

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in TIMELESS SOFTWARE LIMITED 天時軟件有限公司, you should at once hand the Prospectus Documents (as defined herein) to the purchaser, the transferee or to the licensed securities dealer, registered institution in securities, the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission in Hong Kong take no responsibility as to the contents of any of these documents.

Dealing in the Shares and the Offer Shares may be settled through CCASS (as defined herein) and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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



**TIMELESS SOFTWARE LIMITED**

**天時軟件有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 8028)**

**OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY FIVE (5) EXISTING SHARES  
HELD ON THE RECORD DATE**

**Underwriters to the Open Offer**

**Starmax Holdings Limited**



**太平洋基業證券有限公司  
PACIFIC FOUNDATION SECURITIES LIMITED**

Terms used in this cover page shall have the same meanings as defined in this Prospectus.

The Latest Time for Acceptance is 4:00 p.m. on Wednesday, 30 December 2015. The procedures for acceptance and payment for the Offer Shares are set out on pages 24 to 25 of this Prospectus.

The Open Offer is conditional upon all conditions set out in the section headed "Conditions of the Open Offer" in this Prospectus, in particular, the Underwriting Agreement having become unconditional and not having been terminated by the Underwriters pursuant to the terms thereof on or before the Latest Time for Termination (see the section headed "Termination of the Underwriting Agreement" herein). Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 8 December 2015 and that dealings in Shares will continue to take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Thursday, 31 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

15 December 2015

## CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	7
<b>Termination of the Underwriting Agreement</b> .....	9
<b>Letter from the Board</b> .....	11
Introduction .....	11
Open Offer .....	12
Underwriting Agreement .....	18
Procedures for Acceptance and Payment .....	24
Application for Excess Offer Shares .....	25
Warning of the Risk of Dealings in the Shares .....	27
Changes in Shareholding Structure of the Company .....	28
Reasons for the Open Offer and Use of Proceeds .....	29
Fund Raising Exercise of the Company in the Past 12 Months .....	30
Risk Factors .....	31
Change in Board Lot Size .....	34
Taxation .....	35
General .....	35
Additional Information .....	36
<b>Appendix I – Financial information of the Group</b> .....	I-1
<b>Appendix II – Unaudited pro forma financial information of the Group</b> .....	II-1
<b>Appendix III – General information</b> .....	III-1

## DEFINITIONS

*In this Prospectus, unless the context requires otherwise, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 20 November 2015 in relation to, among other things, the Open Offer
“Application Form(s)”	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 20,000 Shares
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	TIMELESS SOFTWARE LIMITED 天時軟件有限公司, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on GEM

## DEFINITIONS

“Complying Applications”	valid applications under the Application Forms and EAFs made in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders or other remittances for the full amount payable in respect of the Offer Shares being applied for under such Application Forms and EAFs which are honoured on first or, at the discretion of the Underwriters, subsequent presentation
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Offer Shares, which shall be in the agreed form
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	Listing Committee of GEM
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	20 November 2015, being the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	10 December 2015, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein

## DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 30 December 2015 or such other time and date as may be agreed between the Company and the Underwriters, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus
“Latest Time for Lodging”	4:30 p.m., on Wednesday, 9 December 2015, being the latest time for lodging transfer of Shares for registration in order to qualify for the Open Offer
“Latest Time for Termination”	4:00 p.m. on Thursday, 31 December 2015, being the first Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters, being the latest time for terminating the Underwriting Agreement
“Mr. Tan”	Mr. Felipe Tan, an executive Director and a substantial Shareholder, holding 404,912,000 Shares as at the date of the Underwriting Agreement and the sole beneficial shareholder of Starmax
“Mr. Zhang”	Mr. Zhang Ming, an executive Director and a holder of 75,500,000 Shares and 3,000,000 Options
“Offer Shares”	not less than 397,980,300 new Shares and not more than 402,680,300 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of one (1) Offer Share for every five (5) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Options”	the options issued or to be issued under the Share Option Schemes
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer

## DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which are outside Hong Kong
“Pacific Foundation”	Pacific Foundation Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 9 (asset management) regulated activities for the purposes of SFO (Chapter 571 of the Laws of Hong Kong)
“PRC”	the People’s Republic of China and for the sole purpose of this Prospectus shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prohibited Shareholder(s)”	the/those Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Prospectus”	this prospectus despatched to the Shareholders in connection with the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the EAF
“Prospectus Posting Date”	Tuesday, 15 December 2015 (or such later date as may be agreed between the Underwriters and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Prohibited Shareholder(s) (as the case may be)
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Monday, 14 December 2015 or such other date as may be agreed between the Company and the Underwriters for determination of the entitlements under the Open Offer

## DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the share registrar of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as modified and amended from time to time
“Share(s)”	ordinary share(s) in share capital of the Company
“Share Option Schemes”	the share option schemes adopted by the Company on 28 April 2003 or 25 September 2013 respectively
“Shareholder(s)”	the holder(s) of issued Shares
“Starmax”	Starmax Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned by Mr. Tan as at the Latest Practicable Date
“Starmax Undertaking”	the irrevocable undertaking given by Starmax to the Company and Pacific Foundation under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 80,982,400 Offer Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Offer Share
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“taken up”	in relation to any Offer Shares, means those Offer Shares in respect of which Complying Applications have been received on or before the Latest Time for Acceptance and references to “ <b>take up</b> ” shall be construed accordingly
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs



## DEFINITIONS

“Tan Undertaking”	the irrevocable undertaking given by Mr. Tan to the Company and Pacific Foundation under the Underwriting Agreement to take up in full his entitlements under the Open Offer to subscribe for 22,218,000 Offer Shares
“Undertakings”	collectively the Starmax Undertaking, the Tan Undertaking and the Zhang Undertaking
“Underwriters”	Starmax and Pacific Foundation, the underwriters to the Open Offer pursuant to the Underwriting Agreement
“Underwriting Agreement”	the underwriting agreement dated 20 November 2015 and entered into among the Company, the Underwriters and Mr. Tan in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	the Offer Shares which are fully underwritten by the Underwriters pursuant to the terms and conditions set out in the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares in respect of which Complying Applications have not been received on or before the Latest Time for Acceptance
“Zhang Undertaking”	the irrevocable undertaking given by Mr. Zhang to the Company and Pacific Foundation with respect to the Underwriting Agreement to take up in full his entitlements under the Open Offer to subscribe for 15,100,000 Offer Shares and for not exercising the 3,000,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date
“%”	per cent.

*Note:* Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as total in certain tables may not be an arithmetic aggregation of the figures preceding them.

## EXPECTED TIMETABLE

The expected timetable for the Open Offer and the Change in Board Lot Size is set out below:

**2015**

Latest time for acceptance of and payment for  
the Offer Shares and application for excess Offer Shares . . . . . 4:00 p.m. on  
Wednesday, 30 December

Latest time for the termination of  
Underwriting Agreement by the Underwriters . . . . . 4:00 p.m. on  
Thursday, 31 December

**2016**

Announcement of the results of the Open Offer . . . . . Thursday, 7 January

Despatch of share certificates for Offer Shares . . . . . Friday, 8 January

Despatch of refund cheques in respect of  
wholly or partly unsuccessful excess applications or  
if the Open Offer is terminated . . . . . Friday, 8 January

Expected first day of dealings in the  
Offer Shares on the Stock Exchange . . . . . Monday, 11 January

Effective date and time of change in  
board lot size from 2,000 Shares to 20,000 Shares . . . . . 9:00 a.m. on  
Monday, 11 January

Designated broker starts to stand in the market  
to provide matching services for sale and  
purchase of odd lots of Shares . . . . . 9:00 a.m. on  
Monday, 11 January

Designated broker ceases to stand in the market  
to provide matching services for sale and  
purchase of odd lots of Shares . . . . . 4:00 p.m. on  
Friday, 29 January

*Note:* All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

## EXPECTED TIMETABLE

### Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place at 4:00 p.m. on Wednesday, 30 December 2015 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Wednesday, 30 December 2015, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

## TERMINATION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of any of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of any of the Underwriters is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of any of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) the Prospectus Documents in connection with the Open Offer when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of any of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a reasonably prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer; or
- (7) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Open Offer; or
- (8) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (9) any moratorium, suspension or material restriction on trading of the shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

any of the Underwriters shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, 4:00 p.m. (Hong Kong time) on Thursday, 31 December, 2015 (or such other time or date as may be agreed between the Underwriters and the Company), to terminate the Underwriting Agreement.

