
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred **all your shares** in Timeless Software Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**TIMELESS SOFTWARE LIMITED**

(incorporated in Hong Kong with limited liability)

Stock Code: 8028

**RE-ELECTION OF DIRECTORS,
PROPOSED APPOINTMENT OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice of the annual general meeting of the Company to be held in Hong Kong on 30 September 2012 at 11:00 a.m. (the “**Annual General Meeting**”) is set out on pages 8 to 11 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Units 111-113, 1st Floor, Enterprise Place, Phase One, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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

7 September 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held in Hong Kong on Sunday, 30 September 2012 at 11:00 a.m. at Conference Hall 01, G/F, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong or any adjournment thereof
“Articles”	the articles of association of the Company, from time to time as adopted and as amended
“Associate”	shall have the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time
“Company”	Timeless Software Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the shares of which are listed on GEM
“Directors”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Latest Practicable Date”	5 September 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out on pages 8 to 11 of this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Notice of Annual General Meeting

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to the Directors to repurchase Shares of no more than 10 per cent. of the aggregate nominal amount of the issued share capital of the Company pursuant to Ordinary Resolution number 6(i) as set out in the Notice of Annual General Meeting in its present or any amended form
“Share(s)”	fully paid shares of HK\$0.05 each of the Company (or such other nominal amount prevailing from time to time)
“Shareholders”	holders of the Shares
“Share Issue Mandate”	the proposed general mandate to the Directors to allot, issue and deal with new Shares pursuant to Ordinary Resolution number 6(ii) as set out in the Notice of Annual General Meeting in its present or any amended form
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary (within the meaning of the Companies Ordinance) for the time being and from time to time of the Company
“Substantial Shareholder”	shall have the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Hong Kong Securities and Futures Commission

LETTER FROM THE BOARD



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

Stock Code: 8028

Executive Directors:

Mr. CHENG, Kin Kwan (*Chairman*)
Mr. LAW, Kwai Lam
Ms. LEUNG, Mei Sheung Eliza
Ms. ZHENG, Ying Yu
Mr. FUNG Chun Pong Louis
Mr. LIAO, Yun

Registered Office:

Units 111-113, 1st Floor
Enterprise Place, Phase One
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

Independent Non-executive Directors:

Ms. TSANG, Wai Chun Marianna
Mr. CHAN, Mei Ying Spencer
Mr. LAM, Kwai Yan

7 September 2012

To the Shareholders of the Company,

Dear Sir/Madam,

**RE-ELECTION OF DIRECTORS,
PROPOSED APPOINTMENT OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the Ordinary Resolutions to be proposed at the Annual General Meeting involving (a) the re-election of retiring Directors; (b) the proposed appointment of Directors; and (c) the Repurchase Mandate and the Share Issue Mandate.

2. RE-ELECTION OF DIRECTORS

The Board currently consists of nine members, namely the following executive Directors:

- (a) Mr. CHENG, Kin Kwan (*Chairman*)

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- (b) Mr. LAW, Kwai Lam
- (c) Ms. LEUNG, Mei Sheung Eliza
- (d) Ms. ZHENG, Ying Yu
- (e) Mr. FUNG, Chun Pong Louis
- (f) Mr. LIAO, Yun

and the following independent non-executive Directors:

- (g) Ms. TSANG, Wai Chun Marianna
- (h) Mr. CHAN, Mei Ying Spencer
- (i) Mr. LAM, Kwai Yan

In accordance with Article 105(A) of the Articles, Mr. LAW Kwai Lam, Ms. ZHENG Ying Yu and Mr. LAM Kwai Yan shall retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting.

Particulars of each of the retiring Directors proposed to be re-elected are set out in Appendix II to this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve their re-election.

