



## **Timeless Software Limited**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 8028)**

### **RESULTS ANNOUNCEMENT**

**For the quarter ended 31 December 2014**

**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 (“Group”) for the three and nine months ended 31 December 2014 together with the comparative unaudited figures for the corresponding periods in 2013 as follows:

## **Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

*For the three months and nine months ended 31 December 2014*

		<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>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover		<b>58,802</b>	37,730	<b>116,444</b>	105,070
Other income and gains		<b>1,308</b>	1,173	<b>2,739</b>	2,865
Purchase and production costs		<b>(37,995)</b>	(32,790)	<b>(80,790)</b>	(72,543)
Staff costs		<b>(7,080)</b>	(11,457)	<b>(21,228)</b>	(26,300)
Depreciation and amortisation		<b>(1,072)</b>	(4,274)	<b>(3,004)</b>	(7,784)
Other expenses		<b>(6,842)</b>	(4,737)	<b>(17,940)</b>	(15,584)
Net gains/(losses) on investments held for trading		<b>–</b>	(23)	<b>226</b>	(1,024)
Finance costs		<b>(231)</b>	(636)	<b>(2,034)</b>	(1,834)
Share of profits/(losses) of associates		<b>(23)</b>	10	<b>(77)</b>	(48)
Profit/(loss) before tax		<b>6,867</b>	(15,004)	<b>(5,664)</b>	(17,182)
Income tax credit/(expense)	2	<b>(1,843)</b>	623	<b>(2,784)</b>	(6,459)
Profit/(loss) for the period		<b>5,024</b>	(14,381)	<b>(8,448)</b>	(23,641)
<b>Other comprehensive income, net of income tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		<b>103</b>	5,087	<b>4,296</b>	9,900
Reclassification adjustment relating to foreign operations disposed		<b>–</b>	–	<b>(14)</b>	–
Share of other comprehensive income/(loss) of associates		<b>–</b>	(223)	<b>747</b>	(205)
Other comprehensive income for the period, net of income tax		<b>103</b>	4,864	<b>5,029</b>	9,695
<b>Total comprehensive income/(loss) for the period</b>		<b>5,127</b>	(9,517)	<b>(3,419)</b>	(13,946)

	<i>Notes</i>	<b>(Unaudited)</b> <b>Three months ended</b> <b>31 December</b>		<b>(Unaudited)</b> <b>Nine months ended</b> <b>31 December</b>	
		<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Profit/(loss) attributable to:					
Owners of the Company		<b>(2,167)</b>	(11,218)	<b>(14,282)</b>	(29,572)
Non-controlling interests		<b>7,191</b>	(3,163)	<b>5,834</b>	5,931
		<b><u>5,024</u></b>	<u>(14,381)</u>	<b><u>(8,448)</u></b>	<u>(23,641)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		<b>(2,139)</b>	(10,023)	<b>(12,445)</b>	(27,107)
Non-controlling interests		<b>7,266</b>	506	<b>9,026</b>	13,161
		<b><u>5,127</u></b>	<u>(9,517)</u>	<b><u>(3,419)</u></b>	<u>(13,946)</u>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>	<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
<b>Loss per share</b>					
– Basic and diluted	4	<b><u>(0.13)</u></b>	<u>(0.70)</u>	<b><u>(0.87)</u></b>	<u>(1.85)</u>

# Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2014

	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 2013	79,013	685,806	4,161	2,527	–	9,581	(647,864)	133,224	294,090	427,314
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	80,698	691,221	5,546	2,128	–	12,445	(677,352)	114,686	308,577	423,263
Balance at 1 April 2014	773,715	–	5,760	1,914	–	9,178	(704,549)	86,018	254,574	340,592
Loss for the period	–	–	–	–	–	–	(14,282)	(14,282)	5,834	(8,448)
Other comprehensive income/ (loss) for the period	–	–	–	659	–	1,178	–	1,837	3,192	5,029
Total comprehensive income/ (loss) for the period	–	–	–	659	–	1,178	(14,282)	(12,445)	9,026	(3,419)
Issue of ordinary shares under employee share option plan	3,394	–	(1,237)	–	–	–	–	2,157	–	2,157
Shares issued by way of placing	29,247	–	–	–	–	–	–	29,247	–	29,247
Transaction costs attributable to issue of new ordinary shares	(335)	–	–	–	–	–	–	(335)	–	(335)
Release of reserve upon share options lapsed	–	–	(290)	–	–	–	290	–	–	–
Release upon disposal of a subsidiary	–	–	–	–	–	–	–	–	(770)	(770)
Balance at 31 December 2014	806,021	–	4,233	2,573	–	10,356	(718,541)	104,642	262,830	367,472