The Underwriters shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters; or
- (2) any specified event as contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters.

Any such notice shall be served by the Underwriters prior to the Latest Time for Termination and thereupon the obligation of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.



**TIMELESS SOFTWARE LIMITED**

**天時軟件有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 8028)**

*Executive Directors:*

Dr. Cheng Kin Kwan (*Chairman*)

Mr. Felipe Tan

Mr. Zhang Ming

Ms. Lau Yun Fong Carman

*Registered Office:*

Room 2208,

118 Connaught Road West,

Hong Kong

*Non-executive Director:*

Mr. Lam Kai Ling Vincent

*Independent non-executive Directors:*

Ms. Tsang Wai Chun Marianna

Mr. Chan Mei Ying Spencer

Mr. Lam Kwai Yan

Ms. Chan Choi Ling

15 December 2015

*To the Qualifying Shareholders, and for information only  
to the Prohibited Shareholders*

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF  
ONE (1) OFFER SHARE FOR EVERY FIVE (5) EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among others, the Open Offer.

On 20 November 2015, the Company announced that it proposes to raise not less than approximately HK\$39.8 million and not more than approximately HK\$40.3 million before expenses by issuing not less than 397,980,300 Offer Shares and not more than 402,680,300 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every five (5) existing Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are entitled to apply for Offer

## LETTER FROM THE BOARD

Shares in excess of their respective entitlements under the Open Offer. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Prohibited Shareholders.

As at the Latest Time for Lodging, the Company had 1,989,901,503 Shares in issue. Given that the register of members was closed from Thursday, 10 December 2015, being the next Business Day immediately after the Latest Time for Lodging, to Monday, 14 December 2015 and no further Shares were issued or repurchased during the book close period, the total number of issued Shares on the Record Date was the same as the Latest Time for Lodging. As such, on the basis of one Offer Share for every five existing Shares held on the Record Date, 397,980,300 Offer Shares will be allotted and issued by the Company, of which 279,679,900 Offer Shares (excluding the 80,982,400 Offer Shares, the 22,218,000 Offer Shares and the 15,100,000 Offer Shares to be taken up or procured to be taken up by Starmax, Mr. Tan and Mr. Zhang respectively pursuant to the Undertakings) will be underwritten severally by the Underwriters pursuant to the Underwriting Agreement.

The purpose of this Prospectus is to provide you details regarding the Open Offer, including information on dealing in and application for the Offer Shares, financial and other information in respect of the Group.

### OPEN OFFER

#### Issue statistics

Basis of the entitlement:	One (1) Offer Share for every five (5) existing Shares held on the Record Date
Subscription Price:	HK\$0.10 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	1,989,901,503 Shares
Number of Offer Shares:	397,980,300 Shares
Number of Offer Shares to be taken up or procured to be taken up by Starmax pursuant to the Starmax Undertaking:	Starmax has irrevocably undertaken in favour of the Company and Pacific Foundation to accept or procure the acceptance for the 80,982,400 Offer Shares to be allotted and issued to it under its entitlement pursuant to the Open Offer
Number of Offer Shares to be taken up or procured to be taken up by Mr. Tan pursuant to the Tan Undertaking:	Mr. Tan has irrevocably undertaken in favour of the Company and the Underwriters to accept or procure the acceptance for 22,218,000 Offer Shares to be allotted and issued to Mr. Tan under his entitlement pursuant to the Open Offer

## LETTER FROM THE BOARD

Number of Offer Shares to be taken up or procured to be taken up by Mr. Zhang pursuant to the Zhang Undertaking:	Mr. Zhang has irrevocably undertaken in favour of the Company and the Underwriters to accept or procure the acceptance for 15,100,000 Offer Shares to be allotted and issued to Mr. Zhang under his entitlement pursuant to the Open Offer
Number of Underwritten Shares:	279,679,900 Offer Shares (representing approximately 70.27% of the 397,980,300 Offer Shares to be allotted and issued under the Open Offer). Accordingly, taken into account the Undertakings, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer:	2,387,881,803 Shares
Rights in excess applications:	Qualifying Shareholders may apply for Offer Shares in excess of their assured allotment

As at the Latest Practicable Date, save for the outstanding 26,500,000 Options (of which 3,000,000 Options are held by Mr. Zhang) entitling the holders thereof to subscribe for an aggregate of 26,500,000 new Shares, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Pursuant to the Zhang Undertaking, Mr. Zhang has irrevocably undertaken to the Company and the Underwriters not to exercise the 3,000,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

### **The Offer Shares**

The 397,980,300 Offer Shares will be allotted and issued which represents (i) approximately 20.00% of the Company's issued share capital as at the Latest Practicable Date; and (ii) approximately 16.67% of the Company's issued share capital of 2,387,881,803 Shares as enlarged by the allotment and issue of the 397,980,300 Offer Shares immediately after completion of the Open Offer.

### **Basis of entitlement**

The basis of the entitlement shall be one (1) Offer Share for every five (5) existing Shares held on the Record Date. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.



## LETTER FROM THE BOARD

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not be the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 9 December 2015.

### Subscription Price

The Subscription Price is HK\$0.10 per Offer Share, payable in full upon application for the relevant assured allotment of Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer.

The Subscription Price represents:

- (i) a discount of approximately 39.39% to the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.06% to the theoretical ex-entitlement price of HK\$0.154 based on the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 42.53% to the average closing price of approximately HK\$0.174 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 45.36% to the average closing price of approximately HK\$0.183 per Share for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 40.83 % to the net asset value per Share of HK\$0.169 based on the audited net asset value as at 31 March 2015 and 1,989,901,503 Shares in issue as at the Latest Practicable Date;
- (vi) a discount of approximately 43.50% to the net asset value per Share of HK\$0.177 based on the unaudited net asset value as at 30 September 2015 and 1,989,901,503 Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 19.35% to the closing price of HK\$0.124 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

## LETTER FROM THE BOARD

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to, among others, the prevailing market price of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.097.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders.

According to the register of members of the Company as at the Latest Practicable Date, there were Overseas Shareholders with registered addresses located in Macau, the PRC and the British Virgin Islands. The Directors have, in compliance with Rule 17.41 of the GEM Listing Rules, conducted enquiries regarding the feasibility of extending the Open Offer to such Overseas Shareholders.

Based on the enquiries results, the Directors consider that the Offer Shares can be offered to the Overseas Shareholders in the relevant jurisdictions. Accordingly, there are no Overseas Shareholders being prohibited from the Open Offer.

No person receiving a copy of this Prospectus and/or the Application Form and/or the EAF in any territory or jurisdiction outside of Hong Kong may treat it as an offer or an invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) wishing to make an application for the Offer Shares to satisfy himself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the Application Form and/or the EAF will constitute a warranty and representation by the relevant applicant(s) to the Company that all registration, legal and regulatory requirements of all relevant territories other than Hong Kong in connection with the acceptance of the Offer Shares have been duly complied with by such applicant(s). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If you are in any doubt as to your position, you should consult your professional advisers.

## LETTER FROM THE BOARD

### **Ranking of the Offer Shares**

The Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

### **Share certificates and refund cheques for the Open Offer**

Subject to the fulfilment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 8 January 2016. In respect of wholly or partly unsuccessful excess applications or if the Open Offer is terminated, refund cheques will be despatched on or before Friday, 8 January 2016 by ordinary post at the respective Shareholders' own risk.

Each Qualifying Shareholder will receive one share certificate for all the fully-paid Offer Shares issued to him/her/it.

### **Fractions of the Offer Shares**

Fractions of the Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fractions of the Offer Shares will be available for excess application by the Qualifying Shareholders. Should there be no excess application by the Qualifying Shareholders, those Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Underwriters.

### **Application for the Offer Shares**

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

### **Application for excess Offer Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Prohibited Shareholders and for any assured allotment of the Offer Shares not accepted by the Qualifying Shareholders. Applications for excess Offer Shares can only be made by completing the EAFs for application for excess Offer Shares and lodging the same with a separate remittance for the excess Offer Shares being applied for with the Registrar by no later than the Latest Time for Acceptance.

