



## **Timeless Software Limited**

*(incorporated in Hong Kong with limited liability)*

**(Stock code: 8028)**

### **RESULTS ANNOUNCEMENT**

**For the quarter ended 31 December 2013**

#### **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 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. 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 (collectively, the “Group”) for the three months and nine months ended 31 December 2013 together with the comparative unaudited figures for the corresponding periods in 2012 as follows:

### Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2013

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Turnover	37,730	68,666	105,070	151,220
Other income and gains	1,173	325	2,865	824
Purchase and production costs	(32,790)	(25,874)	(72,543)	(61,102)
Staff costs	(11,457)	(10,752)	(26,300)	(25,832)
Depreciation and amortisation	(4,274)	(5,527)	(7,784)	(16,116)
Acquisition-related costs	–	–	–	(7,145)
Other expenses	(4,737)	(5,262)	(15,584)	(15,835)
Loss on disposal of investment property	–	–	–	(581)
Net gains/(losses) on investments held for trading	(23)	10,197	(1,024)	8,251
Finance costs	(636)	(440)	(1,834)	(1,148)
Share of profits/(losses) of associates	10	1,630	(48)	1,562
Profit/(loss) before tax	(15,004)	32,963	(17,182)	34,098
Income tax credit/(expense)	3 623	(7,564)	(6,459)	(16,361)
Profit/(loss) for the period	(14,381)	25,399	(23,641)	17,737
<b>Other comprehensive income/(loss), net of income tax</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	5,087	–	9,900	–
Share of other comprehensive income/(loss) of associates	(223)	(189)	(205)	352
Other comprehensive income/(loss) for the period, net of income tax	4,864	(189)	9,695	352
<b>Total comprehensive income/(loss) for the period</b>	(9,517)	25,210	(13,946)	18,089

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<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	<b>(11,218)</b>	8,647	<b>(29,572)</b>	(12,131)
Non-controlling interests	<b>(3,163)</b>	16,752	<b>5,931</b>	29,868
	<b><u>(14,381)</u></b>	<u>25,399</u>	<b><u>(23,641)</u></b>	<u>17,737</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	<b>(10,023)</b>	8,458	<b>(27,107)</b>	(11,779)
Non-controlling interests	<b>506</b>	16,752	<b>13,161</b>	29,868
	<b><u>(9,517)</u></b>	<u>25,210</u>	<b><u>(13,946)</u></b>	<u>18,089</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share</b>	<b>5</b>			
–Basic	<b><u>(0.70)</u></b>	<u>0.55</u>	<b><u>(1.85)</u></b>	<u>(0.79)</u>
–Diluted	<b><u>(0.70)</u></b>	<u>0.54</u>	<b><u>(1.85)</u></b>	<u>(0.79)</u>

## Condensed Consolidated Statement of Changes in Equity

*For the nine months ended 31 December 2013*

	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Share options reserve (unaudited) HK\$'000	Investment revaluation reserve (unaudited) HK\$'000	Property revaluation reserve (unaudited) HK\$'000	Translation reserve (unaudited) HK\$'000	Accumulated deficit (unaudited) HK\$'000	Attributable to owners of the Company (unaudited) HK\$'000	Non- controlling interests (unaudited) HK\$'000	Total (unaudited) HK\$'000
Balance at 1 April 2012	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/(loss) for the period	-	-	-	352	(1,061)	-	1,061	352	-	352
Total comprehensive income/(loss) 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 lapsed	-	-	(142)	-	-	-	142	-	-	-
Partial disposal of equity interests in a subsidiary	-	-	-	-	-	(5)	893	888	347	1,235
Balance at 31 December 2012	<u>79,003</u>	<u>685,805</u>	<u>4,185</u>	<u>2,463</u>	<u>-</u>	<u>8,099</u>	<u>(632,615)</u>	<u>146,940</u>	<u>241,522</u>	<u>388,462</u>
Balance at 1 April 2013	<u>79,013</u>	<u>685,806</u>	<u>4,161</u>	<u>2,527</u>	<u>-</u>	<u>9,581</u>	<u>(647,864)</u>	<u>133,224</u>	<u>294,090</u>	<u>427,314</u>
Loss for the period	-	-	-	-	-	-	(29,572)	(29,572)	5,931	(23,641)
Other comprehensive income/(loss) for the period	-	-	-	(399)	-	2,864	-	2,465	7,230	9,695
Total comprehensive income/(loss) for the period	-	-	-	(399)	-	2,864	(29,572)	(27,107)	13,161	(13,946)
Recognition of equity-settled share based payments	-	-	2,941	-	-	-	-	2,941	-	2,941
Issue of ordinary shares under employee share option plan	1,685	5,442	(1,472)	-	-	-	-	5,655	-	5,655
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	1,326	1,326
Transaction costs attributable to issue of new ordinary shares	-	(27)	-	-	-	-	-	(27)	-	(27)
Release of reserve upon share options lapsed	-	-	(84)	-	-	-	84	-	-	-
Balance at 31 December 2013	<u>80,698</u>	<u>691,221</u>	<u>5,546</u>	<u>2,128</u>	<u>-</u>	<u>12,445</u>	<u>(677,352)</u>	<u>114,686</u>	<u>308,577</u>	<u>423,263</u>

## Notes to the Condensed Consolidated Financial Statements

For the three months and nine months ended 31 December 2013

### 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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) 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 2013 are the same with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2013.