3. PROPOSED APPOINTMENT OF DIRECTORS

The Board proposed the appointment of Mr. Felipe TAN and Mr. ZHANG Ming as executive Directors and Ms. CHAN Choi Ling as independent non-executive Director, subject to the Shareholders' approval at the Annual General Meeting. Particulars of Mr. Felipe TAN, Mr. ZHANG Ming and Ms. CHAN Choi Ling as required by Rule 17.50(2) of the GEM Listing Rules are set out in Appendix III to this circular.

Mr. Felipe TAN and Mr. ZHANG Ming hold shareholdings and directorships in GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN.V). Its subsidiaries and associate companies are principally engaged in exploration of a gold mine and prospecting exploration projects of gold, copper and nickel in Xinjiang, PRC. All of them are in exploration or prospecting stage and are not yet in production, whereas the mining business of the Group are in production stage. In this regard, Mr. Felipe TAN and Mr. ZHANG Ming are considered to have interests in businesses which might compete, either directly or indirectly with the businesses of the Group.

LETTER FROM THE BOARD

The abovementioned competing businesses are operated and managed by companies with independent management and administration. In addition, the Board is independent of the boards of the abovementioned companies. Accordingly, the Group will be capable of carrying on its businesses independent of and at arm's length from, the businesses mentioned above after the appointment of Mr. Felipe TAN and Mr. ZHANG Ming as executive Directors.

4. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 26 September 2011, the Directors were granted a general mandate to allot and issue Shares and a general mandate to repurchase Shares. These mandates will lapse at the conclusion of the Annual General Meeting.

Repurchase Mandate

An ordinary resolution will be proposed at the Annual General Meeting that the Directors be given the Repurchase Mandate to exercise all powers of the Company to purchase issued Shares of the Company on the Stock Exchange of an aggregate amount of up to 10 per cent. of the issued share capital of the Company as at the date of passing such resolution.

As at the Latest Practicable Date, the Company has aggregate of 1,577,461,503 Shares in issue. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued and no Shares will be repurchased between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised to repurchase Shares up to a limit of 157,746,150 Shares, representing 10 per cent. of the issued share capital of the Company as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution number 6(i).

Share Issue Mandate

An ordinary resolution will be proposed at the Annual General Meeting that the Directors be given the Share Issue Mandate to exercise all powers of the Company to allot, issue and deal with additional Shares of the Company up to 20 per cent. of the aggregate nominal amount of the issue share capital of the Company as at the date of passing such resolution.

Subject to the passing of the resolution for the approval of the Share Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed under the Share Issue Mandate to allot, issue and deal with up to a limit of 315,492,300 Shares, representing 20 per cent. of the issued share capital of the Company as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution number 6(ii).

An ordinary resolution will also be proposed at the Annual General Meeting to authorise the extension of the general mandate to issue new Shares by adding to the mandate the number of Shares to be repurchased by the Company under the Repurchase Mandate in the terms set out in Ordinary Resolution number 6(iii).

LETTER FROM THE BOARD

In addition, Shareholders should note that the Repurchase Mandate and the Share Issue Mandate (including the extended Share Issue Mandate) will continue to be in force during the period from the date of passing of the resolutions for the approval of the Repurchase Mandate and the Share Issue Mandate until the conclusion of the next annual general meeting of the Company or an earlier date as referred to in paragraph (c) of the Ordinary Resolution number 6(i) or paragraph (d) of the Ordinary Resolution number 6(ii), as the case may be.

Explanatory Statement

An explanatory statement as required under Rule 13.08 of the GEM Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

5. 2012 ANNUAL REPORT AND ANNUAL GENERAL MEETING

A copy of the Annual Report of the Company for the year ended 31 March 2012 has been despatched to Shareholders on 29 June 2012. A copy of the Notice of Annual General Meeting, to be held in Hong Kong at Conference Hall 01, G/F, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong at 11:00 a.m. on 30 September 2012 is set out on pages 8 to 11 of this circular.

The Ordinary Resolutions to approve the re-election of Directors, the proposed appointment of Directors and the granting of the Repurchase Mandate and the Share Issue Mandate will be proposed at such meeting.

