



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 NINE MONTHS ENDED 31 DECEMBER 2022

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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.

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 nine months ended 31 December 2022 together with the comparative unaudited figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2022

	Notes	(Unaudited)			
		Three months ended		Nine months ended	
		31 December 2022	2021	31 December 2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4	103	1,663	160	80,916
Other income and gains	5	1,514	1,670	3,635	3,884
Production costs		–	(201)	(2)	(18,315)
Staff costs		(2,272)	(2,317)	(5,186)	(9,566)
Depreciation and amortisation		(72)	(329)	(241)	(1,888)
Gain on disposal/written off of property, plant and equipment		–	3	–	146
Gain/(loss) on fair value changes of financial assets at fair value through profit or loss		18	(157)	(54)	(1,093)
Gain/(loss) on derecognition of a financial asset at fair value through profit or loss		48	(155)	293	(155)
Gain on partial disposal of interest in an associate		–	7,271	–	7,271
Other operating expenses		(1,095)	(1,771)	(3,615)	(10,369)
Impairment loss on other receivables		(1)	–	(35)	–
Share of (loss)/profit of associates		(47)	267	(104)	365
Finance costs		(70)	(170)	(227)	(509)
(Loss)/profit before tax		(1,874)	5,774	(5,376)	50,687
Income tax (expense)/credit	6	(147)	3,148	(740)	(8,109)
(Loss)/profit for the period	7	(2,021)	8,922	(6,116)	42,578
Other comprehensive income/(expense)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		3,846	2,356	(9,581)	4,131
Total comprehensive income/(expense) for the period		1,825	11,278	(15,697)	46,709

(Unaudited)					
		Three months ended		Nine months ended	
		31 December		31 December	
		2022	2021	2022	2021
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit attributable to:					
	Owners of the Company	(1,491)	6,568	(4,611)	12,646
	Non-controlling interests	(530)	2,354	(1,505)	29,932
		<u>(2,021)</u>	<u>8,922</u>	<u>(6,116)</u>	<u>42,578</u>
Total comprehensive income/(expense) attributable to:					
	Owners of the Company	(491)	7,181	(7,103)	13,720
	Non-controlling interests	2,316	4,097	(8,594)	32,989
		<u>1,825</u>	<u>11,278</u>	<u>(15,697)</u>	<u>46,709</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share					
	– Basic and diluted	9	(0.05)	0.23	(0.16)
		<u>0.45</u>	<u>0.23</u>	<u>(0.16)</u>	<u>0.45</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 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	-	-	-	-	-	12,646	12,646	29,932	42,578
Other comprehensive income for the period	-	-	-	-	1,074	-	1,074	3,057	4,131
Total comprehensive income for the period	-	-	-	-	1,074	12,646	13,720	32,989	46,709
Lapse of share options	-	(239)	-	-	-	239	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,278)	(19,278)
Balance at 31 December 2021 (Unaudited)	906,074	1,747	2,205	964	(2,808)	(841,678)	66,504	96,206	162,710
Balance at 1 April 2022 (Audited)	906,074	1,747	2,205	964	(2,558)	(847,376)	61,056	87,300	148,356
Loss for the period	-	-	-	-	-	(4,611)	(4,611)	(1,505)	(6,116)
Other comprehensive expense for the period	-	-	-	-	(2,492)	-	(2,492)	(7,089)	(9,581)
Total comprehensive expense for the period	-	-	-	-	(2,492)	(4,611)	(7,103)	(8,594)	(15,697)
Lapse of share options	-	(230)	-	-	-	230	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(11,400)	(11,400)
Balance at 31 December 2022 (Unaudited)	906,074	1,517	2,205	964	(5,050)	(851,757)	53,953	67,306	121,259

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2022

1. GENERAL INFORMATION

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 on 9 February 2023.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the nine months ended 31 December 2022 have been prepared in accordance with 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 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:

The Company has delivered 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. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation used in these unaudited condensed consolidated financial statements for the nine months ended 31 December 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 nine months ended 31 December 2022 has had no material impact on the Group's financial performance and positions for the nine months ended 31 December 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.

