



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 8028)

RESULTS ANNOUNCEMENT

For the quarter ended 31 December 2007

Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Timeless Software Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Timeless Software Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Board of Directors (“Board”) of Timeless Software Limited (“Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (“Group”) for the three and nine months ended 31 December 2007 together with the comparative unaudited figures for the corresponding periods in 2006 as follows:

Condensed Consolidated Income Statements

For the three months and nine months ended 31 December 2007

		(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
		31 December		31 December	
		2007	2006	2007	2006
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover		607	828	1,763	1,671
Other income		5,429	3,580	13,720	7,406
Staff costs		(2,965)	(2,818)	(9,479)	(11,978)
Depreciation		(348)	(397)	(1,012)	(1,555)
Other expenses		(1,641)	(1,844)	(4,621)	(6,662)
Net (losses) gains on equity-linked notes		(6,174)	558	(4,240)	—
Net (losses) gains on investments held for trading		(2,647)	—	1,165	—
Loss on disposal of available-for-sale financial assets		—	—	(46)	—
Impairment loss recognised on investments in a jointly controlled entity		(15)	—	(489)	(103)
Impairment loss recognised on amount due from an associate		(9)	—	(287)	—
Impairment loss recognised on advance made to a jointly controlled entity		—	—	—	(1,226)
Discount on acquisition arising from purchase of additional interests in a subsidiary		—	—	—	745
Finance costs		(28)	(166)	(59)	(244)
Share of losses of associates		(469)	(571)	(2,619)	(980)
Loss for the period		<u>(8,260)</u>	<u>(830)</u>	<u>(6,204)</u>	<u>(12,926)</u>

		(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
		31 December		31 December	
		2007	2006	2007	2006
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Attributable to:					
Equity holders of the Company		(7,997)	(575)	(5,455)	(12,360)
Minority interests		(263)	(255)	(749)	(566)
		<u>(8,260)</u>	<u>(830)</u>	<u>(6,204)</u>	<u>(12,926)</u>
Loss per share - Basic	4	<u>(0.71) cents</u>	<u>(0.06) cents</u>	<u>(0.49) cents</u>	<u>(1.19) cents</u>

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2007

	(Unaudited) Share capital HK\$'000	(Unaudited) Share premium HK\$'000	(Unaudited) Share options reserve HK\$'000	(Unaudited) Investment revaluation reserve HK\$'000	(Unaudited) Translation reserve HK\$'000	(Unaudited) Deficit HK\$'000	(Unaudited) Attributable to equity holders of the Company HK\$'000	(Unaudited) Minority interests HK\$'000	(Unaudited) Total HK\$'000
At 1 April 2006	51,574	631,122	1,770	1,183	1,256	(540,787)	146,118	6,765	152,883
Exchange differences arising from translation of financial statements of overseas operations recognised directly in equity	—	—	—	—	469	—	469	194	663
Exchange differences arising from translation of associates	—	—	—	—	201	—	201	—	201
Fair value change in available-for-sale financial assets	—	—	—	63	—	—	63	—	63
Share of post-acquisition reserve of associates	—	—	—	(955)	—	—	(955)	—	(955)
Net (expense) income recognised in equity	—	—	—	(892)	670	—	(222)	194	(28)
Loss for the period	—	—	—	—	—	(12,360)	(12,360)	(566)	(12,926)
Total recognised income and expense for the period	—	—	—	(892)	670	(12,360)	(12,582)	(372)	(12,954)
Issue of shares	740	463	—	—	—	—	1,203	—	1,203
Expenses incurred in connection with the issue of shares	—	(9)	—	—	—	—	(9)	—	(9)
Acquisition of additional interests in a subsidiary	—	—	—	—	—	—	—	(2,943)	(2,943)
Transfer of share option reserve on exercise of share options	—	526	(526)	—	—	—	—	—	—
Recognition of equity settled share-based payments	—	—	3,774	—	—	—	3,774	—	3,774
	740	980	3,248	—	—	—	4,968	(2,943)	2,025
At 31 December 2006	<u>52,314</u>	<u>632,102</u>	<u>5,018</u>	<u>291</u>	<u>1,926</u>	<u>(553,147)</u>	<u>138,504</u>	<u>3,450</u>	<u>141,954</u>