## LETTER FROM THE BOARD

The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Offer Shares applied for by the Qualifying Shareholders, except that preference will be given to applications for less than a board lot of Offer Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse the mechanism.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Wednesday, 9 December 2015.

### **Application for listing**

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## LETTER FROM THE BOARD

### UNDERWRITING AGREEMENT

- Date: 20 November 2015 (after trading hours)
- Underwriters: Starmax and Pacific Foundation
- Number of Underwritten Shares: Taking into account the Undertakings, the Open Offer is fully underwritten. The total number of Offer Shares (excluding the 80,982,400 Offer Shares, the 22,218,000 Offer Shares and the 15,100,000 Offer Shares to be taken up or procured to be taken up by Starmax, Mr. Tan and Mr. Zhang respectively pursuant to the Undertakings), being not less than 279,679,900 Offer Shares and not more than 284,379,900 Offer Shares, will be underwritten severally by the Underwriters in the following manner:
- (i) Starmax shall have priority to underwrite the first 96,919,900 Underwritten Shares; and
  - (ii) Pacific Foundation shall underwrite the remaining Underwritten Shares, i.e. not less than 182,760,000 Underwritten Shares (assuming no new Share being issued and no Share being repurchased by the Company on or before the Record Date) and not more than 187,460,000 Underwritten Shares (assuming no new Share being issued other than full exercise of the Options (save for 3,000,000 Options held by Mr. Zhang) and no Share being repurchased by the Company on or before the Record Date).

Such allocation of underwriting commitment between the Underwriters can be modified by mutual agreement between the Underwriters, provided that (i) other obligations of the Underwriters and all other terms and conditions of the Underwriting Agreement shall remain unchanged; and (ii) both the Underwriters shall notify the Company in writing such modification of underwriting commitment forthwith.

## LETTER FROM THE BOARD

- Undertakings relating to the Offer Shares:
- (i) Starmax has given the Starmax Undertaking in favour of the Company and Pacific Foundation to take up in full its entitlements under the Open Offer to subscribe for 80,982,400 Offer Shares;
  - (ii) Mr. Tan has given the Tan Undertaking in favour of the Company and Pacific Foundation to take up in full its entitlements under the Open Offer to subscribe for 22,218,000 Offer Shares; and
  - (iii) Mr. Zhang has given the Zhang Undertaking in favour of the Company and Pacific Foundation to take up in full his entitlements under the Open Offer to subscribe for 15,100,000 Offer Shares and for not exercising the 3,000,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Commission: Payable by the Company to Pacific Foundation at 2.0% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares committed to be underwritten by Pacific Foundation.

The commission rate was determined after arm's length negotiations between the Company and Pacific Foundation with reference to, among other things, the market rate, and the Board considers that the underwriting commission rate is fair and reasonable so far as the Company and the Shareholders are concerned.

Starmax has agreed not to receive any underwriting commission in respect of 96,919,900 Underwritten Shares underwritten and committed by it.

As at the Latest Practicable Date, Pacific Foundation did not hold any Shares. To the best of the Directors' knowledge and information, Pacific Foundation and its ultimate beneficial owners are Independent Third Parties. Starmax is beneficially owned by Mr. Tan who is an executive Director and a substantial Shareholder. Starmax is principally engaged in investment holdings. The ordinary business of Starmax does not include underwriting.

Under the Underwriting Agreement, in the event of Pacific Foundation being called upon to subscribe for or procure subscribers for the Untaken Shares, Pacific Foundation shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it shall be Independent Third Party.

## LETTER FROM THE BOARD

### **Irrevocable undertakings given by Starmax, Mr. Tan and Mr. Zhang**

#### *(1) Starmax Undertaking:*

As at the date of the Underwriting Agreement, Starmax, which is beneficially owned by Mr. Tan, is interested in 404,912,000 Shares, representing approximately 20.35% of the total issued share capital of the Company. Under the Underwriting Agreement, Starmax has irrevocably undertaken to the Company and Pacific Foundation:

- (i) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date;
- (ii) to accept or procure the acceptance for the 80,982,400 Offer Shares to be allotted and issued to Starmax under its entitlement pursuant to the Open Offer; and
- (iii) to lodge the Application Form(s) in respect of the 80,982,400 Offer Shares referred to in paragraph (ii) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

#### *(2) Tan Undertaking:*

As at the date of the Underwriting Agreement, Mr. Tan is the holder of 111,090,000 Shares, representing approximately 5.58% of the total issued share capital of the Company. Under the Underwriting Agreement, Mr. Tan has irrevocably undertaken to the Company and Pacific Foundation:

- (i) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date;
- (ii) to accept or procure the acceptance for the 22,218,000 Offer Shares to be allotted and issued to Mr. Tan under his entitlement pursuant to the Open Offer; and
- (iii) to lodge the Application Form(s) in respect of the 22,218,000 Offer Shares referred to in paragraph (ii) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

#### *(3) Zhang Undertaking:*

As at the date of the Underwriting Agreement, Mr. Zhang is the holder of 75,500,000 Shares, representing approximately 3.79% of the total issued share capital of the Company. Mr. Zhang has irrevocably undertaken to the Company and Pacific Foundation:

- (i) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date;

## LETTER FROM THE BOARD

- (ii) to accept or procure the acceptance for the 15,100,000 Offer Shares to be allotted and issued to Mr. Zhang under his entitlement pursuant to the Open Offer; and
- (iii) to lodge the Application Form(s) in respect of the 15,100,000 Offer Shares referred to in paragraph (ii) above accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance; and
- (iv) not to exercise the 3,000,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

### **Termination of the Underwriting Agreement**

**If, prior to the Latest Time for Termination:**

- (1) in the absolute opinion of any of the Underwriters, the success of the Open Offer would be materially and adversely affected by:**
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (2) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of any of the Underwriters is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**



## LETTER FROM THE BOARD

- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of any of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) the Prospectus Documents in connection with the Open Offer when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of any of the Underwriters is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a reasonably prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer; or
- (7) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Open Offer; or
- (8) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (9) any moratorium, suspension or material restriction on trading of the shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

any of the Underwriters shall be entitled by notice in writing to the Company and the other Underwriter, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

## LETTER FROM THE BOARD

Any of the Underwriters shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in Underwriting Agreement comes to the knowledge of any of the Underwriters; or
- (2) any specified event as contained in the Underwriting Agreement comes to the knowledge of any of the Underwriters.

Any such notice shall be served by any of the Underwriters prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by any of the Underwriters, the obligations of all parties under the Underwriting Agreement, save in respect of any right or liability accrued before such termination, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by all Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (c) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (d) the Underwriting Agreement is not being terminated by any of the Underwriters pursuant to the terms thereof at or before the Latest Time for Termination;

## LETTER FROM THE BOARD

- (e) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects;
- (f) compliance with and performance of all undertakings and obligations of Starmax under the Starmax Undertaking;
- (g) compliance with and performance of all undertakings and obligations of Mr. Tan under the Tan Undertaking; and
- (h) compliance with and performance of all undertakings and obligations of Mr. Zhang under the Zhang Undertaking.

The above conditions of the Underwriting Agreement (other than condition (f) which can only be waived jointly by the Underwriters) are incapable of being waived. If the conditions of the Underwriting Agreement are not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriters may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### PROCEDURES FOR ACCEPTANCE AND PAYMENT

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance.

If Qualifying Shareholders wish to exercise their rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise their rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by not later than 4:00 p.m. on Wednesday, 30 December 2015. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Timeless Software Limited — Open Offer Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by not later than 4:00 p.m. on Wednesday, 30 December 2015, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the EAF.

## LETTER FROM THE BOARD

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement. All cheques or cashier's orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier's order, will constitute a warranty by the applicant(s) that the cheque and/or cashier's order will be honoured on first presentation. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "**Account Payee Only**", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on or before Friday, 8 January 2016.

The Company will not allot and accept applications for any fractions of the Offer Shares. The Application Form is for use only by the person(s) name therein and is not transferable. No receipt will be issued in respect of any application monies received.

### APPLICATION FOR EXCESS OFFER SHARES

If you as a Qualifying Shareholder wish to apply for any Offer Shares in excess of your assured allotment indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:00 p.m. on Wednesday, 30 December 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Timeless Software Limited — Excess Application Account**" and crossed "**Account Payee Only**".

