited ("Bloom Explorer") and the Group at a consideration of HK\$1 so as CGA Holdings shall be owned as to approximately 70.03% by Bloom Explorer and as to approximately 29.97% by the Group. Further details of the Subscription are set out in the Company's announcement dated 18 October 2021.

## Management Discussion and Analysis (Continued)

### Other Investments (Continued)

Pursuant to the subscription agreement dated 16 May 2018, the three founders of CGA Holdings (the “CGA Guarantors”) guaranteed to the Group that the net profit after tax of CGA Holdings and its subsidiaries as shown in the audited consolidated financial statements of CGA Holdings for the years ended 31 March 2020 and 31 March 2021 shall not be in aggregate less than HK\$32,000,000 (the “Guaranteed Profit”). As the Guaranteed Profit are not fulfilled, the CGA Guarantors are required to pay to the Group a compensation of HK\$9,142,400 (“Profit Guarantee Compensation”). On 30 June 2021, the Group and the CGA Guarantors entered into a deed of settlement (“Deed of Settlement”) in relation to the Profit Guarantee Compensation. The CGA Guarantors jointly and severally undertake to pay to the Group (a) HK\$1,000,000 upon the execution of the Deed of Settlement; (b) HK\$8,142,400 on or before 30 June 2023 or such earlier date as may be requested by the Group; and (c) a further sum accruing at the rate of 5% per annum on the outstanding amount payable by the CGA Guarantors under (b) above, calculated on the actual number of days elapsed from the date of the Deed of Settlement and up to the date of payment of such outstanding amount on the basis of a 365 day year, on the date of payment of such outstanding amount. As security for the due and punctual performance of the obligations of the CGA Guarantors under the Deed of Settlement, Bloom Explorer, which is wholly owned by the CGA Guarantors, executed in favour of the Group a share charge in respect of 9,090 shares of CGA Holdings, representing approximately 35.72% of the total shares of CGA Holdings currently in issue.

### Financial Performance Review

For the three months ended 30 June 2022, the Group recorded turnover of approximately HK\$48,000 (three months ended 30 June 2021: HK\$62,739,000), representing a decrease of almost 100% as compared with the prior period which mainly due to the completion of phase one of the Baishiquan Nickel-copper Mine in last financial year. For the three months ended 30 June 2022, there was no turnover from the Mining and Metal Business (three months ended 30 June 2021: HK\$62,459,000) and the turnover from the Software and Innovation Business was HK\$48,000 (three months ended 30 June 2021: HK\$280,000).

For the period under review, the segment loss for the Group’s Mining and Metal Business was approximately HK\$1,241,000 (three months ended 30 June 2021: segment profit of HK\$37,009,000) and Software and Innovation Business recorded segment profit of approximately HK\$39,000 (three months ended 30 June 2021: HK\$59,000). The segment profit for the Mining and Metal Business decreased by 103% as there are no sale of nickel-copper products in the current period.

Other income and gains of approximately HK\$1,166,000 for the period under review (three months ended 30 June 2021: HK\$405,000) mainly represented interest income, rental income and exchange gain. The increase by 188% was due to the increase in interest income contributed by the strengthened cash position with time deposit placed.

For the three months ended 30 June 2022, the Group reported share of loss of associates of approximately HK\$32,000 (three months ended 30 June 2021: share of profit of HK\$116,000).

For the three months ended 30 June 2022, loss for the period was approximately HK\$2,712,000 (three months ended 30 June 2021: profit of HK\$26,411,000), representing a decrease by 110% as compared to the corresponding period in 2021. The decrease in profit was mainly because there was no revenue generated from the sales of high-grade nickel-copper products (three months ended 30 June 2021: HK\$62,459,000).

## Other Information

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

At 30 June 2022, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long positions

##### (a) Interests in the shares of the Company

Name of Directors	Number of ordinary shares held in the capacity of		Total number of shares	Percentage of shareholding
	Beneficial owner	Controlled corporation		
<b>Executive Director</b>				
Felipe TAN	159,128,000	678,074,400*	837,202,400	29.76%
<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%

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

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

Name of Director	Name of associated corporation	Capacity	Number of shares/ registered capital	Percentage of interest in the registered capital of the associated corporation
Felipe Tan	Goffers Management Limited	Interest of controlled corporation	200	49%
	Goffers Resources Limited	Interest of controlled corporation	1,000	100%
	Kangshun HK 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%

## Other Information (Continued)

### Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

#### Long positions (Continued)

- (c) 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 schemes 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 01.04.2022	During the period			Outstanding at 30.06.2022	
				Granted	Exercised	Cancelled	Lapsed		
<b>Executive Directors</b>									
Felipe TAN	02.03.2017	02.03.2017–01.03.2027	0.1080	2,000,000	-	-	-	-	2,000,000
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>7,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>

Save as disclosed above, at 30 June 2022, 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.

## Other Information (Continued)

### Substantial Shareholder's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2022, the register maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and the chief executive, the following shareholder had notified the Company of relevant interest in the issued share capital of the Company.

Name of substantial shareholder	Nature of interests	Number of shares or underlying shares held			Percentage of the issued share capital as at 30 June 2022
		Ordinary shares	Share options	Total	
Starmax Holdings Limited*	Beneficial owner	678,074,400	–	678,074,400	24.11%

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

Saved as disclosed above, as at 30 June 2022, 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

Mr. Felipe Tan holds shareholding and directorship in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange (symbol: GMN). Its subsidiaries are principally engaged in investment in equity, debt or other securities as well as direct ownership stakes in projects, including the development of mineral properties, mainly in Xinjiang, the PRC. GobiMin is mainly engaged in gold exploration or prospecting, whereas the mineral resources that are currently exploring by the Group are nickel-copper. In this regard, Mr. Felipe Tan is considered to have interests in business which might compete, either directly or indirectly with the businesses of the Group.

The abovementioned competing business is operated and managed by a company with independent management. In addition, the Board is independent from the board of the abovementioned company. Accordingly, the Group is therefore capable of carrying on business independently and at arm's length from the said competing business.



## Other Information (Continued)

### 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 report, 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 quarterly report, including the unaudited condensed consolidated financial statements for the three months ended 30 June 2022.

On behalf of the Board

**Timeless Software Limited**

**Felipe Tan**

*Chairman*

Hong Kong, 9 August 2022