#### Adoption of new and revised HKFRSs effective in the current period

In the current period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, which are effective for the Group’s annual periods beginning on or after 1 April 2013.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above new and revised HKFRSs has had no significant financial impact on these condensed consolidated financial statements. The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of these new and revised HKFRSs on the financial performance and financial position of the Group.

### 3. Income Tax (Credit)/Expense

	(Unaudited) Three months ended 31 December		(Unaudited) Nine months ended 31 December	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
People's Republic of China ("PRC")				
Enterprise Income Tax	–	8,692	6,478	19,204
Deferred tax	(623)	(1,128)	(19)	(2,843)
	<u>(623)</u>	<u>(1,128)</u>	<u>(19)</u>	<u>(2,843)</u>
Total income tax (credit)/charged in profit or loss	<u>(623)</u>	<u>7,564</u>	<u>6,459</u>	<u>16,361</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 2012: 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		(Unaudited) Nine months ended 31 December	
	2013	2012	2013	2012
	Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<u>HK\$(11,218,000)</u>	<u>HK\$8,647,000</u>	<u>HK\$(29,572,000)</u>
<b>Number of ordinary shares:</b>				
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>1,609,541,720</u>	<u>1,579,545,199</u>	<u>1,595,180,446</u>	<u>1,537,840,414</u>
Effect of dilutive potential ordinary shares in respect of share options granted	<u>N/A</u>	<u>9,000,271</u>	<u>N/A</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>1,609,541,720</u>	<u>1,588,545,470</u>	<u>1,595,180,446</u>	<u>1,537,840,414</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 2013 and nine months ended 31 December 2013 and 2012 since their exercises would result in a decrease in loss per share.

### 6. Share-Based Payment Arrangement

During the nine months ended 31 December 2013, 34,800,000 share options were granted to employees (for the nine months ended 31 December 2012: 30,000,000 share options were granted to employees).

## **Management Discussion and Analysis**

### **About the Group**

The Group 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 mines (hereinafter collectively referred to as the “Mining Business”).

### **Business Review and Outlook**

#### *Computer Hardware and Software Business*

The Group’s revenue primarily generated from sales and development of software and hardware plus mining operations, target locked onto China market; for the past nine months fiscal period ending 31 December 2013, the Group witnessed a thriving IT market scene; for the past few years the world, especially in China, IT industry experienced exponential growth, market share continued on expanding and end-user number ever increasing. Fueled and fostered by the Chinese Government policy, more and more momentum are being injected to steam the speedy development of the industry ahead. Mobile phones are not just simple communication means anymore, rather they had become a necessity in doing business especially being broadly applied, notably in retail, logistics and courier services. Given all these factors, the emerging smart phone market share keeps on expanding fast; by the end of year 2013, it has outnumbered traditional hand phone, affirming the correctness of the Group’s positioning strategy and will bring on brighter future.

Looking forward, the Group will continue on working towards the “high value added” direction, committed to development of high and new technology businesses to meet market needs, enhancing our software and systems application development capabilities so as to provide customers with comprehensive solutions. Alongside with the further development of the connection of everything to the internet, the Group’s IOT (Internet of Things) related applications and services will continue to bring growth potential. Thus, the Group will strive to develop products and services in smart home, security, logistics and e-commerce so as to bring in new momentum through integration with business partners, enhancing our competitive edge and to maintain industry leadership.

Despite a slight recovery in economy, market still seems unstable; the Group anticipates fierce competition in the forthcoming challenging business environment to come. However, the Group will continue to focus on streamlining operations, optimising management and operating structure, improving operational processes so as to uplift operational efficiency. Meanwhile, the Group will continue to stringently control operation costs and maintain committed to the development of innovative products and expansion into new markets.

## *Mining Business*

The Group completed the acquisition of a 51% equity interest in the Mining Business on 11 May 2012. Therefore, there was only eight months operation of Mining Business in correspondence period in 2012. The Mining Business mainly includes the exploration, mining, ore processing and sale of gold dores in the PRC.

For the nine months ended 31 December 2013, the Mining Business had gold dores sales of approximately 254 kg, decreased by approximately 10% when compared to the corresponding period in 2012. The gold market price also decreased by approximately 24%. The turnover was therefore down by 32% to approximately HK\$85 million. The total production cost increase by HK\$11 million or approximately 26% compared to the corresponding period in 2012.

The gold ores extracted and processed were approximately 31,505 tonnes and 57,682 tonnes respectively. The monthly average of the gold ores extracted and processed were approximately 3,501 tonnes and 6,409 tonnes for the period under review, representing a decrease of approximately 60% and an increase of approximately 17% respectively compared to the corresponding period in 2012. The decrease of gold ores extracted was due to the construction work of a major gold mine, Hongshannan Gold Mine, which has been completed by this quarter end. The mining activity of Hongshannan Gold Mine will be resumed by early 2014.

