



**TIMELESS** SOFTWARE LIMITED  
天時軟件有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8028)



FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

# Quarterly Report



# 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.**

**Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.**

*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 Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and on the Company’s website at [www.timeless.com.hk](http://www.timeless.com.hk).*

# Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2018

	Notes	(Unaudited)			
		Three months ended 31 December 2018		Nine months ended 31 December 2018	
		2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue		43,889	77,280	76,331	147,447
Other income and gains		456	595	2,646	1,469
Purchase and production costs		(32,708)	(58,072)	(57,182)	(111,614)
Staff costs		(2,829)	(3,579)	(8,139)	(8,879)
Depreciation and amortisation		(729)	(1,907)	(2,177)	(3,328)
Other expenses		(3,461)	(5,663)	(11,232)	(14,392)
Loss arising on change in fair value of held-for-trading investments		(72)	-	(200)	-
Loss on disposal/written off of property, plant and equipment		-	(2,768)	-	(2,768)
Gain on disposal of an associate	6	-	-	-	3,057
Finance costs		(175)	(84)	(333)	(287)
Share of losses of associates		(1,997)	(192)	(1,152)	(1,994)
(Loss)/profit before tax		2,374	5,610	(1,438)	8,711
Income tax expense	3	(2,733)	(972)	(5,222)	(2,575)
(Loss)/profit for the period		(359)	4,638	(6,660)	6,136
<b>Other comprehensive income/(expense), net of income tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		(118)	5,247	(20,390)	17,233
Reclassification adjustment on reserves released upon disposal of an associate		-	-	-	(1,535)
Share of other comprehensive expense of associates		-	-	-	(1,581)
Other comprehensive income/(expense) for the period, net of income tax		(118)	5,247	(20,390)	14,117
<b>Total comprehensive income/(expense) for the period</b>		<b>(477)</b>	<b>9,885</b>	<b>(27,050)</b>	<b>20,253</b>
(Loss)/profit attributable to:					
Owners of the Company		(3,213)	(644)	(6,853)	(1,690)
Non-controlling interests		2,854	5,282	193	7,826
		(359)	4,638	(6,660)	6,136
Total comprehensive income/(expense) attributable to:					
Owners of the Company		(3,258)	702	(12,156)	(158)
Non-controlling interests		2,781	9,183	(14,894)	20,411
		(477)	9,885	(27,050)	20,253
		<b>HK cents</b>	<b>HK cents</b>	<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share</b>					
- Basic and diluted	5	(0.11)	(0.02)	(0.24)	(0.06)

# Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2018

	(Unaudited)							Attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Share options reserve	General reserve	Investment revaluation reserve	Property revaluation reserve	Translation reserve	Accumulated deficit			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2017	906,074	2,778	647	1,631	964	(6,119)	(773,840)	132,135	217,250	349,385
Profit/(loss) for the period	-	-	-	-	-	-	(1,690)	(1,690)	7,826	6,136
Other comprehensive income/ (expense) for the period	-	-	-	(1,631)	-	3,163	-	1,532	12,585	14,117
Total comprehensive income/ (expense) for the period	-	-	-	(1,631)	-	3,163	(1,690)	(158)	20,411	20,253
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	99	99
Release of reserve upon share option lapsed	-	(710)	-	-	-	-	710	-	-	-
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	(19,915)	(19,915)
Balance at 31 December 2017	906,074	2,068	647	-	964	(2,956)	(774,820)	131,977	217,845	349,822
<b>Balance at 1 April 2018</b>	<b>906,074</b>	<b>2,068</b>	<b>647</b>	<b>-</b>	<b>964</b>	<b>107</b>	<b>(771,128)</b>	<b>138,732</b>	<b>200,850</b>	<b>339,582</b>
(Loss)/profit for the period	-	-	-	-	-	-	(6,853)	(6,853)	193	(6,660)
Other comprehensive expense for the period	-	-	-	-	-	(5,303)	-	(5,303)	(15,087)	(20,390)
Total comprehensive expense for the period	-	-	-	-	-	(5,303)	(6,853)	(12,156)	(14,894)	(27,050)
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	2	2
Release of reserve upon share option cancelled	-	(44)	-	-	-	-	44	-	-	-
Transfer to reserve	-	-	489	-	-	-	(489)	-	-	-
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	(20,650)	(20,650)
Balance at 31 December 2018	906,074	2,024	1,136	-	964	(5,196)	(778,426)	126,576	165,308	291,884



