

THIS CIRCULAR 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 consult a 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, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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TIMELESS SOFTWARE LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 8028)

(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING

The notice of the annual general meeting of the Company to be held at Ramada Hong Kong Hotel (name to be changed to Best Western Plus Hotel Hong Kong with effect from 1 September 2015), Lily Room, 3/F., 308 Des Voeux Road West, Hong Kong on Wednesday, 23 September 2015 at 4:00 p.m. (the “**Annual General Meeting**”) is set out on pages 9 to 13 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 Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of publication and on the Company’s website at www.timeless.com.hk.

19 August 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 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, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Ramada Hong Kong Hotel (name to be changed to Best Western Plus Hotel Hong Kong with effect from 1 September 2015), Lily Room, 3/F., 308 Des Voeux Road West, Hong Kong on Wednesday, 23 September 2015 at 4:00 p.m. or any adjournment thereof
“Articles”	the articles of association of the Company as amended and adopted from time to time
“Associate”	shall have the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“Company Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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 the GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and all of its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Latest Practicable Date”	19 August 2015, 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 9 to 13 of this circular
“Ordinary Resolution(s)”	The proposed ordinary resolution(s) as referred to in the Notice of Annual General Meeting
“Buy-back Mandate”	the proposed general mandate to be granted to the Directors to exercise power of the Company to buy back Shares on the Stock Exchange not exceeding 10% of the total number of Shares in issue as at the date of the Annual General Meeting
“Share(s)”	ordinary share(s) of the Company
“Shareholders”	holders of the Shares from time to time
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of the Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	shall have the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the 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 & Chief Executive Officer*)

Mr. TAN, Felipe

Mr. ZHANG, Ming

Ms. LAU, Yun Fong Carman

Registered office:

Units 6-7, 11/F, Tower II,

Ever Gain Plaza,

No. 88 Container Port Road,

Kwai Chung, New Territories

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

19 August 2015

To the Shareholders

Dear Sir/Madam,

**(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES; AND
(3) 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 but not limited to (a) the re-election of retiring Directors; and (b) the Buy-back Mandate and the Share Issue Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

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

Executive Directors

- (a) Mr. Cheng Kin Kwan
- (b) Mr. Felipe Tan
- (c) Mr. Zhang Ming
- (d) Ms. Lau Yun Fong Carman

Non-executive Director

- (e) Mr. Lam Kai Ling Vincent

Independent non-executive Directors

- (f) Ms. Tsang Wai Chun Marianna
- (g) Mr. Chan Mei Ying Spencer
- (h) Mr. Lam Kwai Yan
- (i) Ms. Chan Choi Ling

In accordance with Article 105(A) of the Articles, Mr. Felipe Tan, Mr. Zhang Ming and Ms. Chan Choi Ling shall retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting.

In accordance with Article 96 of the Articles, Ms. Lau Yun Fong Carman and Mr. Lam Kai Ling Vincent, being Directors appointed on 17 November 2014 and 27 May 2015 respectively, shall hold office only until the Annual General Meeting 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.

LETTER FROM THE BOARD

3. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the last annual general meeting of the Company held on 25 September 2014, the Directors were granted a general mandate to allot and issue Shares and a general mandate to buy back Shares. These mandates will lapse at the conclusion of the Annual General Meeting.

Buy-back Mandate

An ordinary resolution will be proposed at the Annual General Meeting that the Directors be given the Buy-back Mandate to exercise all powers of the Company to buy back issued Shares of the Company on the Stock Exchange of an aggregate of up to 10% of the total number of Shares in issue as at the date of passing such resolution.

As at the Latest Practicable Date, the Company has an aggregate of 1,987,601,503 Shares in issue. Subject to the passing of the resolution for the approval of the Buy-back 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 buy back Shares up to a limit of 198,760,150 Shares, representing 10% of the total number of Shares in issue as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution number 5(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 up to 20% of the total number of Shares in issue 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 bought back 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 397,520,300 Shares, representing 20% of the total number of Shares in issue as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution number 5(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 bought back by the Company under the Buy-back Mandate in the terms set out in Ordinary Resolution number 5(iii).

LETTER FROM THE BOARD

In addition, Shareholders should note that the Buy-back 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 Buy-back 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 5(i) or paragraph (d) of the Ordinary Resolution number 5(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 Buy-back 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 Buy-back Mandate at the Annual General Meeting.