Completion and return of the EAF with a cheque or cashier's order in payment for the excess Offer Shares will constitute a warranty by the applicant(s) that the cheques or cashier's orders will be honoured on first presentation. All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any EAF in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected and cancelled.

No receipt will be issued in respect of any application monies received.

## LETTER FROM THE BOARD

If no excess Offer Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Offer Shares without interest will be posted to the Qualifying Shareholder's address on the register of member of the Company by ordinary post at his/her/its/their own risk on Friday, 8 January 2016. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder's address on the register of members of the Company by ordinary post at his/her/its/their own risk on Friday, 8 January 2016.

No action has been taken to permit the offering of the Offer Shares or the distribution of this Prospectus, the Application Form or the EAF in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus and/or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving this Prospectus and/or Application Form and/or the EAF outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith.

Completion and return of the Application Form by any person outside Hong Kong will constitute a warranty and representation by the relevant applicant(s) to the Company that all registration, legal and regulatory requirements of all relevant territories in connection with the acceptance of the Offer Shares have been duly complied with by such applicant(s). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If any Shareholders are in any doubt as to their position, they should consult their professional advisers. The Company reserves the right to refuse to accept any application for the Offer Shares and/or the excess Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Offer Shares and/or excess Offer Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements.

In the event that the Board noted unusual patterns of excess applications and had reason to believe that any application may have been made with the intention to abuse the mechanism set out in the paragraph headed "Application for excess Offer Shares" in this "Letter from the Board", such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

## LETTER FROM THE BOARD

If the Underwriters exercises its right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of applications for the Offer Shares without interest will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person, by means of cheques crossed “**Account Payee Only**” to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on Friday, 8 January 2016.

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should be aware that the Open Offer are subject to certain conditions being satisfied under the respective agreements, and consequently the Open Offer may or may not proceed.

Shareholders and potential investors should note that the Open Offer is conditional upon, amongst others, the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 8 December 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 31 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

## LETTER FROM THE BOARD

### CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer (for illustration purpose only):

	As at the Latest Practicable Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Starmax, Mr. Tan and Mr. Zhang)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Starmax (Notes 1 & 2)	404,912,000	20.35	485,894,400	20.35	582,814,300	24.41
Mr. Tan (Note 3)	111,090,000	5.58	133,308,000	5.58	133,308,000	5.58
<i>Executive Directors (other than Mr. Tan)</i>						
Dr. Cheng Kin Kwan	123,800,000	6.22	148,560,000	6.22	123,800,000	5.19
Mr. Zhang (Note 4)	75,500,000	3.79	90,600,000	3.79	90,600,000	3.79
<i>Independent non-executive Directors</i>						
Mr. Chan Mei Ying, Spencer	1,500,000	0.08	1,800,000	0.08	1,500,000	0.06
Mr. Lam Kwai Yan	1,000,000	0.05	1,200,000	0.05	1,000,000	0.04
Ms. Chan Choi Ling	1,000,000	0.05	1,200,000	0.05	1,000,000	0.04
Pacific Foundation and subscribers procured by Pacific Foundation (Note 2)	–	–	–	–	182,760,000	7.66
Public Shareholders	1,271,099,503	63.88	1,525,319,403	63.88	1,271,099,503	53.23
<b>Total</b>	<b>1,989,901,503</b>	<b>100.00</b>	<b>2,387,881,803</b>	<b>100.00</b>	<b>2,387,881,803</b>	<b>100.00</b>

*Notes:*

1. Starmax is beneficially owned by Mr. Tan. Pursuant to the Starmax Undertaking, Starmax has irrevocably undertaken to the Company and Pacific Foundation (1) not to dispose of, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement to the close of business on the Record Date; (2) to accept or procure the acceptance for the 80,982,400 Offer Shares to be allotted and issued to Starmax under its entitlement pursuant to the Open Offer; and (3) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 80,982,400 Offer Shares prior to the Latest Time for Acceptance.
2. Pursuant to the Underwriting Agreement, Starmax will underwrite the first 96,919,900 Underwritten Shares. The remaining Underwritten Shares (if any) will be underwritten by Pacific Foundation.
3. Pursuant to the Tan Undertaking, Mr. Tan has irrevocably undertaken to the Company and Pacific Foundation (1) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date; (2) to accept or procure

## LETTER FROM THE BOARD

the acceptance for the 22,218,000 Offer Shares to be allotted and issued to Mr. Tan under his entitlement pursuant to the Open Offer; and (3) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 22,218,000 Offer Shares prior to the Latest Time for Acceptance.

4. Pursuant to the Zhang Undertaking, Mr. Zhang has irrevocably undertaken to the Company and Pacific Foundation (1) not to dispose of, or agree to dispose of, any Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date; (2) to accept or procure the acceptance for the 15,100,000 Offer Shares to be allotted and issued to Mr. Zhang under his entitlement pursuant to the Open Offer; (3) to lodge the Application Form(s) accompanied by the appropriate remittances in respect of the 15,100,000 Offer Shares prior to the Latest Time for Acceptance; and (4) not to exercise the 3,000,000 Options held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Under the Underwriting Agreement, in the event of Pacific Foundation being called upon to subscribe for or procure subscribers for the Untaken Shares, Pacific Foundation shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it shall be Independent Third Party.

### REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

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; and (ii) the exploration and exploitation of mines.

The gross proceeds from the Open Offer will be approximately HK\$39.8 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$38.5 million.

The Company intends to apply the proceeds from the Open Offer for (i) repayment of the promissory note held by Starmax and accrued interest of approximately HK\$10.9 million, which shall become due and payable on 11 May 2016; and (ii) general working capital of the Group.

As at the Latest Practicable Date, the outstanding principal amount of the promissory notes issued by the Group to Starmax (the "**Promissory Note**") amounted to HK\$30,000,000. The Promissory Note bears interest at 3% per annum and shall be repayable, together with the interest accrued thereon, in three equal installments on 11 May 2016, 2017 and 2018, being the 4th, 5th and the 6th anniversary of the date of issue of the Promissory Note. Save as aforesaid, no other promissory notes remained outstanding as at the Latest Practicable Date.

The Board considers that the Open Offer represents an opportunity for the Group to broaden its shareholder and capital base thereby increasing the liquidity of the Shares, and will give the Qualifying Shareholders the opportunity to maintain their shareholding interests in the Company.

The Directors are of the view that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. Further, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.



## LETTER FROM THE BOARD

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

### FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Date of Announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
30 March 2015	Placing of 125,000,000 existing Shares and subscription of 125,000,000 new Shares under general mandate	Approximately HK\$17.7 million	To reduce indebtedness and/or for general working capital of the Group	(i) Approximately HK\$11.2 million had been used for the repayment of the outstanding principal of the promissory note and the accrued interests thereof; and  (ii) the remaining balance of the proceeds had been used for general working capital of the Group
3 December 2014	Placing of 201,700,000 existing Shares and subscription of 201,700,000 new Shares under general mandate	Approximately HK\$28.95 million	To reduce indebtedness and/or for general working capital of the Group	(i) Approximately HK\$20.9 million had been used for the repayment of the outstanding principal of the promissory note and the accrued default interests thereof; and  (ii) the remaining balance of the proceeds had been used for general working capital of the Group

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

## LETTER FROM THE BOARD

### RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which includes, but does not limit to, the following:

#### **Computer Hardware and Software Business**

(i) *Business Risks*

The Software Business operates in a highly competitive industry which faces rapid changes in market trends, consumer preferences and constantly evolving technological advances in hardware models, software features and functionalities. The Company faces forever changing hardware model and feature changes in various products which have to be incorporated into our software products and/or services to cope with the evolving environment.

#### **Mining Business**

(i) *Metal Prices*

The profitability of the Group may be significantly affected by changes in the market price of metals. Metal prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Group. Interest rates, inflation, exchange rates and world supply of mineral commodities can all cause fluctuations in the market prices for these metals. Such external economic factors are in turn influenced by changes in international economic growth patterns and political developments.

(ii) *Currency Risks*

The Group's operating expenses and revenues from the mining business are in RMB, one of the main currencies used by the Group. Currently, the RMB is linked to the US dollar by exchange rates managed through China's central bank. Accordingly, exchange rate fluctuations with the RMB may adversely affect the Group's financial position and operating results. The Group does not currently engage in foreign currency hedging activities.