# Notes to the Condensed Consolidated Financial Statements

For the three months and nine months ended 31 December 2018

## 1. General Information

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

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

These condensed consolidated financial statements have not been audited but have been reviewed by the audit committee of the Company and were approved for issue by the board of Directors (the “Board”) on 29 January 2019.

## 2. Basis of Preparation and Accounting Policies

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

The accounting policies and method of computation used in the preparation of these financial statements are consistent with those used in annual financial statements for the year ended 31 March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2018. The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 January 2018. Save for the impact of the adoption of HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers*, the adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the condensed consolidated financial statements and does not result in substantial changes to the Group’s accounting policies.

### HKFRS 9 – Financial Instruments

HKFRS 9 set out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces HKAS 39 *Financial Instruments: Recognition and Measurement*.

HKFRS 9 largely retained the existing requirements in HKAS 39 for the classification and measurement of financial liabilities and the adoption of HKFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under HKFRS 9, on initial recognition, a financial asset is classified as measured at: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) or at amortized cost. In addition, the standard amended some of the requirements of HKFRS 7 *Financial Instruments: Disclosures*, including the requirement for added disclosures about investments in equity instruments measured at FVOCI and guidance on financial liabilities and derecognition of financial instruments. The Company adopted the standard on 1 April 2018. Retrospective application was required, but there was no requirement to restate comparative periods disclosed.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

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

### HKFRS 9 – Financial Instruments (Continued)

#### (a) Classification

The Company has assessed the classification and measurement of its financial assets and financial liabilities under HKFRS 9 and have summarized the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 in the following table:

Financial instruments:	Measurement Categories	
	HKAS 39	HKFRS 9
Deposits	Loans and receivables	Amortized cost
Other financial assets	FVTPL	FVTPL
Trade and other receivables	Loans and receivables	Amortized cost
Held-for-trading investments	FVTPL	FVTPL
Bank balances and cash	Loans and receivables	Amortized cost

The Company determined the modifications made did not result in a material difference under the new classification of HKFRS 9.

#### (b) Measurement

##### *Financial assets at FVOCI*

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

##### *Financial assets at amortized cost*

Financial assets at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

##### *Financial assets at FVTPL*

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the consolidated statements of comprehensive income in the period in which they arise.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

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

### HKFRS 9 – Financial Instruments (Continued)

#### (c) Impairment of financial assets at amortized cost

Under HKFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost.

The adoption of the expected credit loss impairment model under HKFRS 9 had no material impact on the carrying amounts of our financial assets on the transition date given the financial assets measured at amortized cost mainly composed of deposits, trade receivables from customers with good repayment history, and bank balances and cash, no impairment has been recognized at the reporting date.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

### HKFRS 15 – Revenue from Contracts with Customers

HKFRS 15 introduces a single, principles-based, five-step model for the recognition of revenue when control of goods is transferred to the customer. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied. HKFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Company evaluated the effect the standard had on its sales recorded in its consolidated financial statements and determined there is no impact to the timing or amounts of revenue recognized in its statement of operations.

In addition, the preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In the preparation of these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2018.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

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

The financial information relating to the year ended 31 March 2018 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 2018 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 2018. The auditor's report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622, Laws of Hong Kong).