In accordance with rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolutions put to the vote at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. **Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Units 111-113, 1st Floor, Enterprise Place, Phase One, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as soon as possible and, in any event, so as to be received not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof.** Completion and delivery of the form of proxy will not prevent you from attending and voting at the Annual General Meeting, or any adjournment thereof, should you so wish and in such event, the form of proxy should be deemed to be revoked.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, 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 this circular 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 circular misleading.

7. RECOMMENDATION

The Directors consider that approvals for the re-election of Directors, the proposed appointment of Directors and the granting of the Repurchase Mandate and the Share Issue Mandate are in the best interests of the Company and its Shareholders and so recommend you to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting. Shareholders should note that the Directors will exercise their voting rights in respect of all of their shareholdings (if any) in favour of the Ordinary Resolutions.

8. GENERAL

Your attention is drawn to the additional information set out in the Appendices to this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution to be proposed at the Annual General Meeting.

Yours faithfully,
CHENG Kin Kwan
Chairman & Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

Stock Code: 8028

NOTICE IS HEREBY GIVEN that the annual general meeting of Timeless Software Limited (the “**Company**”) will be held on Sunday, 30 September 2012 at Conference Hall 01, G/F, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong at 11:00 a.m. (the “**Annual General Meeting**”) to consider and, if thought fit, pass the following ordinary resolutions of the Company:

AS ORDINARY RESOLUTIONS:

- (1) To receive and consider the audited financial statements together with the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2012;
- (2)
 - (i) To re-elect Mr. Law Kwai Lam as executive Director;
 - (ii) To re-elect Ms. Zheng Ying Yu as executive Director;
 - (iii) To re-elect Mr. Lam Kwai Yan as independent non-executive Director; and
- (3)
 - (i) To appoint Mr. Felipe Tan as executive Director;
 - (ii) To appoint Mr. Zhang Ming as executive Director;
 - (iii) To appoint Ms. Chan Choi Ling as independent non-executive Director; and
- (4) To authorize the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
- (5) To appoint HLB Hodgson Impey Cheng Limited as the Company’s auditors to hold office until conclusion of the next annual general meeting and to authorise the Board to fix their remuneration; and
- (6) As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:
 - (i) “**THAT**
 - (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereunder) of all powers of the Company to purchase shares (“**Shares**”) in the capital of the Company on the Growth Enterprise Market

NOTICE OF ANNUAL GENERAL MEETING

(“GEM”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Future Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, in accordance with the rules and regulations of SFC, the Stock Exchange or of any such other exchange from time to time and all applicable laws in this regard be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall be no more than 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (A) the conclusion of the next annual general meeting of the Company;
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “**Articles**”) or any applicable law to be held; and
- (C) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(ii) “**THAT**

- (a) subject to the limitation mentioned in paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on GEM, the exercise by the Directors during the Relevant Period (as defined hereunder) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants and securities convertible into Shares), which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (A) a Rights Issue (as defined hereunder), (B) the exercise of options granted under any share option scheme adopted by the Company from time to time and (C) any scrip

NOTICE OF ANNUAL GENERAL MEETING

dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles in force from time to time shall not exceed the aggregate of (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and (ii) (if the Directors are so authorised by separate ordinary resolution of the Company) the nominal amount of share capital repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution) and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (A) the conclusion of the next annual general meeting of the Company;
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held;
- (C) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Company or by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

(iii) “**THAT** the Directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution number 6(ii) in this notice in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”

By Order of the Board
CHENG Kin Kwan
Chairman & Chief Executive Officer

Hong Kong, 7 September 2012

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

Units 111-113, 1st Floor
Enterprise Place, Phase One
Hong Kong Science Park
Pak Shek Kok
New Territories, Hong Kong

Notes :