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. These operating divisions are the basis upon which the information that is regularly reviewed by the CODM is prepared and are analysed under HKFRS 8 *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 nine months ended 31 December 2022 (Unaudited)

	Mining and Metal Business HK\$'000	Software and Innovation Business HK\$'000	Total HK\$'000
Segment revenue			
External sales	–	160	160
Segment (loss)/profit	(3,245)	104	(3,141)
Interest income			3,226
Unallocated other income and gains			396
Unallocated corporate expenses			(5,437)
Loss on fair value changes of financial assets at fair value through profit or loss			(54)
Impairment loss on other receivables			(35)
Share of loss of associates			(104)
Finance costs			(227)
Loss before tax			(5,376)

For the nine months ended 31 December 2021 (Unaudited)

	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	80,553	363	80,916
Segment profit	45,398	199	45,597
Interest income			2,695
Unallocated other income and gains			896
Unallocated corporate expenses			(4,526)
Gain on disposal of property, plant and equipment			146
Loss on fair value changes of financial assets at fair value through profit or loss			(1,093)
Loss on derecognition of a financial asset at fair value through profit or loss			(155)
Gain on partial disposal of interest in an associate			7,271
Share of profit of associates			365
Finance costs			(509)
Profit before tax			50,687

Disaggregation of revenue from contracts with customers

	(Unaudited) Nine months ended 31 December	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Type of goods or services		
Sales of high-grade nickel-copper ores	–	80,553
Service fee income	156	338
Sales of water soluble bags	4	25
	<u>160</u>	<u>80,916</u>

	(Unaudited)	
	Nine months ended	
	31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Timing of revenue recognition		
At a point in time	160	80,791
Over time	–	125
	<u>160</u>	<u>80,916</u>

The Group has contracts with customers for the sale of 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.

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.

5. OTHER INCOME AND GAINS

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income	–	–	–	750
Interest income	1,164	1,316	3,226	2,695
Rental income	72	48	184	144
Exchange gain	118	141	–	119
Employment Support Scheme	–	–	56	–
Other income	160	165	169	176
	<u>1,514</u>	<u>1,670</u>	<u>3,635</u>	<u>3,884</u>
Total other income and gains	<u>1,514</u>	<u>1,670</u>	<u>3,635</u>	<u>3,884</u>

6. INCOME TAX EXPENSE/(CREDIT)

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax				
PRC Enterprise Income Tax				
– charge for the period	–	–	–	7,000
– under/(over) provision in respect of prior periods	12	(3,682)	345	27
– PRC withholding tax	651	–	651	1,062
Deferred tax	(516)	534	(256)	20
	<u>147</u>	<u>(3,148)</u>	<u>740</u>	<u>8,109</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, the tax rate of the PRC subsidiaries is 25% for both periods.

7. (LOSS)/PROFIT FOR THE PERIOD

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

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Employee benefits expense (including Directors' and chief executive's emoluments)	2,272	2,323	5,186	9,843
Amount included in the production costs line item	—	(6)	—	(277)
Amount included in the staff costs line item	2,272	2,317	5,186	9,566
Depreciation of property, plant and equipment	—	—	—	322
Amortisation of intangible assets	—	—	—	3,699
Depreciation and amortisation (included in the production costs line item)	—	—	—	4,021
Depreciation of property, plant and equipment	12	66	72	1,056
Depreciation of right-of-use assets	60	258	169	581
Amortisation of land rehabilitation costs	—	5	—	251
Depreciation and amortisation (included in the depreciation and amortisation line item)	72	329	241	1,888
Gross rental income arising from an investment property	(72)	(48)	(184)	(144)
Less: direct operating expenses incurred for an investment property that generate rental income during the period	22	22	62	62
Net rental income	(50)	(26)	(122)	(82)
Cost of inventories recognised as an expense	—	164	2	16,352
Provision for inventories (included in the production costs line item)	—	—	—	1,823
Expense relating to short-term leases not included in the measurement of lease liabilities	140	159	442	411
Net foreign exchange (gain)/loss	(118)	—	643	—

8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2022 (nine months ended 31 December 2021: nil).

9. (LOSS)/EARNINGS PER SHARE

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

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
(Loss)/profit:				
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(HK\$1,491,000)</u>	<u>HK\$6,568,000</u>	<u>(HK\$4,611,000)</u>	<u>HK\$12,646,000</u>
Number of ordinary shares:				
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>2,812,881,803</u>	<u>2,812,881,803</u>	<u>2,812,881,803</u>	<u>2,812,881,803</u>

The computation of diluted (loss)/earnings per share did 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 and the nine months ended 31 December 2022 and 2021.