## 3. Income Tax Expense

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current tax</b>				
PRC Enterprise Income Tax				
– charge for the period	<b>3,525</b>	2,752	<b>6,743</b>	4,958
– over provision in respect of prior years	–	(68)	<b>59</b>	(68)
PRC withholding tax	<b>592</b>	–	<b>592</b>	–
<b>Deferred tax</b>	<b>(1,384)</b>	(1,712)	<b>(2,172)</b>	(2,315)
Total income tax charged in profit or loss	<b>2,733</b>	972	<b>5,222</b>	2,575

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) of the estimated assessable profit. No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for both periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at the rate of 25% (2017: 25%).

Pursuant to the PRC Corporate Income Tax Law, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong, under the double taxation arrangement between the Mainland China and Hong Kong, the relevant withholding tax rate applicable to the Group will be reduced from 10% to 5% subject to the fulfilment of certain conditions.



# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

## 4. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2018 (2017: nil).

## 5. Loss per Share

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
<b>Loss:</b>				
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(HK\$3,213,000)</u>	<u>(HK\$644,000)</u>	<u>(HK\$6,853,000)</u>	<u>(HK\$1,690,000)</u>
<b>Number of ordinary shares:</b>				
Weighted average number of ordinary shares for the purpose of basic and diluted loss 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 per share did not assume the exercise of the Company's outstanding share options existed during the three months and nine months ended 31 December 2018 and 2017 since their exercise would result in increase/decrease in loss per share.

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

## 6. Disposal of an Associate

On 30 September 2018, the Group disposed of the 48% equity interest of Easy Park Holdings Limited at a total consideration of HK\$100,000.

On 29 September 2017, the Group disposed of the 25.04% equity interest of Ningxia Educational Information & Technology Co., Ltd. (寧夏教育信息技術股份有限公司) at a total consideration of RMB5,752,500 (equivalent to approximately HK\$6,718,000).

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Consideration	–	–	<b>100</b>	6,718
Net assets disposed of	–	–	<b>(100)</b>	(5,196)
Release of reserves upon disposal	–	–	–	1,535
	–	–	–	3,057

## 7. Related Party Transactions

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group had the following significant related party transactions during the period:

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest expenses paid to a related company (note i)	–	75	<b>34</b>	259
Loan interest paid to related companies (note ii)	<b>170</b>	–	<b>283</b>	–
Rental and share of office expenses paid to related companies (note iii)	<b>231</b>	247	<b>344</b>	361
Donation made (note iv)	–	–	–	100
Rental income received from an associate (note v)	–	90	<b>180</b>	270
Service income received from a related company (note vi)	–	300	–	300

# Notes to the Condensed Consolidated Financial Statements (Continued)

For the three months and nine months ended 31 December 2018

## 7. Related Party Transactions (Continued)

Notes:

- (i) Effective interest expenses on promissory note was charged at 2.99% (2017: 2.99%) per annum and paid to a related company which is beneficially owned by Mr. Felipe Tan ("Mr. Tan"), a director and shareholder of the Company, at terms mutually agreed by both parties. The Group repaid the last instalment in May 2018 according to the terms of the promissory note and the related charge was released.
- (ii) Interest expenses in respect of loan at the rate of 4.5% per annum were paid to related companies, which are beneficially owned by Mr. Tan, at terms mutually agreed by both parties.
- (iii) Office rental and other related expenses in respect of the leasing of office premises were paid to related companies, which are beneficially owned by Mr. Tan, at terms mutually agreed by both parties.
- (iv) Donation was made to a charitable company, which is exempt from tax under section 88 of the Inland Revenue Ordinance, and in which Mr. Tan acts as one of the founder members and directors.
- (v) Rental income in respect of the leasing of office premises were received from an associate, in which the Group owned a 48% equity interest, at terms mutually agreed by both parties. The associate was disposed on 30 September 2018.
- (vi) Service income in respect of services provided by the Group was received from a related company, in which Mr. Tan is a director and has indirect equity interest, at terms mutually agreed by both parties.