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice may appoint one or more proxies to attend the Annual General Meeting and vote on a poll instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of authority or other authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the registered office of the Company in Hong Kong at Units 111-113, 1st Floor, Enterprise Place, Phase One, Hong Kong Science Park, Pak Shek Kok, New Territories Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
3. In the case of joint holders of any shares in the Company any one of such joint holders may vote at the Annual General Meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stand first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. Particulars of Mr. Law Kwai Lam, Ms. Zheng Ying Yu and Mr. Lam Kwai Yan who offer themselves for re-election are provided in Appendix II to the Company's circular dated 7 September 2012.
5. Particulars of Mr. Felipe Tan and Mr. Zhang Ming, the proposed executive Directors, and Ms. Chan Choi Ling, the proposed independent non-executive Director, are set out in Appendix III to the Company's circular dated 7 September 2012.

APPENDIX I — REPURCHASE MANDATE EXPLANATORY STATEMENT

This appendix serves as an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of approval for the Repurchase Mandate. This explanatory statement also constitutes the memorandum required under section 49BA of the Companies Ordinance.

MAXIMUM NUMBER OF SHARES TO BE REPURCHASED

A maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the proposed resolution may be repurchased on the Stock Exchange. As at 5 September 2012, the Latest Practicable Date, the Company has aggregate of 1,577,461,503 Shares in issue. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued and no Shares will be repurchased between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised to repurchase Shares up to a limit of 157,746,150 Shares, representing 10 per cent. of the issued share capital of the Company as at the date of passing such resolution.

REASONS FOR THE REPURCHASE MANDATE

The Directors have no present intention to repurchase any Shares. It is not possible to anticipate in advance those circumstances in which the Directors might consider it appropriate to repurchase Shares, but Shares would only be purchased in circumstances where the Directors consider that the purchase would be in the best interests of the Company and its shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net assets and/or earnings per Share.

SOURCE OF FUNDS

It is expected that the funds required for repurchases of Shares under the Repurchase Mandate would be derived from the capital paid up on the Shares being repurchased (if applicable) and from the distributable profits of the Company, which will be funds legally available for the purchase under the Companies Ordinance and in accordance with the Articles.

MATERIAL ADVERSE IMPACT

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements) in the event that authorised repurchases of Shares is carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

APPENDIX I — REPURCHASE MANDATE EXPLANATORY STATEMENT

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined under the GEM Listing Rules) has any present intention, in the event that the Repurchase Mandate is granted by shareholders, to sell Shares to the Company.

No connected person of the Company as defined in the GEM Listing Rules has notified the Company that any such person has a present intention to sell any Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

EFFECT OF TAKEOVERS CODE

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Ordinary Resolution number (6)(i), then (based on the present shareholdings as at the Latest Practicable Date) the shareholdings of Mr. Felipe Tan (*note*), Mr. Cheng Kin Kwan, and Educational Information Technology (H.K.) Company Ltd. would be increased from approximately 19.18 per cent., 14.04 per cent. and 6.85 per cent. to approximately 21.31 per cent., 15.60 per cent. and 7.61 per cent. respectively. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code. However, the Directors have no present intention to exercise the repurchase of Shares to an extent that would result in such takeover obligations.

Note: Mr. Felipe Tan is deemed to have an interest in 302,582,000 Shares, representing approximately 19.18% of the issued share capital of the Company. The interest includes: (i) 32,582,000 Shares directly held by Mr. Tan; and (ii) 270,000,000 Shares held by Starmax Holdings Limited, a company which is beneficially owned as to 90.01% by Mr. Tan. By virtue of the Securities and Futures Ordinance, Mr. Tan is therefore deemed to have an interest in the Shares in which Starmax Holdings Limited is interested.