# Notes to the Condensed Consolidated Financial Statements

For the three months and nine months ended 31 December 2014

## 1. Basis of preparation and accounting policies

The condensed consolidated financial statements have been prepared to comply 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 (the “GEM Listing Rules”).

The accounting policies and method of computation used in the preparation of these results are consistent with those used in annual financial statements for the year ended 31 March 2014. The Group has adopted new or revised standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards which are effective for accounting periods commencing on or after 1 April 2014. 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.

## 2. Income tax (credit)/expense

	(Unaudited) Three months ended 31 December 2014 HK\$'000		(Unaudited) Nine months ended 31 December 2014 HK\$'000	
	2013 HK\$'000		2013 HK\$'000	
Current tax				
People’s Republic of China (“PRC”)				
Enterprise Income Tax	2,218	–	3,679	6,478
Deferred tax	(375)	(623)	(895)	(19)
Total income tax (credited)/charged in profit or loss	1,843	(623)	2,784	6,459

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.

## 3. Interim dividend

The directors do not recommend the payment of an interim dividend for the period (for the nine months ended 31 December 2013: nil).

#### 4. Loss per share

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

	(Unaudited) Three months ended 31 December 2014		2013	(Unaudited) Nine months ended 31 December 2014		2013
<b>Loss:</b>						
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b>HK\$(2,167,000)</b>	<b>HK\$(11,218,000)</b>		<b>HK\$(14,282,000)</b>	<b>HK\$(29,572,000)</b>	
<b>Number of ordinary shares:</b>						
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>1,677,935,851</b>	<b>1,609,541,720</b>		<b>1,643,573,176</b>	<b>1,595,180,446</b>	

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options existed for the three months and nine months ended 31 December 2014 and 2013 since their exercises would result in a decrease in loss per share.

#### 5. Share-based payment arrangement

On 25 September 2013, an ordinary resolution approving the adoption of a new share option scheme was passed by shareholders of the annual general meeting of the Company ("2013 Share Option Scheme"). Under the 2013 Share Option Scheme, directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2013 Share Option Scheme will remain valid for a period of 10 years from the adoption date.

During the nine months ended 31 December 2014, no share options were granted to employees (for the nine months ended 31 December 2013: 34,800,000 share options were granted to employees).

#### 6. Related Party Transactions

As at 31 December 2014, the balance of promissory note amounted to HK\$40,775,340 (As at 31 March 2013: HK\$63,488,651). Details of which are disclosed in note (i) below.

As at 31 December 2014, there is an amount due from a related company of HK\$68,400 (As at 31 March 2013: Nil) related to the service income as disclosed in note (ii) below. Such balance is unsecured, interest-free and repayable on demand.

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

	(Unaudited) Three months ended 31 December 2014		2013	(Unaudited) Nine months ended 31 December 2014		2013
	<b>HK\$'000</b>	<b>HK\$'000</b>		<b>HK\$'000</b>	<b>HK\$'000</b>	
Interest expense paid to a related company ( <i>note (i)</i> )	<b>178</b>	<b>579</b>		<b>1,872</b>	<b>1,698</b>	
Service income from a related company ( <i>note (ii)</i> )	<b>68</b>	<b>—</b>		<b>342</b>	<b>—</b>	
Rental expenses paid to a related company ( <i>note (iii)</i> )	<b>202</b>	<b>200</b>		<b>202</b>	<b>200</b>	

*Notes:*

- (i) Effective interest expenses on Promissory Note is charged at 2.99% (2013: 3.16%) per annum and payable to a related company which is beneficially owned as to 90.01% by Mr. Felipe Tan, a director and shareholder of the Company, at terms mutually agreed by both parties.
- (ii) Service income in respect of the provision of trading platform design and building services were received from a related company which is beneficially owned as to 27.31% by Mr. Felipe Tan, a director and shareholder of the Company, at normal commercial terms mutually agreed by both parties.
- (iii) Rental expenses in respect of the leasing of an office premise were paid to a related company which is beneficially owned as to 56.87% by Mr. Felipe Tan, a director and shareholder of the Company, at normal commercial terms mutually agreed by both parties.