### Compensation of key management personnel

	(Unaudited)			
	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short-term employee benefits	353	625	1,654	1,837
Post-employment benefits	11	11	32	32
	<b>364</b>	636	<b>1,686</b>	1,869

# 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 IT Business.

## Business Review

### Mining and Metal Business

The Mining and Metal Business primarily comprises of (i) exploration and exploitation of a nickel-copper mine, and (ii) investment in a metal processing and trading company. For the nine months ended 31 December 2018, nickel-copper ores, nickel concentrate and copper concentrate were the products sold under the Mining and Metal Business.

During this quarter, rough weather of Xinjiang, PRC had an obvious impact on the mining and processing activities of the Baishiquan Nickel-Copper Mine. The sudden drop in temperature caused malfunction of the mining equipment and increased the operation difficulties since November 2018. The mining work of the Baishiquan Nickel-Copper Mine has been temporarily suspended as usual and are expected to resume in March 2019. During the operation prior to the suspension, an accident was caused by the misconduct of our outsourced contractors, causing two casualties who are staff of the contractors. The Group, together with the local government authorities, immediately responded and rendered help to the casualties. The Group is also extending its full co-operation to the relevant authorities in the investigation. The impact of such accident is still under assessing.

In the face of mounting pressure of the rough weather, we have channeled great effort into the reform of the processing technology to ensure the production of more high-quality ores and concentrates. During the nine months ended 31 December 2018, the extraction of nickel-copper ores and sales of nickel-copper products both decreased as compared to the corresponding period last year. Turnover of approximately HK\$76,331,000 (2017: HK\$123,120,000) was recorded from the sales of approximately 13,100 tonnes (2017: 24,500 tonnes) of nickel-copper ores, 8,200 tonnes (2017: 15,900 tonnes) of nickel concentrate and 600 tonnes (2017: 1,200 tonnes) of copper concentrate.

### Software and IT Business

The Software and IT Business comprised of the provision of consultancy, software maintenance and development, e-commerce services as well as various investments in IT and innovation projects, including e-Sport tournament organizer, bio and nano new materials, IT startup fund and intelligent agricultural applications.

The Group recorded a share of loss of an associate of the Group, Cyber Games Arena Limited (“CGA”), of HK\$0.7 million for the period under review. The loss incurred was mainly due to expense incurred in the development stage for setting up e-sports stadium. For the three months and nine months ended 31 December 2018, excluding the share of losses of associate companies, the segment resulted in operating losses of approximately HK\$141,000 and HK\$517,000, representing a decrease in profit by 5 times and increase in loss of 8% respectively as compared to the corresponding period in 2017 (2017: operating profit of HK\$30,000 and operating losses of HK\$513,000).



# Management Discussion and Analysis (Continued)

## Outlook

In response to the accident occurred in the mine site of the Baishiquan Nickel-Copper Mine, the Group will formulate strategy which gives top priority to workplace safety to guard against and defuse further risks and latent dangers. Meanwhile, we will continue to engage in research into bioleaching technique on extraction of metals from nickel-copper ores to promote the efficiency and upgrade of our production technologies. Moreover, more efforts will be made to stimulate production activity, shore up our weak spots in metal processing, and boost real return.

On 28 January 2019, an associate of the Group, CGA, commenced its Hong Kong e-sports stadium business, which is built to be a premier gaming center for e-sports fans in Hong Kong. In the future, the Software and IT Business will come to draw even with the Mining and Metal Business.

## Financial Performance Review

For the nine months ended 31 December 2018, the Group recorded a total turnover of approximately HK\$76.3 million (2017: HK\$147.4 million), representing a decrease of 48% as compared with the same period in 2017. Loss for the period under review was approximately HK\$6.7 million (2017: profit of HK\$6.1 million), representing a decrease of 2.1 times as compared to the corresponding period in 2017.