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Share capital	Share premium	Share options reserve	Investment revaluation reserve	Translation reserve	Deficit	Attributable to equity holders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	52,693	632,518	4,793	(147)	1,990	(555,528)	136,319	3,248	139,567
Exchange differences arising from translation of financial statements of overseas operations recognised directly in equity	—	—	—	—	725	—	725	228	953
Exchange differences arising from translation of associates	—	—	—	—	440	—	440	—	440
Share of post-acquisition reserve of associates	—	—	—	(303)	—	—	(303)	—	(303)
Net (expense) income recognised in equity	—	—	—	(303)	1,165	—	862	228	1,090
Transfer to profit or loss on sale of available-for-sale financial assets	—	—	—	578	—	—	578	—	578
Loss for the period	—	—	—	—	—	(5,455)	(5,455)	(749)	(6,204)
Total recognised income and expense for the period	—	—	—	275	1,165	(5,455)	(4,015)	(521)	(4,536)
Issue of shares	3,970	2,675	—	—	—	—	6,645	—	6,645
Expenses incurred in connection with the issue of shares	—	(55)	—	—	—	—	(55)	—	(55)
Transfer of share option reserve on exercise of share options	—	2,795	(2,795)	—	—	—	—	—	—
Recognition of equity settled share-based payments	—	—	725	—	—	—	725	—	725
	3,970	5,415	(2,070)	—	—	—	7,315	—	7,315
At 31 December 2007	56,663	637,933	2,723	128	3,155	(560,983)	139,619	2,727	142,346

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 31 December 2007

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and complied with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2007 except as described below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

In the current interim period, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2007.

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) - INT 8	Scope of HKFRS 2 ²
HK(IFRIC) - INT 9	Reassessment of embedded derivatives ³
HK(IFRIC) - INT 10	Interim financial reporting and impairment ⁴
HK(IFRIC) - INT 11	HKFRS 2: Group and treasury share transactions ⁵

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 May 2006.

³ Effective for annual periods beginning on or after 1 June 2006.

⁴ Effective for annual periods beginning on or after 1 November 2006.

⁵ Effective for annual periods beginning on or after 1 March 2007.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the new standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results or financial position of the Group.

3. Taxation

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit for the both periods.

4. Loss per share

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

	Three months ended 31 December		Nine months ended 31 December	
	2007	2006	2007	2006
Loss attributable to equity holders of the Company	<u>HK\$(7,997,000)</u>	<u>HK\$(575,000)</u>	<u>HK\$(5,455,000)</u>	<u>HK\$(12,360,000)</u>
Number of ordinary shares:				
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,131,487,590</u>	<u>1,036,694,547</u>	<u>1,107,393,503</u>	<u>1,037,797,866</u>

No diluted loss per share for the three months and nine months ended 31 December 2007 and 2006 had been presented as the share options granted by the Company are anti-dilutive.

Interim Dividend

The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2007 (2006: Nil).

Business Review

The directors continued to take a conservative approach for accounting purposes and a stringent view on recognising revenue was still being adopted especially for contracts of relatively longer term in nature in Mainland China. For the nine months ended 31 December 2007, the loss attributable to equity holders of the Company was approximately HK\$5,455,000 representing a decrease of 55.9% as compared to the loss of approximately HK\$12,360,000 over the same period in 2006. The Group recorded unaudited turnover of approximately HK\$1,763,000, representing an increase of 5.5% as compared to approximately HK\$1,671,000 in the corresponding period in 2006.

The other income mainly comprised interest income from equity-linked notes of approximately HK\$12,211,000 and bank interest income of approximately HK\$1,133,000 for the nine months ended 31 December 2007.

The decrease by 20.9% in staff costs to approximately HK\$9,479,000 as compared with that for the corresponding period in 2006 was mainly due to significant decrease in recognition of share-based payments from approximately HK\$3,774,000 to approximately HK\$725,000.