Under current regulations, there is no restriction on foreign exchange conversion of the RMB on the current account, although any foreign exchange transaction on the capital account is subject to prior approval from the State Administration of Foreign Exchange ("SAFE") or review by the payment bank in accordance with regulations issued by SAFE. However, even on the current account the RMB is not a freely convertible currency. Foreign invested enterprises in China are currently allowed to repatriate profit to their foreign parents or pay outstanding current account obligations in foreign exchange but must present the proper documentation to a designated foreign exchange bank in order to do so. There is no guarantee that foreign exchange control policies will not be changed so as to require government approval to convert RMB into foreign currency on the current

## LETTER FROM THE BOARD

account or repatriate profits. These limitations could affect the ability of the Group to pay dividends, obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures.

### *(iii) Exploration, Development and Operating Risks*

The exploration and development of mineral deposits involves significant risks over a significant period of time, which even with a combination of careful evaluation, experience and knowledge may not be eliminated. Few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish mineral reserves through drilling, to develop metallurgical processes and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economic viability of a mineral deposit depends on many factors, including size, grade, cost of operations, metal prices, cost of processing equipment, and continuing access to smelter facilities on acceptable terms, government regulations, land tenure, and environmental protection. The exact effect of these factors cannot be measured but the combinations of these factors may impact the success of the Group's mineral exploration, development and acquisition activities. Even after the commencement of mining operations, such operations may be subject to risks and hazards such as environmental hazards, industrial accidents, cave-ins, rock bursts, unusual or unexpected geological formations, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruptions of production, increases in production costs, monetary losses, legal liability and adverse government action.

It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Group. The Group does not maintain insurance against political or environmental risks.

The Group's properties are generally located in the Xinjiang region, a sector which has in the past experienced seismic activity of six to seven on the Richter scale. Therefore, planning for mines and infrastructures must consider seismicity in the design and there exist a risk that seismic activities may cause significant damages to the Group's infrastructures and operations in the area.

The development of mining properties has inherent risks. The Group may not have sufficient technical or financial resources to complete the projects. Costs over-runs are common in mining projects and may pose a risk for the Group.

## LETTER FROM THE BOARD

### *(iv) Uncertainty of Ore Reserves and Resource Estimates*

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves. Such estimates are a subjective process, and the accuracy of any mineral resources and mineral reserves estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as mineral prices, market conditions and actual events could have a material adverse effect on the Company's mineral reserve and mineral resource estimates, financial position and results of operations.

For some of its properties, the Group may prepare its own mineral reserves and resources estimate only in accordance with the former China Ministry of Geological and Mineral Resources ("CMGMR") classification system. The CMGMR classification system may not be compliant with the recognised standard acceptable to the Stock Exchange. These figures are only estimates and there cannot be any assurance given that the estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are determined based upon assumed commodity prices and operating costs. These factors may in the future render certain mineral reserves and resources unproductive and may ultimately result in a significant reduction in reserves and resources.

### *(v) Capital Requirements*

The Group does have limited financial resources. Although the Group believes it will be able to fund the development of its mineral properties through existing working capital, and a combination of debt and equity, there can be no assurance the Group will be able to raise additional funding if needed. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of some of the Group's properties.

### *(vi) Permits and Licences*

The operations of exploration and mining require specific licences and permits e.g. mining licence for mining activities and exploration licence for exploration activities. Any changes in regulations imposed by the governments due to any reasons are beyond the control of the Group and may adversely affect its business and its ability to obtain title to its property and obtain some of the necessary licences. The changes of regulations may include, but not limited to, varying degrees of those with respect to stricter restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety.

The Group's exploration and mining licences are subject to annual audit by the Department of Land and Resources of Xinjiang, China. In their annual audit, the authorities may consider whether the Group's mining activities have been in compliance

## LETTER FROM THE BOARD

with the relevant laws and regulations. If the Group fails to meet the relevant requirements or materially breaches any laws or regulations, it may not pass such audit, in which case it may be subject to penalties in accordance with applicable laws, or be given a deadline to rectify deficiencies, or, in serious cases, have its permits and licences revoked. While the Group has never encountered such problems in the past, there can be no assurance that it will pass future audits. Should permits or licences be suspended or revoked, the Group's mining business and results of operations could be materially affected.

### *(vii) Environmental Regulation*

The mining operations of the Group are subject to environmental regulations promulgated by relevant governments. The relevant environmental regulations impose restrictions and prohibitions on spills, or handling of various substances produced during mining or processing operations. In addition, approval of environmental impact assessment for certain types of the mining operations are required. In breach of such regulations or failure of the governmental approval may result in the imposition of fines and penalties. The costs of compliance with environmental regulations, such as advanced equipment which is environmental friendly, has the potential to reduce the profitability of future operations.

### *(viii) Competition*

There is significant and increasing competition within the mining industry for the discovery and acquisition of properties considered having commercial potential. The Group competes with other mining companies, some of which have greater financial resources, and as a result, the Group may not be able to acquire mineral interests on terms it considers acceptable. As well, the Group competes for the recruitment and retention of qualified employees and other personnel. The current economic growth in China and the corresponding creation of a more liquid market for skilled employees may lead to future problems in retaining local Chinese management. As a result of this competition, the Group may not be able to acquire additional mineral interests and hire or retain qualified personnel for its projects.

## **CHANGE IN BOARD LOT SIZE**

The Board announced in the Announcement that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 11 January 2016.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the Change in Board Lot Size, the Company has appointed Pacific Foundation as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 11 January 2016 to 4:00 p.m. on

## LETTER FROM THE BOARD

Friday, 29 January 2016 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Sam Ng of Pacific Foundation at 11/F New World Tower II, 16–18 Queen’s Road Central, Hong Kong (telephone: (852) 2879 8324 and facsimile: (852) 2877 2088) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 2,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificates in board lot size of 20,000 Shares is necessary. With effect from Monday, 11 January 2016, any new certificate of the Shares will be issued in new board lot size of 20,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

### TAXATION

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Offer Shares and, regarding Prohibited Shareholders, their receipt of the net proceeds, if any, from sales of the Offer Shares on their behalf.

It is emphasised that none of the Company, the Directors nor any other parties involved in the Open Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Offer Shares.

### GENERAL

As the Open Offer will not increase the issued share capital or market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding the Announcement and the Company has made arrangement for application of the Offer Shares by the Qualifying Shareholders in excess of their respective entitlement under the Open Offer as referred to in Rule 10.42(1) of the GEM Listing Rules, the Open Offer is therefore not subject to Shareholders’ approval requirement under the GEM Listing Rules.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company’s legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus (without the Application Forms and the EAFs) will be despatched to the Prohibited Shareholders for their information only.

**LETTER FROM THE BOARD**

**ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board  
**TIMELESS SOFTWARE LIMITED**  
天時軟件有限公司  
**Cheng Kin Kwan**  
*Chairman & Chief Executive Officer*

## 1. FINANCIAL INFORMATION

The consolidated financial statements of the Group, including the notes thereto, for each of the three years ended 31 March 2013, 2014 and 2015 and the six months ended 30 September 2015, have been disclosed in the following financial reports of the Company which are available on the Company's website at [www.timeless.com.hk](http://www.timeless.com.hk) and the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk):

- the annual report of the Company for the year ended 31 March 2013 (pages 32 to 121);
- the annual report of the Company for the year ended 31 March 2014 (pages 37 to 122);
- the annual report of the Company for the year ended 31 March 2015 (pages 45 to 124); and
- the interim report of the Company for the six months period ended 30 September 2015 (pages 1 to 16).

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 October 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding indebtedness of approximately HK\$50,154,000, comprising (i) amount due to a related company of approximately HK\$700,000 which was unsecured; (ii) dividend payable to non-controlling interests of approximately HK\$10,614,000 which was unsecured; (iii) bank loan of approximately HK\$8,840,000 which was secured by the Group's property, plant and equipment with carrying amount of approximately HK\$19,333,000 at 31 October 2015; and (iv) promissory note with outstanding principal amount of approximately HK\$30,000,000 which was secured by a charge over a 51% of the issued share capital of Goffers Management Limited, a non-wholly owned subsidiary of the Company.

As at 31 October 2015, the Group had capital commitment in respect of acquisition of property, plant and equipment amounting to approximately HK\$2,683,000.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have at the close of business on 31 October 2015 any outstanding debt securities issued or agreed to be issued, term loans or other similar indebtedness, bank overdrafts, liabilities under acceptances or acceptance credits or hire purchase commitments, mortgages, charges, contingent liabilities or guarantees.