4. 2015 ANNUAL REPORT AND ANNUAL GENERAL MEETING

A copy of the annual report of the Company for the year ended 31 March 2015 was despatched to Shareholders on 29 June 2015. A copy of the Notice of Annual General Meeting, to be held at Ramada Hong Kong Hotel (name to be changed to Best Western Plus Hotel Hong Kong with effect from 1 September 2015), Lily Room, 3/F., 308 Des Voeux Road West, Hong Kong on Wednesday, 23 September 2015 at 4:00 p.m., is set out on pages 9 to 13 of this circular.

The Ordinary Resolutions to approve the re-election of Directors and the granting of the Buy-back 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 each of the 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 Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible

LETTER FROM THE BOARD

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 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 should be deemed to be revoked.

5. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 21 September 2015 to Wednesday, 23 September 2015 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 18 September 2015.

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 and the granting of the Buy-back 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.

LETTER FROM THE BOARD

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,
For and on behalf of the Board
Timeless Software Limited
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 at Ramada Hong Kong Hotel (name to be changed to Best Western Plus Hotel Hong Kong with effect from 1 September 2015), Lily Room, 3/F., 308 Des Voeux Road West, Hong Kong on Wednesday, 23 September 2015 at 4:00 p.m. (the “**Annual General Meeting**”) to consider and, if thought fit, pass the following ordinary resolutions of the Company:

As ordinary business,

- (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 2015;
- (2)
 - (i) To re-elect Mr. Felipe Tan as the executive Director;
 - (ii) To re-elect Mr. Zhang Ming as the executive Director;
 - (iii) To re-elect Ms. Lau Yun Fong Carman as the executive Director;
 - (iv) To re-elect Mr. Lam Kai Ling Vincent as the non-executive Director; and
 - (v) To re-elect Ms. Chan Choi Ling as the independent non-executive Director;
- (3) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
- (4) To re-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

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

NOTICE OF ANNUAL GENERAL MEETING

(5) (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 buy back ordinary shares (the **“Shares”**) of the Company in issue on the Growth Enterprise Market (**“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 (the **“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 total number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall be no more than 10% of the total number of Shares in issue 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.”

NOTICE OF ANNUAL 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 total number of Shares 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 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% of the total number of Shares 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 total number of Shares bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 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 5(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
Timeless Software Limited
CHENG Kin Kwan
Chairman & Chief Executive Officer

Hong Kong, 19 August 2015

Registered office:

Units 6-7, 11/F, Tower II,
Ever Gain Plaza,
No. 88 Container Port Road,
Kwai Chung, New Territories
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

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 office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. For the purpose of determining shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 21 September 2015 to Wednesday, 23 September 2015 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 18 September 2015.
5. Particulars of Mr. Felipe Tan, Mr. Zhang Ming, Ms. Lau Yun Fong Carman, Mr. Lam Kai Ling Vincent and Ms. Chan Choi Ling who offer themselves for re-election are provided in appendix II to the Company's circular dated 19 August 2015.

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 buy-back of Shares up to a maximum of 10% of the total number of Shares in issue as at the date of approval for the Buy-back Mandate. This explanatory statement also constitutes the memorandum required under the Companies Ordinance.

1. MAXIMUM NUMBER OF SHARES TO BE BOUGHT BACK

A maximum of 10% of the total number of Shares in issue at the date of the proposed resolution may be bought back on the Stock Exchange. As at 19 August 2015, the Latest Practicable Date, the number of Shares in issue was 1,987,601,503 Shares. Subject to the passing of the resolution for the approval of the Buy-back Mandate and on the basis that no further Shares will be issued and no Shares will be bought back between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised to buy back Shares up to a limit of 198,760,150 Shares, representing 10% of the total number of Shares in issue as at the date of passing such resolution.

2. REASONS FOR THE BUY-BACK MANDATE

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

3. SOURCE OF FUNDS

It is expected that the funds required for buy-back of Shares under the Buy-back Mandate will be funds legally available for the buy-back under the Companies Ordinance and in accordance with the Articles.

4. 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 buy-back of Shares is carried out in full at any time during the proposed buy-back 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.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

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

No core connected person of the Company as defined in the GEM Listing Rules has notified the Company that he/she 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 buy-back of Shares.

6. EFFECT OF TAKEOVERS CODE

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any buy-back made under the Buy-back Mandate.

In the event that the Directors exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Ordinary Resolution number (5)(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 25.96%, 6.23% and 5.44% to approximately 28.85%, 6.92% and 6.04% 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 Takeovers Code. However, the Directors have no present intention to exercise the buy-back of Shares to an extent that would result in such takeover obligations.