The other expenses was decreased by 30.6% to HK\$4,621,000 as compared with that for the corresponding period in last year. It was mainly due to significant decrease in rental expenses and building management fee from approximately HK\$2,972,000 to approximately HK\$1,169,000.

The Hong Kong Market sentiment experienced up-and-down, joy-and-sorrow in the last quarter of 2007. Accordingly Timeless also sailed through the third quarter post the Consolidated Platform is built. Guided by our “prudent yet aggressive” directive and by appropriate maneuver of the Timeless three resources (namely one stock code 8028, one platform (the Consolidated Platform) and one service (Web Service)) our third quarter still performs as we expected in essence; our financial position is sound; our core business, still advances forward steadily.

Timeless' ten services sub-platforms “tourism development services sub-platform (TDSP), education services sub-platform (ESP), multi-media entertainment sub-platform (MMEP), elderly care services sub-platform (ECSP), medical care services sub-platform (MCSP), workflow services sub-platform (WFSP), value-added services sub-platform (VASP), aero-space technology sub-platform (ASTP), cross network information sub-platform (CNIS) and search management sub-platform (SMSP)” have gained recognition, support and commitment from partners inside and out of China. These partners consist of famous software dealer and distributor as well as leading telecom supplier in China. Together they promise a substantial contribution towards our business and serve as a solid ground for our expansion within and outside of China. Out of the ten sub-platforms, search management sub-platform (SMSP) and cross network information sub-platform (CNIS) have secured contracts from end-users, which will be deployed shortly and will bring along certain revenues in the near future.

Outlook

As the footsteps of Beijing 2008 Olympics Games drum close by, there are pressing needs for the corresponding suite of technology infrastructure — especially those involving massive scale of network communication technologies, to deploy; the time now serves right for Timeless — the company that roots in technology to flex his muscles. We shall work closely with our partners inside and outside of China, to make better use of Timeless' three resources, strive for the best return and maximum profit for our shareholders.

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

At 31 December 2007, 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) Ordinary shares of HK\$0.05 each of the Company

Name of directors	Number of ordinary shares held in the capacity of			
	Beneficial owner	Controlled corporation	Total number of shares	Percentage of shareholding
Cheng Kin Kwan	219,012,000	—	219,012,000	19.33%
Law Kwai Lam	10,000,000	28,325,000*	38,325,000	3.38%
Chung Yiu Fai (resigned on 28 January 2008)	20,016,000	—	20,016,000	1.77%
Leung Mei Sheung, Eliza	13,000,000	—	13,000,000	1.15%
Zheng Ying Yu	4,900,000	—	4,900,000	0.43%
Fung Chun Pong, Louis	1,488,000	—	1,488,000	0.13%
Liao Yun	4,510,000	—	4,510,000	0.40%
Ng Kwok Tung	1,000,000	—	1,000,000	0.09%

* These shares were held by a private company which is wholly-owned by Mr. Law Kwai Lam.

(b) Options to subscribe for ordinary shares of the Company

Particulars of the directors' interests in share options to subscribe for shares in the Company pursuant to the Company's 2003 share option scheme were as follows:

