



Timeless Software Limited

(incorporated in Hong Kong with limited liability)

(Stock code: 8028)

RESULTS ANNOUNCEMENT For the quarter ended 31 December 2012

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the 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. 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.

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This announcement, for which the directors of Timeless Software Limited collectively and individually accept full 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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 2012 together with the comparative unaudited figures for the corresponding periods in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2012

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2012	2011	2012	2011
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	68,666	6,081	151,220	17,891
Other income and gain	325	206	824	720
Purchase and production costs	(25,874)	(5,529)	(61,102)	(17,135)
Staff costs	(10,752)	(5,034)	(25,832)	(13,544)
Depreciation and amortisation	(5,527)	(202)	(16,116)	(636)
Acquisition-related costs	–	–	(7,145)	–
Other expenses	(5,262)	(3,237)	(15,835)	(8,995)
Gain on partial disposal of equity interests in a jointly controlled equity	–	–	–	12,706
Net losses on disposal of investment properties	–	–	(581)	–
Net gains on investments held for trading	10,197	2,738	8,251	137
Finance costs	(440)	(1)	(1,148)	(4)
Share of profit of an associate	1,630	1,316	1,562	1,263
Profit/(loss) before tax	32,963	(3,662)	34,098	(7,597)
Income tax expense	3 (7,564)	–	(16,361)	–
Profit/(loss) for the period	25,399	(3,662)	17,737	(7,597)
Other comprehensive income, net of income tax				
Exchange differences on translating foreign operations	–	–	–	1,498
Share of other comprehensive income of an associate	(189)	514	352	1,534
Other comprehensive income for the period, net of income tax	(189)	514	352	3,032
Total comprehensive income for the period	25,210	(3,148)	18,089	(4,565)

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 December		31 December	
	2012	2011	2012	2011
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) attributable to:				
Owners of the Company	8,647	(3,660)	(12,131)	(7,584)
Non-controlling interests	16,752	(2)	29,868	(13)
	<u>25,399</u>	<u>(3,662)</u>	<u>17,737</u>	<u>(7,597)</u>
Total comprehensive income attributable to:				
Owners of the Company	8,458	(3,146)	(11,779)	(4,642)
Non-controlling interests	16,752	(2)	29,868	77
	<u>25,210</u>	<u>(3,148)</u>	<u>18,089</u>	<u>(4,565)</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings/(loss) per share				
– Basic	5	0.55	(0.29)	(0.79)
– Diluted		0.54	(0.29)	(0.65)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2012

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated deficit <i>HK\$'000</i>	Attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 April 2011 (audited)	56,728	637,996	2,165	1,176	1,061	5,627	(611,097)	93,656	2,656	96,312
Loss for the period	-	-	-	-	-	-	(7,584)	(7,584)	(13)	(7,597)
Other comprehensive income for the period	-	-	-	1,534	-	1,408	-	2,942	90	3,032
Total comprehensive income for the period	-	-	-	1,534	-	1,408	(7,584)	(4,642)	77	(4,565)
Recognition of equity-settled share based payments	-	-	241	-	-	-	-	241	-	241
Placing of ordinary shares	8,400	16,800	-	-	-	-	-	25,200	-	25,200
Issue of ordinary shares under employee share option plan	168	278	(152)	-	-	-	-	294	-	294
Transaction costs attributable to issue of new ordinary shares	-	(956)	-	-	-	-	-	(956)	-	(956)
Release of reserve upon share options forfeited	-	-	(5)	-	-	-	5	-	-	-
Balance at 31 December 2011 (unaudited)	65,296	654,118	2,249	2,710	1,061	7,035	(618,676)	113,793	2,733	116,526
Balance at 1 April 2012 (audited)	65,316	654,107	2,191	2,111	1,061	8,104	(622,580)	110,310	199	110,509
Profit for the period	-	-	-	-	-	-	(12,131)	(12,131)	29,868	17,737
Other comprehensive income for the period	-	-	-	352	(1,061)	-	1,061	352	-	352
Total comprehensive income for the period	-	-	-	352	(1,061)	-	(11,070)	(11,779)	29,868	18,089
Recognition of equity-settled share based payments	-	-	2,301	-	-	-	-	2,301	-	2,301
Issue of ordinary shares under employee share option plan	187	299	(165)	-	-	-	-	321	-	321
Issue of consideration shares	13,500	31,590	-	-	-	-	-	45,090	-	45,090
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	211,108	211,108
Transaction costs attributable to issue of new ordinary shares	-	(191)	-	-	-	-	-	(191)	-	(191)
Release of reserve upon share options forfeited	-	-	(142)	-	-	-	142	-	-	-
Partial disposal of equity interests in a subsidiary	-	-	-	-	-	(5)	893	888	347	1,235
Balance at 31 December 2012 (unaudited)	79,003	685,805	4,185	2,463	-	8,099	(632,615)	146,940	241,522	388,462