## **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”).

#### *Computer Hardware and Software Business*

### **Business Review and Outlook**

The global economic outlook remains uncertain, signs of recovery flickered convulsively. U.S. ends its quantitative easing measures boosting a stronger dollar, whereas global currency markets take the blow and continue to suffer.

As for China Market where the Group roots, thanks to the support provided by the Central Government’s policy of long term healthy and sustainable growth, Chinese domestic economy continues on with moderate growth. Thus, for the current period under review, the Group continues on received support from strategic partners.

Hence, looking forward, the Group’s strategic framework shall continue on, enabling the Group to be ready to seize any opportunity and face current challenges.

The business diversification of strategic investment projects shall help the Group to reduce dependence on individual industries.

The Board maintains a cautiously optimistic outlook for the Group’s business and will implement its long-term strategy of prudent and positive, strive for investment opportunities in order to bring long-term value for shareholders.

## *Mining Business*

### **Business Review and Outlook**

#### *Review*

The Mining Business mainly includes the exploration, mining, processing and sale of gold dores and nickel ores in the PRC. For the nine months ended 31 December 2014, gold dores were the major product of the Mining Business.

For the nine months ended 31 December 2014, the Mining Business had gold dores sale of approximately 255.4 kg, representing an increase of 0.6% when compared to the correspondence period in 2013. The average gold market price decreased by 6.0% from US\$1,337 per ounce for the nine months ended 31 December 2013 to US\$1,257 per ounce for the nine months ended 31 December 2014. The turnover from gold dores sale for the nine months ended 31 December 2014 therefore has recorded a decrease of 2.8% as compared to the correspondence period in 2013. During the underground development of Baishiquan Nickel-copper Mine, certain high grade nickel ores were extracted, of which approximately 6,000 tonnes were sold at an average grade of above 3.5% after crashing and dry magnetic separation in December 2014.

The gold ores extracted and processed were approximately 36,810 tonnes and 54,739 tonnes respectively, representing an increase of 16.8% and a decrease of 5.1% respectively. The increase in gold ores extraction was due to the resumption of the mining activities after completion of the development work of Hongshannan Gold Mine in March 2014. The ores extraction of the Hongshannan Gold Mine has been gradually returned to normal since June 2014.

#### *Outlook*

As at 31 December 2014, the gold market price was US\$1,184 per ounce which slightly decreased by 1.5% compared with the gold price of US\$1,202 as at 31 December 2013. If the decreasing trend of gold market price continues, the profit of the Group from the gold mining will be adversely affected. On the other hand, the nickel price has been gradually picking up the increasing trend and stayed above the level of US\$15,000 throughout the nine months ended 31 December 2014. If the increasing trend of nickel price continues, this can partially offset the adverse effect induced by the decreasing gold price.

The management will closely monitor the development plan of the Baishiquan Nickel-copper Mine, targeting to commence the commercial production and finalise the plan on acquisition or construction of the floatation plant in 2015. During the underground development, the Company observed that certain ore body of Baishiquan Nickel-copper Mine carries more ores with a higher grade of metal contents than the previous estimates. The grade of the ores extracted from Baishiquan Nickel-copper Mine during development fitted our observation. The management is optimistic that the sale of the nickel ores, being the main outputs of the Baishiquan Nickel-copper Mine, will become a major source of revenue of the Mining Business after the commencement of the commercial production. The Group will extend the exploration work for the Baishiquan Nickel-copper Mine in 2015 and intended to engage qualified person to prepare an update of the resources estimates thereafter.