APPENDIX I — REPURCHASE MANDATE EXPLANATORY STATEMENT

SHARE PRICES

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices per Share on the Stock Exchange were as follows:-

Year	Month	Highest HK\$	Lowest HK\$
2011	August	0.098	0.065
	September	0.150	0.093
	October	0.158	0.131
	November	0.173	0.149
	December	0.163	0.150
2012	January	0.150	0.140
	February	0.150	0.130
	March	0.132	0.115
	April	0.175	0.130
	May	0.170	0.145
	June	0.164	0.142
	July	0.158	0.127
	August	0.155	0.134
	September (up to the Latest Practicable Day)	0.138	0.134

SHARES PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months prior to the date of this circular.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and in accordance with the regulations set out in the Articles.

APPENDIX II — PARTICULARS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Law Kwai Lam, aged 65, is the executive Director and Consultant to the Chairman of the Company. Mr. Law has been with the Group since its establishment. Mr. Law has entered into a service contract with the Company which will continue until terminated by either party giving to the other party not less than three months' notice in writing. For the year ended 31 March 2012, Mr. Law's total emoluments, comprising salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$430,000. The emoluments of the directors of the Company are decided by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. At the Latest Practicable Date, Mr. Law is interested within the meaning of Part XV of the Securities and Futures Ordinance in 38,325,000 ordinary shares of the Company, and in 8,300,000 share options and underlying shares. Mr. Law is not related to any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company and he did not hold any directorship in other listed companies in the last three years. Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. Zheng Ying Yu, aged 38, is the Chief Representative of the Group's subsidiary in Guangzhou, responsible for market promotion, business development and the overall operation of the Guangzhou office. She joined the Group in 1998 and has 16 years experience in the IT industry. Ms. Zheng holds a Bachelor of Science degree in Computer Science from ZhongShan University. Ms. Zheng did not hold other position with other members of the Group. Ms. Zheng has entered into a service contract with the Company when she was appointed executive Director in August 2002, which will continue until terminated by either party giving to the other party not less than three months' notice in writing. For the year ended 31 March 2012, Ms. Zheng's total emoluments, comprising salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$370,000. The emoluments of the directors of the Company are decided by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. At the Latest Practicable Date, Ms. Zheng is interested within the meaning of Part XV of the Securities and Futures Ordinance in 4,900,000 ordinary shares of the Company, and in 8,550,000 share options and underlying shares. Ms. Zheng is not related to any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company and she did not hold any directorship in other listed companies in the last three years. Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Lam Kwai Yan, aged 52 and appointed as an independent non-executive Director in December 2008. As at the Latest Practicable Date, Mr. Lam is also the chairman of the nomination committee and a member of each of the audit committee and the remuneration committee of the Company. He has a degree in Business Studies from the University of Southern Queensland, Australia. Mr. Lam is a member of the Hong Kong Institute of Certified Public Accountants and the New Zealand Institute of Chartered Accountants, and a fellow member of the CPA Australia. Mr. Lam has worked for various large corporations, first starting his accounting career with Cable & Wireless (H.K.) Ltd. and worked in New Zealand for a number of years before returning to Hong Kong and starting an accounting practice. He 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

APPENDIX II — PARTICULARS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

included advising and consulting for listed public companies. Mr. Lam's appointment as an independent non-executive Director of the Company was for the term of one year at a fee of HK\$110,000 per annum. For the year ended 31 March 2012, Mr. Lam's total emoluments, being director's fee, was approximately HK\$101,000. The emoluments of the directors of the Company are decided by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. As at the Latest Practicable Date, Mr. Lam is not interested in any ordinary shares or share options and underlying shares, of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lam is not related to any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. He did not hold any directorship in other listed companies in the past three years. Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX III — PARTICULARS OF DIRECTORS PROPOSED TO BE APPOINTED

