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TIMELESS SOFTWARE LIMITED

天時軟件有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8028)

UPDATE ON THE DIVIDEND GUARANTEE IN RELATION TO THE SUBSCRIPTION OF SHARES IN DRAGON SILVER HOLDINGS LIMITED

Reference is made to the announcements of Timeless Software Limited (the “**Company**”) dated 29 December 2017 and 24 April 2020 (the “**Announcements**”) in relation to, among others, the subscription of approximately 8.86% of the issued share capital in Dragon Silver Holdings Limited. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, pursuant to the Subscription Agreement (as amended and supplemented by the Supplemental Agreement), the Guarantor has irrevocably warranted and guaranteed to the Subscriber that the amount of dividends declared and paid by the Target Company during each of the Relevant Years shall not be less than HK\$1.25 per share of the Target Company (the “**Guaranteed Dividend**”), where the Guaranteed Dividend for the Relevant Year shall be declared and paid within three months after the end of the Relevant Year (the “**Dividend Payment Deadline**”).

If, upon the expiry of the Dividend Payment Deadline, the dividend per share declared and paid by the Target Company for the Relevant Year (the “**Actual Dividend Paid**”) is less than the Guaranteed Dividend, the Guarantor shall compensate the Subscriber an amount calculated based on the following formula (the “**Dividend Compensation Amount**”) within five Business Days after the expiry of the relevant Dividend Payment Deadline:

$$\text{Dividend Compensation Amount} = (\text{Guaranteed Dividend} - \text{Actual Dividend Paid for the Relevant Year}) \times \text{Number of Subscription Shares (i.e. 600,000)}$$

As at 30 September 2020, i.e. the Dividend Payment Deadline for the financial year ended 30 June 2020 (“**FY2020**”) of the Target Company, the Target Company has not declared and paid any dividend to the Subscriber. On 9 October 2020, the Guarantor paid to the Subscriber the Dividend Compensation Amount for FY2020 of HK\$750,000.

As such, the Board (including the independent non-executive Directors) considers that the obligation of the Guarantor in respect of the Guaranteed Dividend for FY2020 has been fulfilled.

By Order of the Board
TIMELESS SOFTWARE LIMITED
Chan Mei Ying Spencer
Executive Director and Chief Executive Officer

Hong Kong, 9 October 2020

Executive Directors:

Mr. Chan Mei Ying Spencer (Chief Executive Officer)

Mr. Lam Kai Ling Vincent

Ms. Lau Yun Fong Carman

Mr. Ronald Tan

Independent non-executive Directors:

Ms. Chan Choi Ling

Mr. Lam Kwai Yan

Ms. Tsang Wai Chun Marianna

This announcement, for which the Directors of the Company 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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