10. RELATED PARTY TRANSACTIONS

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

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Rental and share of office expenses paid to related companies (<i>Note i</i>)	210	186	606	487
Loan interest paid to related companies (<i>Note ii</i>)	70	171	227	509
Management fee income from an associate (<i>Note iii</i>)	–	–	–	125
Exploration expenses charged by a related company (<i>Note iv</i>)	35	1,644	972	1,644
	<u>35</u>	<u>1,644</u>	<u>972</u>	<u>1,644</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. 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.
- iii. 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.
- iv. 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.

Compensation of key management personnel

The key management personnel are the Directors of the Company. Details of their remuneration during the current period are set out as follows:

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Short-term employee benefits	397	325	856	1,485
Post-employment benefits	2	1	4	19
	<u>399</u>	<u>326</u>	<u>860</u>	<u>1,504</u>

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 Mainland China and metal trading in Hong Kong.

As at the date of this announcement, the renewal application of the mining license which was expired in September 2022 is still under processing. Although the PRC government has lifted the quarantine measures, the approval process for renewal is still very slow. As the COVID-19 epidemic situation remains volatile and the works piled up during the lockdown, it is expected that our renewal application may take longer time than usual to proceed. Affected by the long pandemic lockdown, the approval of the verification report of resources and reserves was also delayed. The approval may be probably obtained in the second quarter of the year 2023 and the feasibility study will be commenced upon completion of such approval. The Group did not generate any revenue from the sales of nickel-copper products in the current period (nine months ended 31 December 2021: HK\$80,553,000).

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 period (nine months ended 31 December 2021: nil).

Exploration, Development and Mining Production Activities

The exploration, development and mining production activities of the mining zone (phase two) of the Group for the nine months ended 31 December 2022 are summarised below:

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

During the nine months ended 31 December 2022, the supplementary information of the verification report of resources and reserves was submitted to the government authority and we will commence the feasibility study upon its approval.

Expenditure Incurred

During the nine months ended 31 December 2022, the Group had incurred the followings related to the mining activities which mainly included drilling and analysis of approximately HK\$972,000:

	Total HK\$'000
1. Capital Expenditure	
1.1 Exploration activities	
Drilling and analysis	972
1.2 Development activities (including mine construction)	
Construction of drift	—
	<hr/>
Total Capital Expenditure	972
	<hr/>
2. Operating Expenditures for Mining Activities	
Staff cost	—
Consumables	—
Fuel, electricity, water and other services	—
Non-income taxes, royalties and other government charges	—
Others	—
	<hr/>
Total Operating Expenditure	—
	<hr/>
Total Capital and Operating Expenditure	972
	<hr/>
3. Processing Expenditure	—
	<hr/>
Total Expenditures	972
	<hr/> <hr/>

Infrastructure projects and subcontracting arrangements

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

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 nine months ended 31 December 2022, there was segment revenue of approximately HK\$160,000 (nine months ended 31 December 2021: HK\$363,000) from Software and Innovation Business and the segment profit was approximately HK\$104,000 (nine months ended 31 December 2021: HK\$199,000). The segment revenue was contributed by the service fee income from the sales agency of bio and nano materials products and from the sales of water soluble and biodegradable products.

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, we continue to seek for potential customers of the industrial hydroponic machine by participating in the Hong Kong Electronics Fair.

For the nine months ended 31 December 2022, the Group recorded share of loss of associates of approximately HK\$104,000 (nine months ended 31 December 2021: share of profit of HK\$365,000).

Outlook

For the Mining and Metal Business, we entered the new year with a much more optimistic Nickel market. Our positive view on the nickel market outlook is reinforced by the recent reopening of China's economy, which would boost the country's economic growth and increase the demand of nickel. Benefited from the Chinese government's latest stimulus measures for its property sector, stainless steel demand in automotive and the property sectors would be strong and could be rebounded in 2023 as China's economy grows.

Although China's reopening would boost recovery in demand and economic growth, it may also cause surge in Covid-19 cases. The Group will continue to closely monitor the status of the pandemic and the pandemic control measures to ensure that all the requirements are met.