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2012

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 as well as 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 (the “GEM Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 31 December 2012 are the same with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2012.

In the current period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets
Amendments to HKAS 12	Deferred tax: Recovery of Underlying Assets

The adoption of the above HKFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. INCOME TAX EXPENSE

	(Unaudited) Three months ended 31 December 2012		(Unaudited) Nine months ended 31 December 2012	
	HK\$’000	2011 HK\$’000	HK\$’000	2011 HK\$’000
Current tax:				
People’s Republic of China (“PRC”) Enterprise Income Tax	8,692	–	19,204	–
Deferred tax:				
Current period	(1,128)	–	(2,843)	–
Total income tax charged in profit or loss	<u>7,564</u>	<u>–</u>	<u>16,361</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits tax has been made in the condensed consolidated financial statements 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 25% for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

4. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the period (for the nine months ended 31 December 2011: nil).

5. EARNINGS/(LOSS) PER SHARE

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

	(Unaudited) Three months ended 31 December 2012		(Unaudited) Nine months ended 31 December 2012	
		2011		2011
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<u>HK\$8,647,000</u>	<u>HK\$(3,660,000)</u>	<u>HK\$(12,131,000)</u>	<u>HK\$(7,584,000)</u>
Number of ordinary shares:				
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>1,579,545,199</u>	1,245,172,373	<u>1,537,840,414</u>	1,171,727,503
Effect of dilutive potential ordinary shares in respect of share options granted	<u>9,000,271</u>	N/A	<u>N/A</u>	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>1,588,545,470</u>	<u>1,245,172,373</u>	<u>1,537,840,414</u>	<u>1,171,727,503</u>

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options existed for the three months ended 31 December 2011 and nine months ended 31 December 2012 and 2011 since their exercises would result in a decrease in loss per share.

6. SHARE-BASED PAYMENT ARRANGEMENT

During the nine months ended 31 December 2012, 30,000,000 share options were granted to employees (for the nine months ended 31 December 2011: 2,700,000 share options were granted to employees).

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the period under review, the Group has completed the acquisition of Goffers Management Limited and its subsidiaries (the “Goffers Group”) on 11 May 2012 and further expanded its lines of business to the mining industry and is principally engaged in two business lines, namely (i) the provision of computer consultancy and software maintenance services, software development, sales of computer hardware and software and e-Commerce services (hereinafter collectively referred to as the “Computer Hardware and Software Business”); and (ii) the exploration and exploitation of various mines in Xinjiang, the PRC (hereinafter collectively referred to as the “Mining Business”).

Computer Hardware and Software Business

Recently the International Monetary Fund (“IMF”) published the latest Global Economic Prospects report for 2013, indicating that global economy showed signs of speeding up starting from third quarter of 2012, mainly driven by the economic growth of the emerging economies. From a macro international perspective, leaderships in both United States and China are confirmed, to be followed by the launch of various economic and social policies to further re-vitalize economy.

As for the Computer Hardware and Software Business in the last quarter our development momentum are picking up. On one hand, our software research, development and outcome that cumulated for many years have gained reputation from leading home electrical appliances manufacturers, willing to work and co-operate with the Group in developing intelligent robot project which should bring in long lasting market impact and revenue; furthermore, the Group’s technical superiority and investment have earned appreciation from leading logistics corporation. After cultivating for so many years, the Group has successfully gained an opportunity to organically combine technology with e-Commerce Market, generating extra revenue source for the Group.