Name of directors	Date of grant	Exercisable period	Exercise price per share <i>HK\$</i>	Number of share options and number of underlying shares				
				Outstanding at 1.4.2007	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2007
Cheng Kin Kwan	5.9.2003	5.9.2003 - 4.9.2013	0.2280	6,960,000	—	—	—	6,960,000
	8.12.2003	8.12.2003 - 7.12.2013	0.2130	800,000	—	—	—	800,000
	25.2.2004	25.2.2004 - 24.2.2014	0.1900	7,700,000	—	—	—	7,700,000
Law Kwai Lam	5.9.2003	5.9.2003 - 4.9.2013	0.2280	2,000,000	—	—	—	2,000,000
	9.1.2004	9.1.2004 - 8.1.2014	0.1900	1,000,000	—	—	—	1,000,000
	28.2.2005	28.2.2005 - 27.2.2015	0.0722	1,000,000	—	—	—	1,000,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	3,500,000	—	—	—	3,500,000
	18.6.2007	18.6.2007 - 17.6.2017	0.2980	—	800,000	—	—	800,000
Chung Yiu Fai <i>(resigned on 28 January 2008)</i>	5.9.2003	5.9.2003 - 4.9.2013	0.2280	5,500,000	—	—	—	5,500,000
	8.12.2003	8.12.2003 - 7.12.2013	0.2130	400,000	—	—	—	400,000
	25.2.2004	25.2.2004 - 24.2.2014	0.1900	6,450,000	—	—	—	6,450,000
	16.9.2004	16.9.2004 - 15.9.2014	0.0870	2,300,000	—	(2,300,000)	—	—
	13.12.2004	13.12.2004 - 12.12.2014	0.0982	300,000	—	(300,000)	—	—
	28.2.2005	28.2.2005 - 27.2.2015	0.0722	3,000,000	—	(3,000,000)	—	—
	22.9.2005	22.9.2005 - 21.9.2015	0.0920	2,400,000	—	(2,400,000)	—	—
	24.3.2006	24.3.2006 - 23.3.2016	0.1530	300,000	—	—	—	300,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	9,500,000	—	(9,500,000)	—	—
Leung Mei Sheung, Eliza	5.9.2003	5.9.2003 - 4.9.2013	0.2280	5,500,000	—	—	—	5,500,000
	8.12.2003	8.12.2003 - 7.12.2013	0.2130	4,300,000	—	—	—	4,300,000
	25.2.2004	25.2.2004 - 24.2.2014	0.1900	5,800,000	—	—	—	5,800,000
	13.12.2004	13.12.2004 - 12.12.2014	0.0982	3,430,000	—	(3,430,000)	—	—
	28.2.2005	28.2.2005 - 27.2.2015	0.0722	1,500,000	—	(1,500,000)	—	—
	22.9.2005	22.9.2005 - 21.9.2015	0.0920	400,000	—	(400,000)	—	—
	24.3.2006	24.3.2006 - 23.3.2016	0.1530	300,000	—	—	—	300,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	9,500,000	—	(9,500,000)	—	—

(b) Options to subscribe for ordinary shares of the Company (continued)

Name of directors	Date of grant	Exercisable period	Exercise price per share <i>HK\$</i>	Number of share options and number of underlying shares				
				Outstanding at 1.4.2007	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2007
Zheng Ying Yu	5.9.2003	5.9.2003 - 4.9.2013	0.2280	2,000,000	—	—	—	2,000,000
	8.12.2003	8.12.2003 - 7.12.2013	0.2130	400,000	—	—	—	400,000
	9.1.2004	9.1.2004 - 8.1.2014	0.1900	7,000,000	—	(900,000)	—	6,100,000
	13.12.2004	13.12.2004 - 12.12.2014	0.0982	500,000	—	(450,000)	—	50,000
	28.2.2005	28.2.2005 - 27.2.2015	0.0722	650,000	—	(650,000)	—	—
	22.9.2005	22.9.2005 - 21.9.2015	0.0920	400,000	—	(400,000)	—	—
	24.3.2006	24.3.2006 - 23.3.2016	0.1530	300,000	—	(300,000)	—	—
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	1,000,000	—	(1,000,000)	—	—
Fung Chun Pong, Louis	5.9.2003	5.9.2003 - 4.9.2013	0.2280	2,000,000	—	—	—	2,000,000
	9.1.2004	9.1.2004 - 8.1.2014	0.1900	1,000,000	—	—	—	1,000,000
	19.4.2004	19.4.2004 - 18.4.2014	0.2096	300,000	—	—	—	300,000
	30.9.2004	30.9.2004 - 29.9.2014	0.0900	300,000	—	(300,000)	—	—
	13.12.2004	13.12.2004 - 12.12.2014	0.0982	300,000	—	(300,000)	—	—
	22.9.2005	22.9.2005 - 21.9.2015	0.0920	400,000	—	(400,000)	—	—
	24.3.2006	24.3.2006 - 23.3.2016	0.1530	300,000	—	—	—	300,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	1,000,000	—	(1,000,000)	—	—
18.6.2007	18.6.2007 - 17.6.2017	0.2980	—	300,000	—	—	300,000	
Liao Yun	5.9.2003	5.9.2003 - 4.9.2013	0.2280	800,000	—	—	—	800,000
	26.11.2003	26.11.2003 - 25.11.2013	0.2300	400,000	—	—	—	400,000
	9.1.2004	9.1.2004 - 8.1.2014	0.1900	790,000	—	—	—	790,000
	19.4.2004	19.4.2004 - 18.4.2014	0.2096	300,000	—	—	—	300,000
	16.9.2004	16.9.2004 - 15.9.2014	0.0870	500,000	—	—	—	500,000
	30.9.2004	30.9.2004 - 29.9.2014	0.0900	500,000	—	—	—	500,000
	13.12.2004	13.12.2004 - 12.12.2014	0.0982	300,000	—	—	—	300,000
	28.2.2005	28.2.2005 - 27.2.2015	0.0722	1,000,000	—	(1,000,000)	—	—
	22.9.2005	22.9.2005 - 21.9.2015	0.0920	400,000	—	—	—	400,000
	24.3.2006	24.3.2006 - 23.3.2016	0.1530	300,000	—	—	—	300,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	2,000,000	—	(2,000,000)	—	—
Ng Kwok Tung	24.3.2006	24.3.2006 - 23.3.2016	0.1530	500,000	—	—	—	500,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	3,000,000	—	—	—	3,000,000
Tsang Wai Chun, Marianna	24.3.2006	24.3.2006 - 23.3.2016	0.1530	500,000	—	—	—	500,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	3,000,000	—	—	—	3,000,000
Chan Mei Ying, Spencer	24.3.2006	24.3.2006 - 23.3.2016	0.1530	500,000	—	—	—	500,000
	26.9.2006	26.9.2006 - 25.9.2016	0.0772	3,000,000	—	(3,000,000)	—	—
				119,480,000	1,100,000	(44,030,000)	—	76,550,000