Affected by the continuous deterioration in gold market price, Year 2013 was the first recorded year with declined results performance of the Mining Business since Year 2008. If the gold price goes down further, the revenue and results performance of the Mining Business for Year 2014 will be inevitably impacted.

## **Financial Performance Review**

For the nine months ended 31 December 2013, the Group recorded turnover of approximately HK\$105,070,000, representing a decrease of 30.5% against the corresponding period in 2012. Loss for the period under review was approximately HK\$23,641,000, signifies a turnaround from the profit of approximately HK\$17,737,000 as compared to the corresponding period in 2012. Effective interest expense of the promissory note amounting to approximately HK\$1,698,000 representing the majority of finance costs which incurred in the nine months ended 31 December 2013 (nine months ended 31 December 2012: nil). No acquisition-related costs were incurred during the period under review, as compared to HK\$7,145,000 in the corresponding period in 2012 attributable to the acquisition of Mining Business.

For the Computer Hardware and Software business, the Group recorded turnover and segmental loss of approximately HK\$20,448,000 and HK\$25,860,000 for the period under review respectively, representing a decrease of 24.1% and an increase of 28.8% as compared to the corresponding period in 2012.



For the Mining Business, the Group recorded turnover and segmental profit of approximately HK\$84,622,000 and HK\$10,224,000 respectively for the period under review, representing a decrease of 31.9% and 81.1% respectively as compared to the corresponding period in 2012.

Loss attributable to owners of the Company was approximately HK\$29,572,000, as compared to approximately HK\$12,131,000 over the same period in 2012.

## Other Information

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

As at 31 December 2013, 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			Total number of shares	Percentage of shareholding
	Beneficial owner	Controlled corporation			
Cheng Kin Kwan	221,440,000	–		221,440,000	13.72%
Law Kwai Lam	10,000,000	28,325,000*		38,325,000	2.37%
Leung Mei Sheung, Eliza	19,992,000	–		19,992,000	1.24%
Zheng Ying Yu	16,450,000	–		16,450,000	1.02%
Fung Chun Pong, Louis	488,000	–		488,000	0.03%
Liao Yun	8,800,000	–		8,800,000	0.55%
Felipe Tan	5,062,000	304,912,000*		309,974,000	19.21%
Zhang Ming	75,500,000	–		75,500,000	4.68%

\* 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

<b>Name of director</b>	<b>Name of associated corporation</b>	<b>Capacity</b>	<b>Number of shares/ registered capital</b>	<b>Percentage of interest in the registered capital of the associated corporation</b>
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	RMB20,000,000	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

<b>Name of director</b>	<b>Name of associated corporation</b>	<b>Capacity</b>	<b>Amount of debentures</b>
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 <i>HK\$</i>	Number of share options				
				Outstanding at 01.04.2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2013
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)	–	–
	3.10.2013	3.10.2013–2.10.2023	0.1490	–	3,000,000	(3,000,000)	–	–
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

Name of directors	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options				
				Outstanding at 01.04.2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2013
	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
	3.10.2013	3.10.2013–2.10.2023	0.1490	–	1,000,000	–	–	1,000,000
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)	–	–
	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)	–	–
	3.10.2013	3.10.2013–2.10.2023	0.1490	–	3,000,000	–	–	3,000,000
Zhang Ming	3.10.2013	3.10.2013–2.10.2023	0.1490	–	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	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
	3.10.2013	3.10.2013–2.10.2023	0.1490	–	1,000,000	–	–	1,000,000
Lam Kwai Yan	3.10.2013	3.10.2013–2.10.2023	0.1490	–	1,000,000	–	–	1,000,000
Chan Choi Ling	3.10.2013	3.10.2013–2.10.2023	0.1490	–	1,000,000	–	–	1,000,000
				<u>58,600,000</u>	<u>13,000,000</u>	<u>(21,340,000)</u>	<u>(16,060,000)</u>	<u>34,200,000</u>

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 2013, 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 2013, 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 shareholders had notified the Company of relevant interest in the issued 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 2013
Educational Information Technology (HK) Company Limited <sup>(note 1)</sup>	108,057,374	–	108,057,374	6.70%
Starmax Holdings Limited <sup>(note 2)</sup>	304,912,000	–	304,912,000	18.89%

*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 5,062,000 shares.

Save as disclosed in the section “Directors’ and chief executive’s interests and short positions in shares and underlying shares of the Company”, at 31 December 2013, the Company has not been notified of any other interests or short positions in the issued share capital as at 31 December 2013.

## **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 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, 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 three months and nine months ended 31 December 2013.

On behalf of the Board

**Cheng Kin Kwan**

*Chairman & Chief Executive Officer*

Hong Kong, 13 February 2014

*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](http://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](http://www.timeless.com.hk)).*