Looking forward, according to the IMF report, the Chinese economy in year 2013 and 2014 shall increase by 8.2% and 8.5% respectively. In the remaining days of the current financial year, we shall continue on our utmost effort to secure the success of the intelligent robot project, to be followed by market launch so as to lay a base for our corporation profit. At the same time, we shall establish the combination between logistics and eCommerce to gain additional income source for the Group. With our partner mining business development as our wing-man, we shall strive to secure a continuous, healthy and stable development for the Group and live up to shareholders expectations.

In short, since the foundation of the Group up to present, we insist and persist on anchoring our core competence in software development, with our focus on the Chinese market as our profit spring. Such strategy has been proven to be forward looking and trendy; the specific operative under such strategic guidance comes to “OSQun” the operation system that the Group has been persisting to develop under Chinese Autonomy Innovative Initiative, by so doing a network could be formed to serve China and along such service path, we shall strive to turn loss into profit, along a sustainable profit path.

Pause, revisit and check, the above conclusion falls in line with future development of the Group.

Mining Business

Since sale of gold dores contributes a major part of the income of the Mining Business, the fluctuation of the gold market price imposes significant impact on the revenue, and thus profit, of the Mining Business. The gold dores are priced at the time of sales with reference to the applicable spot price of gold in Shanghai Gold Exchange (“SGE”), with adjustment for gold content and refining cost. As at 31 December 2012, the SGE gold market price has increased about 4.6% as compared with the price on 31 December 2011. Following the continuous execution of treasuries and mortgage debt purchasing programs by USA Federal Reserve, bond-purchase program by European Union and the announcement of open-ended asset purchasing plan starting in 2014 by the Japanese Government, it is estimated that the upward trend of gold price is well supported in the long run due to the high liquidity of capital in the market caused by the abovementioned monetary policies.

During the period from 11 May 2012 (the date of completion of acquisition of the Mining Business) to 31 December 2012, there were about 70,000 tonnes of ores extracted from the gold mines and about 44,000 tonnes of ores processed with average grade of 5.63 gram/tonne. About 280kg of gold dores were produced and sold in the same period and contributed for a turnover of more than HK\$120 million.

The major development of the Mining Business is the Baishiquan nickel-copper mine with probable reserves of approximately 1.2 million tonnes of ores with average grade of Ni 0.52% and Cu 0.34%. The development construction is in progress and the total capital expenditure during the period from 11 May 2012 to 31 December 2012 amounted to approximately HK\$14 million. The management is optimistic about the development progress and expects that the project will become an important source of profit upon the commercial production as scheduled in 2014.

Financial Performance Review

For the nine months ended 31 December 2012, the Group recorded turnover of approximately HK\$151,220,000, representing an increase of 745% against the corresponding period in 2011. Profit for the period under review was approximately HK\$17,737,000, signifies a turnaround from the loss of approximately HK\$7,597,000 as compared to the corresponding period in 2011.

The fluctuations in turnover and result for the Group was mainly contributed by (i) the newly acquired Goffers Group for which recorded turnover and segmental profit for the period under review of approximately HK\$124,269,000 and HK\$54,194,000 respectively; (ii) non-recurring acquisition related-costs of the Goffers Group incurred during the period under review of approximately HK\$7,145,000; (iii) income tax expense amounted to approximately HK\$1,893,000 arising from the disposal of certain investment properties located in the PRC; (iv) net gains of approximately HK\$8,251,000 on listed equity investments; and (v) depreciation and amortisation amounted to approximately HK\$16,116,000.

For the Computer Hardware and Software business, the Group recorded turnover and segmental loss of approximately HK\$26,951,000 and HK\$20,070,000 for the period under review respectively, representing an increase of 51% and decrease of 2% as compared to the corresponding period in 2011.

Loss attributable to owners of the Company was approximately HK\$12,131,000, as compared to approximately HK\$7,584,000 over the same period in 2011.