There has been no material change in the indebtedness or contingent liabilities of the Group since 31 October 2015.



### 3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available resources and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this Prospectus in the absence of unforeseeable circumstances.

### 4. MATERIAL ADVERSE CHANGE

The Directors are of the opinion that, after due and careful enquiry and taking into account the present financial resources and the banking facilities presently available and in the absence of unforeseen circumstances, they are not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Group was made up.

### 5. FINANCIAL AND TRADING PROSPECT OF 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 “**Software Business**”); and (ii) the exploration and exploitation of mines (hereinafter collectively referred to as the “**Mining Business**”).

For the six months ended 30 September 2015, the Group recorded turnover of approximately HK\$110,884,000, representing an increase of 92.4% against the corresponding period in 2014. Profit for the period under review was approximately HK\$6,370,000, as compared to the loss of approximately HK\$13,472,000 over the same period in 2014. Effective interest expense of the promissory note was approximately HK\$483,000, representing the majority of finance costs incurred for the six months ended 30 September 2015, as compared with HK\$1,694,000 in the corresponding period in 2014. Loss attributable to owners of the Company was approximately HK\$7,556,000, as compared to approximately HK\$12,115,000 over the same period in 2014.

In respect of the Software Business segment, the Group recorded turnover of approximately HK\$3,280,000 (2014: approximately HK\$10,325,000), representing a decrease of 68.2% as compared with the corresponding period in 2014. The segmental loss was approximately HK\$10,004,000 (2014: approximately HK\$9,402,000), representing an increase of 6.4% as compared with the corresponding period of last year.

In order to streamline its businesses and to reallocate the financial resources to its core business segments in Hong Kong, the Group sold its software business in the PRC by disposing of the entire equity interest of Timeless China Limited, a wholly owned subsidiary of the Company, and its subsidiaries on 31 July 2015. The Group recorded a gain on disposal of approximately HK\$225,000. After the disposal, the Group will focus on its software business in Hong Kong.

On the rise of FinTech – Financial Technology, the Group will base on our solid foundation on mobile technology and cloud technology to provide financial solutions and services. We are also working with different partners to provide enterprise scale unified communication solutions with integrated enterprise messaging, email, cloud storage, intelligent search and process management. For our long term strategy on elderly service, we will expand our elderly cloud service – EcCare (established since 2005) from NGO to private sector.

For the six months ended 30 September 2015, gold dores and nickel-copper ores were the products sold under the Mining Business. The global economy and markets were still full of uncertainty and remains directionless during the period under review. Although the gold price for the six months ended 30 September 2015 was relatively stable when compared with the gold price of last quarter, it was still in a downward trend and decreased by approximately 9.9% as compared to the corresponding period of last year. The sales of gold dores, which were adversely affected by the relatively low gold price, were approximately 73 kg for the six months ended 30 September 2015 (2014: approximately 145 kg gold dores), representing a decrease of 49.7% as compared to the corresponding period of 2014. The nickel price has also dropped by approximately 19.2% from US\$12,458 per tonne as at 31 March 2015 to US\$10,068 per tonne as at 30 September 2015. The Group sold nickel-copper ores of approximately 32,045 tonnes for the six months ended 30 September 2015 from the trial production of the Baishiquan Nickel-copper Mine commenced in late 2014. There was no sale of nickel-copper ores for the six months ended 30 September 2014.

For the six months ended 30 September 2015, the Mining Business segment posted turnover of approximately HK\$107,604,000 (2014: approximately HK\$47,317,000), and segmental profit of approximately HK\$27,182,000 (2014: segmental loss of approximately HK\$1,770,000) respectively, representing an increase by 1.3 times and 16.4 times respectively as compared with the corresponding period in 2014.

The gold market price fluctuated around US\$1,150 per ounce from April to September this year, with a five-year low of US\$1,072.30 per ounce on 20 July 2015. The nickel market price was also on a declining curve, decreasing to US\$10,065 per tonne on 30 September 2015. The smart money has left the resources sector since 2011, leaving the whole commodities market to supply and demand. With the slowdown of the global economy, the commodities market is facing a painful period. Facing supply cutback situation and until the market found its balance, the value of the metals will continue to search for its bottom. The management is working from various angles to cut expenditures and is looking for opportunities of picking up quality resources. Same as our gold mining, the nickel-copper mine will also suspend its production during the winter period and will resume in early March of next year.

### 1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets/(liabilities) of the Group attributable to the owners of the Company (the "Pro Forma Financial Information") which has been prepared in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effects of the Open Offer on the consolidated net tangible assets/(liabilities) of the Group attributable to the owners of the Company as if the Open Offer had taken place on 30 September 2015.

The Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of: (i) the financial position of the Group as at 30 September 2015 or any future date; or (ii) the consolidated net tangible assets/(liabilities) per Share of the Group as at 30 September 2015 or any future date.

Unaudited consolidated net tangible assets/(liabilities) of the Group attributable to owners of the Company as at 30 September 2015 HK\$'000 (Note 1)	Add: Estimated net proceeds from the Open Offer HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets/(liabilities) of the Group attributable to owners of the Company as at 30 September 2015 HK\$'000	Unaudited consolidated net tangible assets/(liabilities) per Share attributable to owners of the Company as at 30 September 2015 HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets/(liabilities) per Share attributable to owners of the Company after completion of the Open Offer HK\$ (Note 4)
(134,575)	38,500	(96,075)	(0.068)	(0.040)

*Notes:*

- The unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2015 of approximately HK\$134,575,000 is arrived at based on the equity attributable to owners of the Company of approximately HK\$94,067,000 as adjusted to exclude other intangible assets of approximately HK\$228,642,000 as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2015 as extracted from the published interim report of the Company for the six months ended 30 September 2015.
- The estimated net proceeds from the Offer Shares of approximately HK\$38,500,000 are based on the proceeds of approximately HK\$39,800,000 from the issue of a minimum of 397,980,300 Offer Shares at the Offer Price of HK\$0.10 per Offer Share, less estimated share issue expenses of approximately HK\$1,300,000.
- The number of shares used for the calculation of the unaudited consolidated net tangible liabilities per Share attributable to owners of the Company as at 30 September 2015 is based on 1,989,901,503 Shares in issue as at the Latest Practicable Date.
- The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after completion of the Open Offer is calculated based on 2,387,881,803 Shares, comprising the 1,989,901,503 Shares in issue as at the Latest Practicable Date.
- No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2015.

## 2. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report, prepared for the purpose of inclusion in this Prospectus, received from the Company's reporting accountant, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.*



31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

### To the directors of Timeless Software Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Timeless Software Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets/(liabilities) of the Group attributable to the owners of the Company and related notes as set out in Section A of Appendix II to the Company's prospectus dated 15 December 2015 (the "**Prospectus**"). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Open Offer (as defined in the Prospectus) on the consolidated net tangible assets/(liabilities) of the Group attributable to the owners of the Company as if the Open Offer had taken place at 30 September 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's condensed consolidated interim financial statements for the six months ended 30 September 2015, on which no audit or review report has been published.

### Directors' responsibility for the pro forma financial information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 7.31 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**") and with reference to Accounting Guideline 7 ("**AG 7**") "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

**Reporting accountant's responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420 *“Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 *“Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars”* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

**Jonathan T. S. Lai**  
Practising Certificate Number: P04165  
Hong Kong, 15 December 2015

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Prospectus 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 Prospectus misleading.

## 2. SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date and immediately following the Open Offer are expected to be as follows:

<i>Issued and to be issued, fully paid:</i>		<i>HK\$</i>
1,989,901,503	Shares in issue as at the Latest Practicable Date	827,785,000
397,980,300	Offer Shares to be issued pursuant to the Open Offer	38,495,000
<u>2,387,881,803</u>	Shares in total	<u>866,280,000</u>

All the Offer Shares when allotted, issued and fully paid, will rank *pari passu* in all respects with each other, including, in particular, as to dividends and voting rights.

As at the Latest Practicable Date, save for the outstanding 26,500,000 Options entitling the holders thereof to subscribe for an aggregate of 26,500,000 new Shares, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangement under which future dividends will be waived or agreed to be waived.