The renewal of the mining license and our development plan for phase two of the Baishiquan Nickel-copper Mine have been delayed by the spread of COVID-19 in Xinjiang. It is anticipated that the license will be issued and the approval of the verification report of resources and reserves will be obtained in the second quarter of 2023. The Group is actively communicating with the related government authorities to push forward the progress of the mining license renewal and the approval of the report. Our target to commence extraction of the phase two of the Baishiquan Nickel-copper Mine in the second quarter of year 2025 is still unchanged. The Group will streamline its business and focus its resources on the development of phase two of the Baishiquan Nickel-copper Mine.

Other Investments

As at 31 December 2022, the Group owned 3,890 ordinary shares, representing 15.28% equity interests in CGA Holdings Limited (“**CGA Holdings**”). CGA Holdings and its subsidiaries 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 at 31 December 2022, the Group also had profit guarantee receivables from the founders of CGA Group amounting to approximately HK\$8,755,000 (31 March 2022: HK\$8,448,000) with pledge of ordinary shares of CGA Holdings held by the founders.

Further details of the background of the profit guarantee and investments in CGA Holdings are set out in the Company’s annual report for the year ended 31 March 2022 and relevant announcements.

FINANCIAL PERFORMANCE REVIEW

For the nine months ended 31 December 2022, the Group recorded turnover of approximately HK\$160,000 (nine months ended 31 December 2021: HK\$80,916,000), 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 the last financial year. For the nine months ended 31 December 2022, there was no turnover from the Mining and Metal Business (nine months ended 31 December 2021: HK\$80,553,000) and the turnover from the Software and Innovation Business was HK\$160,000 (nine months ended 31 December 2021: HK\$363,000).

For the period under review, the segment loss for the Group’s Mining and Metal Business was approximately HK\$3,245,000 (nine months ended 31 December 2021: segment profit of HK\$45,398,000) and Software and Innovation Business has a segment profit of approximately HK\$104,000 (nine months ended 31 December 2021: HK\$199,000). The segment profit for the Mining and Metal Business decreased by 107% as there are no sale of nickel-copper products in the current period.

Other income and gains of approximately HK\$3,635,000 for the period under review (nine months ended 31 December 2021: HK\$3,884,000) mainly represented interest income and rental income.

For the nine months ended 31 December 2022, the Group reported share of loss of associates of approximately HK\$104,000 (nine months ended 31 December 2021: share of profit of HK\$365,000).

For the nine months ended 31 December 2022, loss for the period was approximately HK\$6,116,000 (nine months ended 31 December 2021: profit of HK\$42,578,000), representing a decrease by 114% 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 (nine months ended 31 December 2021: HK\$80,553,000).

OTHER INFORMATION

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

At 31 December 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		
Executive Director				
Felipe TAN	159,128,000	678,074,400*	837,202,400	29.76%
Independent Non-Executive Directors				
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	49%
	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%

(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 scheme were as follows:

Name of Directors	Date of grant	Vesting and exercisable period	Exercise price per share HK\$	Number of share options and underlying shares			
				Outstanding at 01.04.2022	During the period		Outstanding at 31.12.2022
					Cancelled	Lapsed	
Executive Directors							
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
Independent Non-Executive Directors							
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>7,000,000</u>

Notes:

1. No share option was granted under the share option schemes during the nine months ended 31 December 2022.
2. No share option granted under the share option schemes was exercised during the nine months ended 31 December 2022.

Save as disclosed above, at 31 December 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.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 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 31 December 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 31 December 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. (“**GobiMin**”), 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 during the period under review. 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.

Following the discontinuance of mining operation of GobiMin in July 2022, Mr. Felipe Tan ceased to have any interests in business which might compete, either directly or indirectly, with the businesses of 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 announcement and the quarterly report, including the unaudited condensed consolidated financial statements for the nine months ended 31 December 2022.

On behalf of the Board
Timeless Software Limited
Felipe Tan
Chairman

Hong Kong, 9 February 2023

Executive Directors:

Mr. Felipe Tan (*Chairman*)

Mr. Ronald Tan

Independent non-executive Directors:

Ms. Chan Choi Ling

Mr. Lam Kwai Yan

Ms. Tsang Wai Chun Marianna