Save as disclosed above and other than nominee shares in certain wholly-owned subsidiaries held by certain directors in trust for the Group, at 31 December 2007, none of the directors or chief executive or any of their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which fall to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2007, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (not being a director or the chief executive of the Company) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company.

Name of substantial shareholders	Number of ordinary shares held	Number of share options and underlying shares held	Aggregate long position	Percentage of the issued share capital as at 31 December 2007
Educational Information Technology (H.K.) Company Limited *	108,057,374	—	108,057,374	9.54%
Crimson Asia Capital Limited, L.P.**	105,203,591	—	105,203,591	9.28%
Kan Ji Ran, Laurie ** <i>(formerly known as Kan Siu Kei, Laurie)</i>	41,978,000	14,000,000	55,978,000	4.94%

* These shares were held in trust for 寧夏教育信息技術股份有限公司 (Ningxia Educational Information Technology Company Limited), a company in which the Group has 25% equity interest.

** These shares were beneficially owned by the respective parties.

Save as disclosed in the section “Directors’ and chief executive’s interests and short positions in shares and underlying shares of the Company”, at 31 December 2007, the Company had not been notified of any other interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Part XV of the SFO.

Competing Interest

As at 31 December 2007, none of the directors or management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competes or may compete with the business of the Group.

Purchase, Sale or Redemption of the Company’s Listed Securities

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

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a review of the unaudited quarterly report for the quarter ended 31 December 2007.

On behalf of the Board

Cheng Kin Kwan

Chairman & Chief Executive Officer

Hong Kong, 13 February 2008

As at the date of this announcement, the executive Directors are Mr. Cheng Kin Kwan (Chairman), Mr. Law Kwai Lam, Ms. Leung Mei Sheung Eliza, Ms. Zheng Ying Yu, Mr. Fung Chun Pong Louis and Mr. Liao Yun; and the independent non-executive Directors are Mr. Ng Kwok Tung, Ms. Tsang Wai Chun Marianna and Mr. Chan Mei Ying Spencer.

This announcement will remain on the GEM website (www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the day of its posting and on the Company’s website (www.timeless.com.hk).