Mr. Felipe Tan, aged 57, is currently a director of Xinjiang Tianmu Mineral Resources Development Co. Ltd. ("**Xinjiang Tianmu**"), Goffers Resources Limited, Kangshun HK Limited, Kangshun Investments Limited and Goffers Management Limited, all of which are non-wholly owned subsidiaries of the Company. Xinjiang Tianmu is principally 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. Currently, he is the chairman of the board, president and chief executive officer of GobiMin Inc., the shares of which are listed on the TSX Venture Exchange in Canada (stock code: GMN.V). Its subsidiaries and associate companies are principally engaged in exploration of a gold mine and prospecting exploration projects of gold, copper and nickel in Xinjiang, PRC. During the period from 1994 to 2006, Mr. Tan had been an executive director of Simsen International Corporation Limited (stock code: 993), a company listed on the Stock Exchange, and a director of its subsidiaries, responsible for its metal trading and mining operations. Save as disclosed above, Mr. Tan does not hold (i) any other position in the Group; (ii) any other directorship in listed public companies in Hong Kong or overseas in the last three years; and (iii) other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Tan is deemed to have an interest in 302,582,000 Shares, representing approximately 19.18% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. His interest includes: (i) 32,582,000 Shares directly held by Mr. Tan; and (ii) 270,000,000 Shares held by Starmax Holdings Limited ("**Starmax**"), a company which is beneficially owned as to 90.01% by Mr. Tan. As at the Latest Practicable Date, Starmax holds 49% of the issued share capital in Goffers Management Limited which in turn directly or indirectly holds 100% issued share capital in Goffers Resources Limited, Kangshun HK Limited and Kangshun Investments Limited and 51% of the registered capital in Xinjiang Tianmu. Mr. Tan is deemed to be interested in Starmax's interests in such associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Tan does not have, and are not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance). Save as disclosed above, Mr. Tan is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Upon the approval of the resolution in relation to the appointment of Mr. Tan at the Annual General Meeting, the Company will enter into a service agreement with Mr. Tan in respect of his appointment which will continue until terminated by either party giving to the other party not less than three months' notice in writing subject to the retirement and re-election requirements in accordance with the Articles. Pursuant to the terms of the proposed service agreement, Mr. Tan will receive an emolument to be determined with reference to his duties and responsibilities in the Company and comparable market statistics.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX III — PARTICULARS OF DIRECTORS PROPOSED TO BE APPOINTED

Mr. Zhang Ming, aged 47, has been a director of Xinjiang Tianmu 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 Inc.. 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. Mr. Zhang is responsible for the development its mining business in Xinjiang, PRC. Save as disclosed above, Mr. Zhang does not hold (i) any other position in the Group; (ii) any other directorship in listed public companies in Hong Kong or overseas in the last three years; and (iii) other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Zhang does not have, and are not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Zhang is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.)

Upon the approval of the resolution in relation to the appointment of Mr. Zhang at the Annual General Meeting, the Company will enter into a service agreement with Mr. Zhang in respect of his appointment which will continue until terminated by either party giving to the other party not less than three months' notice in writing subject to the retirement and re-election requirements in accordance with the Articles. Pursuant to the terms of the proposed service agreement, Mr. Zhang will receive an emolument to be determined with reference to his duties and responsibilities in the Company and comparable market statistics.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. Chan Choi Ling, aged 37, 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 practices as a solicitor in a law firm in Hong Kong. Ms. Chan does not hold any position in the Group or any directorship in listed public companies in Hong Kong or overseas in the last three years. Save as disclosed above, Ms. Chan does not hold other major appointments and professional qualifications.

As at the Latest Practicable Date, Ms. Chan does not have, and are not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Chan is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.)

APPENDIX III — PARTICULARS OF DIRECTORS PROPOSED TO BE APPOINTED

Upon the approval of the resolution in relation to the appointment of Ms. Chan at the Annual General Meeting, the Company will enter into a letter of appointment in respect of her appointment for a term of one year subject to the retirement and re-election requirements in accordance with the Articles. Pursuant to the terms of the proposed letter of appointment, Ms. Chan will receive an emolument of HK\$100,000 per annum which is determined with reference to her duties and responsibilities in the Company and comparable market statistics.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.