OTHER INFORMATION

Directors' and chief executive's interests and short positions in shares and underlying shares of the Company

As at 31 December 2012, 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 of Hong Kong Limited ("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			Percentage of shareholding
	Beneficial owner	Controlled corporation	Total number of shares	
Cheng Kin Kwan	221,440,000	–	221,440,000	14.01%
Law Kwai Lam	10,000,000	28,325,000*	38,325,000	2.43%
Leung Mei Sheung, Eliza	14,492,000	–	14,492,000	0.92%
Zheng Ying Yu	4,900,000	–	4,900,000	0.31%
Fung Chun Pong, Louis	488,000	–	488,000	0.03%
Liao Yun	4,510,000	–	4,510,000	0.29%
Felipe Tan	34,922,000	270,000,000*	304,922,000	19.30%

* These shares were held by private companies which are wholly-owned by Mr. Law Kwai Lam or owned as to 90.01% by Mr. Felipe Tan respectively.

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

Name of director	Name of associated corporation	Capacity	Number of shares or registered capital	Percentage of interest in the registered capital of the associated corporation
Felipe Tan	Goffers Management Limited	Interest of controlled corporation	200*	100%
	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	RMB10,200,000	51%

* 98 shares (representing 49%) are held by Mr. Felipe Tan through Starmax Holdings Limited whereas 102 shares (representing 51%) are pledged to Starmax Holdings Limited as security of the payment obligations of the Group under the promissory note

(c) Interests in debentures of associated corporation of the Company

Name of director	Name of associated corporation	Capacity	Amount of debentures
Felipe Tan	Time Kingdom Limited	Interest of controlled corporation	HK\$60,000,000*

* The outstanding balance of the promissory note issued to Starmax Holdings Limited which is owned as to 90.01% by Mr. Felipe Tan.

(d) 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 HK\$	Number of share options and number of underlying shares		
				Outstanding at 1.4.2012	Exercised during the period	Outstanding at 31.12.2012
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
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
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	6,100,000	–	6,100,000
	13.12.2004	13.12.2004– 12.12.2014	0.0982	50,000	–	50,000
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
	24.3.2006	24.3.2006– 23.3.2016	0.1530	300,000	–	300,000
	18.6.2007	18.6.2007– 17.6.2017	0.2980	300,000	–	300,000

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 1.4.2012	Exercised during the period	Outstanding at 31.12.2012
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
	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
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	1,500,000	–	1,500,000
Chan Mei Ying, Spencer	24.3.2006	24.3.2006– 23.3.2016	0.1530	500,000	–	500,000
				58,600,000	–	58,600,000

Save as disclosed above and other than nominee shares in certain wholly-owned subsidiaries held by certain directors in trust for the Group, as at 31 December 2012, 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 2012, 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.

Long positions in the shares and underlying shares

Name of substantial shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of the issued share capital as at 31 December 2012
Educational Information Technology (H.K.) Company Limited (<i>note 1</i>)	Trustee	108,057,374	–	6.84%
Starmax Holdings Limited (<i>note 2</i>)	Beneficial owner	270,000,000	–	17.09%

Notes:

- (1) 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 which is owned as to 25% by the Group.
- (2) Starmax Holdings Limited is beneficially owned as to 90.01% by Mr. Felipe Tan who also directly holds 34,922,000 shares.

Save as disclosed in the section “Directors’ and chief executive’s interests and short positions in shares and underlying shares of the Company”, as at 31 December 2012, the Company had not been notified of any other interests or short positions 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

Mr. Felipe Tan and Mr. Zhang Ming hold shareholdings and directorships in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN.V). 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. Felipe Tan and Mr. Zhang Ming are 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 within dependent 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, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

Audit committee

The audit committee comprises three independent non-executive directors, Ms. Tsang Wai Chun Marianna, Mr. Chan Mei Ying Spencer and Mr. Lam Kwai Yan. The audit committee has reviewed the unaudited quarterly financial results for the nine months ended 31 December 2012.

On behalf of the Board
Cheng Kin Kwan
Chairman & Chief Executive Officer

Hong Kong, 6 February 2013

As at the date of this announcement, the executive Directors are Mr. Cheng Kin Kwan, Mr. Law Kwai Lam, Ms. Leung Mei Sheung, Eliza, Ms. Zheng Ying Yu, Mr. Fung Chun Pong, Louis, Mr. Liao Yun, Mr. Felipe Tan and Mr. Zhang Ming; and the independent non-executive Directors are Ms. Tsang Wai Chun, Marianna, Mr. Chan Mei Ying, Spencer, Mr. Lam Kwai Yan and Ms. Chan Choi Ling.

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).