## 3. DISCLOSURE OF INTERESTS

## (a) Directors' and chief executive's interests in the Company

As at Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors were as follows:

*Aggregate long positions in the Shares or underlying Shares*

Name of Directors	Nature of interests	Number of Shares/ Underlying Shares	Approximate percentage of interest in Shares (Note 1)
Mr. Tan	Interest in controlled corporation (Note 2)	582,814,300	24.41%
	Beneficial owner (Note 3)	133,308,000	5.58%
Dr. Cheng Kin Kwan	Beneficial owner	123,800,000	5.18%
Mr. Zhang	Beneficial owner (Note 4)	93,600,000	3.92%
Ms. Lau Yun Fong Carman	Beneficial owner (Note 5)	2,400,000	0.10%
Mr. Chan Mei Ying Spencer	Beneficial owner	1,500,000	0.06%
Mr. Lam Kwai Yan	Beneficial owner	1,000,000	0.04%
Ms. Chan Choi Ling	Beneficial owner	1,000,000	0.04%
Ms. Tsang Wai Chun Marianna	Beneficial owner (Note 6)	500,000	0.02%



*Notes:*

1. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the Offer Shares, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 2,387,881,803.
2. Mr. Tan is the sole beneficial owner of Starmax. By virtue of the SFO, Mr. Tan is deemed to be interested in all the Shares held by Starmax. These Shares comprise (i) 404,912,000 Shares held by Starmax; (ii) 80,982,400 Offer Shares to be allotted and issued to Starmax under its entitlement under the Open Offer pursuant to the Starmax Undertaking; and (iii) 96,919,900 Offer Shares in which Starmax as the underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.
3. These Shares comprise (i) 111,090,000 Shares held by Mr. Tan; and (ii) 22,218,000 Offer Shares to be allotted and issued to Mr. Tan under his entitlement under the Open Offer pursuant to the Tan Undertaking.
4. These Shares comprise (i) 75,500,000 Shares held by Mr. Zhang; (ii) 15,100,000 Offer Shares to be allotted and issued to Mr. Zhang under his entitlement under the Open Offer pursuant to the Zhang Undertaking; and (iii) the 3,000,000 Options held by Mr. Zhang.
5. These underlying Shares represent the 2,400,000 Options held by Ms. Lau Yun Fong Carman.
6. These underlying Shares represent the 500,000 Options held by Ms. Tsang Wai Chun Marianna.

Save as disclosed above, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

**(b) Substantial shareholders and other persons' interests in Shares and underlying Shares**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group:

*Aggregate long positions in the Shares or underlying Shares*

Name of Shareholders	Nature of interests	Number of Shares/ Underlying Shares	Approximate percentage of interest in Shares (Note 1)
Starmax (Note 2)	Beneficial owner	582,814,300	24.41%

*Notes:*

- The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the Offer Shares, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 2,387,881,803.
- The entire issued share capital of Starmax is beneficially owned by Mr. Tan, an executive Director. These Shares comprise (i) 404,912,000 Shares held by Starmax; (ii) 80,982,400 Offer Shares to be allotted and issued to Starmax under its entitlement under the Open Offer pursuant to the Starmax Undertaking; and (iii) 96,919,900 Offer Shares in which Starmax as the underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.

Save as disclosed in the preceding paragraph and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

#### 4. DIRECTORS' CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### 5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE COMPANY

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 March 2015, being the date to which the latest published audited accounts of the Group were made up.

On 11 May 2012, the Group issued a promissory note to Starmax, which is beneficially owned by Mr. Tan, as part of the purchase consideration of a 51% equity interest in Goffers Management Limited (“**Goffers**”) in the principal amount of HK\$63,000,000 (the “**Promissory Note**”), of which HK\$33,000,000 was repaid. The Promissory Note bears interest at 3% per annum and is repayable in three equal instalments payable on each anniversary date of issue. It is secured by a charge over a 51% of the issued share capital of Goffers, a non-wholly owned subsidiary of the Company. The remaining 49% equity interest in Goffers is beneficially owned by Starmax.

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 30.02% by Mr. Tan, at normal commercial terms mutually agreed by both parties.

As at the Latest Practicable Date, the total amount of dividends that have been declared by Goffers and payable to Starmax, its 49% owner, is approximately HK\$4,600,000.

Pursuant to the Undertakings, 80,982,400 Offer Shares, the 22,218,000 Offer Shares and the 15,100,000 Offer Shares shall be taken up or procured to be taken up by Starmax, Mr. Tan and Mr. Zhang respectively pursuant to the Undertakings.

Save as disclosed above and save for the Underwriting Agreement, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 6. COMPETING INTERESTS

Mr. Tan and Mr. Zhang hold shareholdings and directorships in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN). Its subsidiaries and associate companies are principally engaged in exploration of a gold mine and prospecting exploration projects of gold, copper and nickel in Xinjiang, PRC. All of them are in exploration or prospecting stage and are not yet in production, whereas the mining business of the Group is in production stage. In this regard, Mr. Tan and Mr. Zhang 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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interest with the Group.

## 7. CORPORATE INFORMATION

### **Board of Directors**

#### *Executive Directors*

Dr. Cheng Kin Kwan (*Chairman*)

Mr. Felipe Tan

Mr. Zhang Ming

Ms. Lau Yun Fong Carman

#### *Non-executive Director*

Mr. Lam Kai Ling Vincent

#### *Independent non-executive Directors*

Ms. Tsang Wai Chun Marianna

Mr. Chan Mei Ying Spencer

Mr. Lam Kwai Yan

Ms. Chan Choi Ling

#### *Audit Committee*

Ms. Tsang Wai Chun Marianna

(*Chairlady of the Committee*)

Mr. Chan Mei Ying Spencer

Mr. Lam Kwai Yan

*Nomination Committee*

Mr. Lam Kwai Yan

*(Chairman of the Committee)*

Ms. Tsang Wai Chun Marianna

Mr. Chan Mei Ying Spencer

*Remuneration Committee*

Mr. Chan Mei Ying Spencer

*(Chairman of the Committee)*

Ms. Tsang Wai Chun Marianna

Mr. Lam Kwai Yan

<b>Registered office</b>	Room 2208 118 Connaught Road West Hong Kong
<b>Company secretary</b>	Ms. Ko Yuen Kwan
<b>Authorised representatives</b>	Ms. Lau Yun Fong Carman Ms. Ko Yuen Kwan
<b>Compliance officer</b>	Ms. Lau Yun Fong Carman
<b>Auditor</b>	HLB Hodgson Impey Cheng Limited
<b>Share registrar</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wan Chai Hong Kong
<b>Principal bankers</b>	Hang Seng Bank Limited Bank of Communications Co., Ltd.
<b>Stock Code</b>	8028
<b>Website</b>	<a href="http://www.timeless.com.hk">www.timeless.com.hk</a>

**8. PARTIES INVOLVED IN THE OPEN OFFER**

<b>The Company</b>	Timeless Software Limited Room 2208 118 Connaught Road West Hong Kong
<b>Underwriters</b>	Starmax Holdings Limited P.O. Box 3444 Road Town, Tortola British Virgin Islands  Pacific Foundation Securities Limited 11/F New World Tower II 16–18 Queen’s Road Central Hong Kong
<b>Legal advisers to the Company</b>	<i>As to Hong Kong Law</i> Michael Li & Co. 19/F., Prosperity Tower 39 Queen’s Road Central Central Hong Kong
<b>Reporting accountant</b>	HLB Hodgson Impey Cheng Limited Certified Public Accountants 31/F, Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong
<b>Share registrar</b>	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong

**9. LITIGATIONS**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date:

- (i) the sale and purchase agreement dated 31 July 2015 entered into between the Company as vendor and Keyhard Software Limited as purchaser in relation to the disposal of the entire issued share capital in Timeless China Limited for a total consideration of HK\$7,500,000;
- (ii) the subscription agreement dated 30 March 2015 entered into between the Company as issuer and Starmax as subscriber in relation to the subscription of such number of new Shares (the “**2015 Subscription Shares**”) as is equal to the number of Shares successfully placed by Pacific Foundation at the subscription price of HK\$0.145 per 2015 Subscription Share;
- (iii) the subscription agreement dated 3 December 2014 entered into between the Company as issuer and Starmax as subscriber in relation to the subscription of such number of new Shares (the “**2014 Subscription Shares**”) as is equal to the number of Shares successfully placed by Ping An Securities Limited at the subscription price of HK\$0.145 per 2014 Subscription Share; and
- (iv) the Underwriting Agreement.