For the period under review, the Mining and Metal Business recorded turnover of approximately HK\$76.3 million (2017: HK\$147.1 million), representing a decrease of 48% as compared with the same period in 2017. The segmental profit was approximately HK\$5.0 million (2017: HK\$10.7 million), representing a decrease of 53% as compared with the corresponding period in 2017. The decrease in turnover and profit was mainly due to the exhaustion of the gold mine and all gold inventory was sold in last year, the late resumption of nickel-copper ore production in response to the heavy pressure from the dumping of nickel-copper ores from Russia to the PRC market, flooding in Xinjiang and more stringent security check and practice requested by the government authorities.

For the period under review, there was no turnover from Software and IT Business (2017: HK\$0.3 million). The segmental loss was approximately HK\$0.5 million (2017: HK\$0.5 million), approximately the same as compared with the corresponding period last year.

Loss attributable to owners of the Company was approximately HK\$6.9 million (2017: HK\$1.7 million), representing an increase by 3.1 times as compared to the same period in 2017.

## Other Information

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

At 31 December 2018, 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

Names 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	158,128,000	678,074,400*	836,202,400	29.73%
<b>Independent Non-Executive Directors</b>				
Chan Choi Ling	1,200,000	–	1,200,000	0.04%
Chan Mei Ying Spencer	1,800,000	–	1,800,000	0.06%
Lam Kwai Yan	1,200,000	–	1,200,000	0.04%

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

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

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

Names of Directors	Date of grant	Vesting and exercisable period	Exercise price per share HK\$	Number of share options and underlying shares					
				Outstanding at 01.04.2018	During the period				Outstanding at 31.12.2018
					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
Lau Yun Fong Carman	03.10.2013	03.10.2013 – 02.10.2023	0.1435	2,075,676	-	-	-	-	2,075,676
	17.02.2014	17.02.2014 – 16.02.2024	0.1329	415,135	-	-	-	-	415,135
	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1,000,000	-	-	-	-	1,000,000
<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
Chan Mei Ying Spencer	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1,000,000	-	-	-	-	1,000,000
Lam Kwai Yan	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1,000,000	-	-	-	-	1,000,000
Tsang Wai Chun Marianna	02.03.2017	02.03.2017 – 01.03.2027	0.1080	1,000,000	-	-	-	-	1,000,000
				9,490,811	-	-	-	-	9,490,811

Save as disclosed above, at 31 December 2018, 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 31 December 2018, 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.

Names of substantial shareholders	Nature of interests	Number of ordinary shares held	Percentage of the issued share capital as at 31 December 2018
Starmax Holdings Limited*	Beneficial owner	678,074,400	24.11%
Wong Kei Yuen**	Interest of a controlled corporation	150,100,000	5.33%
CHP 1855 Limited**	Beneficial owner	150,100,000	5.33%

\* Starmax is beneficially owned by Mr. Tan.

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

Save as disclosed in the section "Directors' and chief executive's interests and short positions in shares and underlying shares of the Company", the Company has not been notified of any other interests or short positions in the issued share capital as at 31 December 2018.

### Competing Interest

Mr. Tan holds shareholdings and directorships in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock symbol: GMN). Its subsidiaries and associate companies are principally engaged in exploration of a gold mine and prospecting exploration projects of gold, copper and nickel in Xinjiang, PRC. All of them are in exploration or prospecting stage and are not yet in production, whereas the mining business of the Group are in production stage. In this regard, Mr. Tan is considered to have interests in businesses which might compete, either directly or indirectly with the businesses of the Group.

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

### Purchase, Sale or Redemption of the Company's Listed Securities

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



## Other Information (Continued)

### 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.

The audit committee comprises four independent non-executive Directors, Ms. Tsang Wai Chun Marianna, Ms. Chan Choi Ling, Mr. Chan Mei Ying Spencer and Mr. Lam Kwai Yan. The audit committee has reviewed the unaudited financial results for the nine months ended 31 December 2018.

On behalf of the Board

**TIMELESS SOFTWARE LIMITED**

**Felipe Tan**

*Chairman*

Hong Kong, 29 January 2019