## **Financial Performance Review**

For the nine months ended 31 December 2014, the Group recorded turnover of approximately HK\$116,444,000, representing an increase of 10.8% against the corresponding period in 2013. Loss for the period under review was approximately HK\$8,448,000, a decrease of 64.3% as compared to the corresponding period in 2013. Effective interest expense of the promissory note amounting to approximately HK\$1,872,000, representing the majority of finance costs which incurred in the nine months ended 31 December 2014, as compared with HK\$1,698,000 in the corresponding period in 2013.

In respect of the Computer Hardware and Software Business segment, the Group recorded turnover and segmental loss of approximately HK\$13,712,000 (2013: approximately HK\$20,448,000) and HK\$11,437,000 (2013: approximately HK\$25,860,000) respectively, representing decrease of 32.9% and 55.8% respectively as compared with the corresponding period.

The Mining Business segment posted turnover and segmental profit for the period under review of approximately HK\$102,732,000 (2013: approximately HK\$84,622,000) and approximately HK\$6,742,000 (2013: approximately HK\$10,224,000) respectively, representing an increase of 21.4% and a decrease of 34.1% respectively as compared with the corresponding period.

Loss attributable to owners of the Company was approximately HK\$14,282,000, as compared to approximately HK\$29,572,000 over the same period in 2013.

## **Other Information**

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

As at 31 December 2014, 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			Percentage of shareholding
	Beneficial owner	Controlled corporation	Total number of shares	
Cheng Kin Kwan	223,800,000	–	223,800,000	12.13%
Law Kwai Lam	10,000,000	28,325,000*	38,325,000	2.08%
Leung Mei Sheung, Eliza	26,592,000	–	26,592,000	1.44%
Fung Chun Pong, Louis	488,000	–	488,000	0.03%
Liao Yun	11,800,000	–	11,800,000	0.64%
Felipe Tan	110,090,000	304,912,000*	415,002,000	22.49%
Zhang Ming	75,500,000	–	75,500,000	4.09%

\* 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/ 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

<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 HK\$	Number of share options and number of underlying shares				
				Outstanding at 01.04.2014	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2014
Law Kwai Lam	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
Fung Chun Pong, Louis	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
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
				<u>8,700,000</u>	<u>–</u>	<u>–</u>	<u>(300,000)</u>	<u>8,400,000</u>

Particulars of the directors' interests in share options to subscribe for shares in the Company pursuant to the Company's 2013 share option scheme were as follows:

Name of directors	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options and number of underlying shares				
				Outstanding at 01.04.2014	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 31.12.2014
Fung Chun Pong, Louis	3.10.2013	3.10.2013– 2.10.2023	0.1490	1,000,000	–	–	–	1,000,000
Liao Yun	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
Lau Yun Fong, Carman	3.10.2013	3.10.2013– 2.10.2023	0.1490	2,000,000	–	–	–	2,000,000
(appointed as director on 17 November 2014)	17.02.2014	17.02.2014– 16.02.2024	0.1380	400,000	–	–	–	400,000
Chan Mei Ying, Spencer	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>12,400,000</u>	<u>–</u>	<u>(3,000,000)</u>	<u>–</u>	<u>9,400,000</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 2014, 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 2014, 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 2014
Educational Information Technology (HK) Company Limited ( <i>note 1</i> )	108,057,374	–	108,057,374	5.86%
Starmax Holdings Limited ( <i>note 2</i> )	304,912,000	–	304,912,000	16.52%

*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 110,090,000 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 2014, the Company has not been notified of any other interests or short positions in the issued share capital as at 31 December 2014.

## 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 nine months ended 31 December 2014.

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

Hong Kong, 10 February 2015

*As at the date of this announcement, Mr. Cheng Kin Kwan (Chairman), Mr. Law Kwai Lam, Ms. Leung Mei Sheung Eliza, Mr. Fung Chun Pong Louis, Mr. Liao Yun, Mr. Felipe Tan, Mr. Zhang Ming and Ms. Lau Yun Fong Carman are executive directors of the Company; and Ms. Tsang Wai Chun Marianna, Mr. Chan Mei Ying Spencer, Mr. Lam Kwai Yan and Ms. Chan Choi Ling are independent non-executive directors of the Company.*

*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)).*