## 11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

**Dr. Cheng Kin Kwan**, aged 76, the founder of the Company, has been appointed as the Chairman, Chief Executive Officer and executive Director of the Company since 1 May 1996. Dr. Cheng is the Executive Vice President and Honorary Secretary-General of the professional committee of the National Bureau JISC industry development strategies. He is also the Honorary Fellow Member of Business Administration of the Canadian Chartered Institute of Business Administration. Dr. Cheng has served over 30 years in the information technology industry with outstanding achievement. He is the inventor of the first Chinese Processing system and introduced the new generation image processing personal computer into China. Further, Dr. Cheng is the first sole distributor of Novell system covering Asia, Hong Kong and China; he also developed and built the first computer system for Hong Kong Futures Exchange. Save as disclosed above, Dr. Cheng did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Mr. Felipe Tan**, aged 60, has been appointed as an executive Director since 30 September 2012. Mr. Tan is currently a director of various subsidiaries of the Group, which are engaged in the exploration and exploitation of gold, iron and nickel-copper mines in Xinjiang, PRC. Mr. Tan has over 30 years of experience in metal trading including over 13 years of management experience in mining industry in the PRC. Mr. Tan has been

appointed as the chairman and executive director of Loco Hong Kong Holdings Limited, the shares of which are listed on the GEM (stock code: 8162), since July 2014. Mr. Tan has been appointed as the chairman of the board, president and chief executive officer of GobiMin Inc. (“**GobiMin**”), the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN), since 2005. 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. Save as disclosed above, Mr. Tan did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Mr. Zhang Ming**, aged 49, has been appointed as an executive Director since 30 September 2012. Mr. Zhang has been a director of Xinjiang Tianmu Mineral Resources Development Co. Ltd since 2002. Mr. Zhang has over 10 years’ experience in the mining industry. From 1998 to 2000, he had been a director of Hami Economy and Trade Committee (哈密市經濟貿易委員會) and Hami Gold Bureau (哈密黃金局). Thereafter, Mr. Zhang has been a director of various companies engaged in exploration and development of gold mines and nickel-copper mines in Xinjiang and exploration projects of gold, copper, nickel, lead and zinc in Xinjiang. Since 2005, Mr. Zhang has been a director of GobiMin. Mr. Zhang is responsible for the development of mining business in Xinjiang, PRC. Save as disclosed above, Mr. Zhang did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Ms. Lau Yun Fong Carman**, aged 49, has been appointed as an executive Director since 17 November 2014. Ms. Lau is the financial controller of the Group. She is an associate member of the Hong Kong Institute of Certified Public Accountants and has over 15 years of extensive experience in auditing and corporate finance management. Ms. Lau had worked in an international accounting firm and then served for 10 years in a company listed on the Main Board of the Stock Exchange. Ms. Lau graduated from the University of Hong Kong with a Bachelor’s degree of Social Sciences. She is also a chief accountant of Loco Hong Kong Holdings Limited, a company listed on the GEM (stock code: 8162). Save as disclosed above, Ms. Lau did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

#### **Non-executive Director**

**Mr. Lam Kai Ling Vincent**, aged 32, has been appointed as a non-executive Director since 27 May 2015. Mr. Lam is the project manager of a subsidiary of GobiMin, of which Mr. Felipe Tan, an executive Director, is a beneficial shareholder and director. Mr. Lam has extensive experience in accounting and finance works in different industries in the past 10 years, of which more than 4 years’ working experience were in precious metals industry, specialized in operation control. Mr. Lam obtained a Bachelor degree of Accountancy from



City University of Hong Kong and a Master degree of Finance Management in Shanghai University of Finance and Economics. Save as disclosed above, Mr. Lam did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

#### **Independent non-executive Directors**

**Ms. Tsang Wai Chun Marianna**, aged 60, has been appointed as an independent non-executive Director since 16 October 2003. She is also the Managing Director of TWC Management Limited. She is a member of the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Company Secretaries, the Taxation Institute of Hong Kong, the Society of Registered Financial Planners, the Chartered Institute of Arbitrators and the Institute of Financial Accountants. She is appointed as a member of the Board of Review (Inland Revenue Ordinance). Ms. Tsang has over 30 years of company secretarial, corporate affairs, and related legal working experience in major commercial corporations and in professional firms. She has an MBA and a postgraduate certificate in Professional Accounting. Ms. Tsang has been appointed as an independent non-executive director of Loco Hong Kong Holdings Limited (stock code: 8162) since July 2014. Save as disclosed above, Ms. Tsang did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Mr. Chan Mei Ying Spencer**, aged 58, has been appointed as an independent non-executive Director since 25 October 2005. He is an entrepreneur in various industries and a consultant to Infocus Corporation. Mr. Chan has all-round experience in corporate finance, business development, sales and marketing. Mr. Chan studied Computer Science in Melbourne, Australia, before receiving a Master's Degree in Business Administration from the Chinese University of Hong Kong. He also has attended an executive management program at INSEAD, Fontainebleau, France. Save as disclosed above, Mr. Chan did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Mr. Lam Kwai Yan**, aged 55, has been appointed as an independent non-executive Director since 23 December 2008. Mr. Lam has a degree in Business Studies from the University of Southern Queensland, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants and Institute of Singapore Chartered Accountants, and a fellow member of the CPA Australia. Mr. Lam has worked for various large corporations, and has vast experiences with SME's, including auditing and consulting on re-organisation and restructuring businesses that have cross-border operations in China. His work also included advising and consulting for listed public companies. Save as disclosed above, Mr. Lam did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

**Ms. Chan Choi Ling**, aged 40, has been appointed as an independent non-executive Director since 30 September 2012. Ms. Chan is a qualified solicitor in Hong Kong. She obtained her Bachelor of Laws degree in 1998 from the City University of Hong Kong. Ms. Chan has over 10 years' experience in civil litigation. Ms. Chan currently practises as a solicitor in a law firm in Hong Kong. Save as disclosed above, Ms. Chan did not hold any directorships in any other listed public companies in the last three years immediately preceding the date of this Prospectus and does not hold any other position with the Company or other members of the Group.

## 12. MISCELLANEOUS

- (i) The company secretary of the Company is Ms. Ko Yuen Kwan. Ms. Ko is a member of the Hong Kong Institute of Certified Public Accountants, the CPA Australia and the Hong Kong Institute of Chartered Secretaries.
- (ii) The compliance officer of the Company is Ms. Lau Yun Fong Carman. Ms. Lau is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (iii) The business address of all Directors is Room 2208, 118 Connaught Road West, Hong Kong.
- (iv) The registered office of the Company is located at Room 2208, 118 Connaught Road West, Hong Kong.
- (v) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (vi) As at the Latest Practicable Date, the audit committee of the Company comprises three independent non-executive Directors, namely Ms. Tsang Wai Chun Marianna (Chairlady), Mr. Chan Mei Ying Spencer and Mr. Lam Kwai Yan. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.
- (vii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (viii) The English text of this Prospectus, the Application Form and the EAF shall prevail over their respective Chinese texts.

**13. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng Limited ("HLB")	Certified Public Accountants

HLB has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and references to its name in the form and context in which it appear.

HLB does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

HLB does not have or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2015, being the date to which the latest published audited accounts of the Group were made up.

**14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of this Prospectus, together with a copy of the Application Form, the EAF and the written consent referred to in the paragraphs headed "Expert and Consent" in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**15. LEGAL EFFECT**

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

**16. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges and other related expenses, are estimated to amount to approximately HK\$1.3 million and are payable by the Company.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Room 2208, 118 Connaught Road West, Hong Kong during normal business hours on any weekday other than public holidays from the date of this Prospectus, up to and including the Latest Time for Acceptance:

- (i) the articles of association of the Company;
- (ii) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (iii) the annual reports of the Company for each of the two financial years ended 31 March 2014 and 2015;
- (iv) the interim report of the Company for the six months ended 30 September 2015;
- (v) the independent reporting accountants’ assurance report on the compilation of pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (vi) the written consent of the expert referred to in the section headed “Expert and Consent” in this appendix; and
- (vii) the Prospectus Documents.