Note: Mr. Felipe Tan (“Mr. Tan”) is deemed to have an interest in 516,002,000 Shares, representing approximately 25.96% of the issued shares of the Company. The interest includes: (i) 111,090,000 Shares directly held by Mr. Tan; and (ii) 404,912,000 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.

7. 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:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
August 2014	0.172	0.133
September 2014	0.168	0.132
October 2014	0.171	0.141
November 2014	0.162	0.143
December 2014	0.180	0.143
January 2015	0.158	0.135
February 2015	0.156	0.137
March 2015	0.180	0.140
April 2015	0.215	0.148
May 2015	0.465	0.183
June 2015	0.430	0.265
July 2015	0.315	0.150
August 2015 (up to the Latest Practicable Date)	0.300	0.250

8. SHARES BOUGHT BACK BY THE COMPANY

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

9. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-back pursuant to the Buy-back Mandate in accordance with the GEM Listing Rules and the Articles.

Executive Directors

Mr. Felipe TAN (“**Mr. Tan**”), aged 60, and was appointed as an executive Director of the Company in 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. Currently, he is also the chairman and executive director of Loco Hong Kong Holdings Limited (stock code: 8162), the shares of which are listed on the GEM of the Stock Exchange. Mr. Tan is also 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). 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. Tan 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 subject to the retirement and re-election requirements in accordance with the Articles. For the year ended 31 March 2015, Mr. Tan’s total emoluments, comprising director’s fees, salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$683,000. 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. Tan is not interested in any share options and underlying shares of the Company, but is deemed to have an interest in 516,002,000 Shares, representing approximately 25.96% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. His interest includes: (i) 111,090,000 Shares directly held by Mr. Tan; and (ii) 404,912,000 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, 49% of the issued shares in Goffers Management Limited (“**Goffers**”) are held by Mr. Tan through Starmax and 51% of the issued shares in Goffers held by the Group are pledged to Starmax as security of the payment obligations of the Group under a promissory note. Goffers in turn directly or indirectly holds 100% issued shares in Goffers Resources Limited, Kangshun HK Limited and Kangshun Investments Limited and 51% of the registered capital in Xinjiang Tianmu Mineral Resources Development Co. Ltd. (“**Xinjiang Tianmu**”) which is engaged in the exploration and exploitation of gold, iron and nickel-copper mines in Xinjiang, PRC. 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 is not related to any directors, senior management, substantial shareholders, or controlling shareholders of the Company and has 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. ZHANG Ming (“**Mr. Zhang**”), aged 49, and was appointed as an executive Director of the Company in September 2012. Mr. Zhang 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 of mining business in Xinjiang, PRC. Mr. Zhang 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 subject to the retirement and re-election requirements in accordance with the Articles. For the year ended 31 March 2015, Mr. Zhang’s total emoluments, comprising director’s fees, salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$703,000. 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. Zhang is interested in 75,500,000 ordinary shares, and 3,000,000 share options and underlying shares, of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Zhang and is not related to any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, Mr. Zhang has 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. LAU Yun Fong Carman (“**Ms. Lau**”), aged 49, and was appointed as an executive Director of the Company in 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 (stock code: 8162), a company listed on the GEM of the Stock Exchange. Ms. Lau 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 subject to the retirement and re-election requirements in accordance with the Articles. For the year ended 31 March 2015, Ms. Lau’s total emoluments, comprising director’s fees, salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$270,000. 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. Ms. Lau did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Lau is not interested in any ordinary shares, but is interested in 2,400,000 share options and underlying shares, of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Lau is not related to any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, Ms. Lau has 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 subparagraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

Non-executive Director

Mr. LAM Kai Ling Vincent (“**Mr. Lam**”), aged 32, was appointed as a non-executive Director in May 2015. Mr. Lam is the project manager of a subsidiary of GobiMin Inc., of which Mr. Felipe Tan, an executive Director, is the 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. The appointment of Mr. Lam as a non-executive Director of the

Company is of a term of one year and renewable annually. 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. Mr. Lam did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Lam is not interested in any ordinary shares, 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, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, Mr. Lam has 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 subparagraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

Independent non-executive Director

Ms. CHAN Choi Ling ("Ms. Chan"), aged 40, and was appointed as an independent non-executive Director in 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. The appointment of Ms. Chan as an independent non-executive director of the Company is of a term of one year and renewable annually. For the year ended 31 March 2015, Ms. Chan's total emolument, comprising director's fees, was approximately HK\$100,000. 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. Ms. Chan did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Chan is interested in 1,000,000 ordinary shares, but is not interested in any share options and underlying shares, of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Chan is not related to any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, Ms. Chan has 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 subparagraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.