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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE EXERCISE OF THE PUT OPTION TO DISPOSE OF
THE SHARES IN DRAGON SILVER HOLDINGS LIMITED**

EXERCISE OF PUT OPTION

The Board announces that on 16 February 2022 (after trading hours of the Stock Exchange), Dragon Ocean exercised the Put Option by delivering the Put Option Notice to Mr. Wu to sell all of the 600,000 Option Shares to Mr. Wu at the consideration of HK\$7,800,000.

GEM LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios under the GEM Listing Rules in respect of the exercise of the Put Option is more than 5% but is less than 25%, the exercise of the Put Option constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

BACKGROUND

Reference is made to the Previous Announcements of the Company dated 29 December 2017 and 24 April 2020 respectively in relation to, among others, the Subscription Agreement and the Put Option Deed.

As disclosed in the Previous Announcements, pursuant to the Subscription Agreement, Dragon Ocean agreed to subscribe for and the Target Company agreed to allot and issue 600,000 Option Shares (representing approximately 8.86% of the entire issued share capital of the Target Company as at the date of the Subscription Agreement and the date of this announcement) at the consideration of HK\$7,800,000.

As further disclosed in the Previous Announcements, Mr. Wu and Dragon Ocean had entered into the Put Option Deed at completion of the Subscription, pursuant to which Mr. Wu had granted to Dragon Ocean the Put Option to sell all but not part of the Option Shares to Mr. Wu at the consideration of HK\$7,800,000 within the period commencing from the fourth anniversary of the date of the Put Option Deed to the date falling five years from the date of the Put Option Deed (or such other period as agreed by Dragon Ocean and Mr. Wu). Dragon Ocean may exercise the Put Option during the period from 29 December 2021 to 28 December 2022.

EXERCISE OF PUT OPTION

The Board announces that on 16 February 2022 (after trading hours of the Stock Exchange), Dragon Ocean exercised the Put Option by delivering the Put Option Notice to Mr. Wu to sell all of the 600,000 Option Shares to Mr. Wu at the consideration of HK\$7,800,000.

The principal terms of the Put Option Notice are summarised below.

Date	:	16 February 2022
Parties	:	(i) Dragon Ocean as transferor; and (ii) Mr. Wu as transferee
Subject matter	:	600,000 Option Shares, representing approximately 8.86% of the entire issued share capital of the Target Company as at the date of this announcement
Consideration	:	HK\$7,800,000, which was determined based on the terms of the Put Option Deed and settled by Mr. Wu in cash upon completion of the Put Option
Completion	:	Completion of the transactions contemplated under the Put Option has taken place on 16 February 2022 after delivering the Put Option Notice

INFORMATION OF MR. WU

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Wu is an Independent Third Party.

As at the date of this announcement and without taking into account the transactions contemplated under the Put Option Notice, Mr. Wu is the sole director and the owner of approximately 73.85% of the issued share capital of the Target Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong on 14 August 2014 with limited liability. The Target Company is principally engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products. As at the date of this announcement and without taking into account the transactions contemplated under the Put Option Notice, the Target Company is owned as to approximately 73.85% by Mr. Wu, approximately 8.86% by Dragon Ocean, approximately 7.39% by Leader Max Development Limited and approximately 9.90% by GobiMin Investments Limited. GobiMin Investments Limited is a wholly-owned subsidiary of GobiMin Inc., the issued shares of which are listed on The TSX Venture Exchange. Mr. Felipe Tan, the Chairman and an executive Director of the Company, directly and indirectly owned approximately 70.51% equity interests in GobiMin Inc. as at the date of this announcement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Leader Max Development Limited and its ultimate beneficial owner are Independent Third Parties.

Set out below is a summary of the key financial data of the Target Company based on the audited accounts of the Target Company for the years ended 30 June 2020 and 30 June 2021 which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 30 June	
	2020	2021
	Audited	Audited
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	47,838	2,042,572
Net loss before taxation	(5,053)	(3,118)
Net loss after taxation	(4,856)	(3,118)

The unaudited net asset value of the Target Company as at 31 December 2021 was approximately HK\$21,457,000.

FINANCIAL EFFECTS OF THE EXERCISE OF THE PUT OPTION

Based on the unaudited management account of the Target Company for the 6 months ended 31 December 2021, the loss resulting from the transactions contemplated under the Put Option Notice is estimated to be in the amount of approximately HK\$2,192,000, which is arrived at based on the consideration in the amount of HK\$7,800,000 after deducting the aggregate fair value of the investments in the Target Company in the amount of HK\$9,992,000. The amount is subject to review and confirmation by the Company's auditors.

The aforesaid estimation is for illustrative purpose only and does not purport to represent how the financial position of the Group will be after completion of the transactions contemplated under the Put Option Notice.

INTENDED USE OF PROCEEDS

The Company intends to apply the net proceeds from the exercise of the Put Option of approximately HK\$7,600,000, as to promote the sale agency and biodegradable material project and diversify our investment to acquire more potential projects so as to maintain a healthy financial position and financial performance as well as for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE EXERCISE OF THE PUT OPTION

The Group are principally engaged in (i) the exploration, development and exploitation of mines; and (ii) research, development and sale agency of bio and nano materials products as well as investments in startup fund, software maintenance and development services. In addition to these operating segments, the Group has investments in various projects including e-sports tournament services, nano applications as well as smart farming solutions and services.

Having considered (i) the financial performance of the Target Company as set out above; and (ii) the exercise of the Put Option would allow the Group to realise its investment in the Target Company at the original acquisition cost, the Directors (including the independent non-executive Directors) consider that the exercise of the Put Option and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios under the GEM Listing Rules in respect of the exercise of the Put Option is more than 5% but is less than 25%, the exercise of the Put Option constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of the Directors
“Company”	Timeless Software Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8028)
“Director(s)”	director(s) of the Company

“Dragon Ocean”	Dragon Ocean Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is(are) not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Mr. Wu”	Mr. Wu Donghai
“Option Shares”	600,000 shares of the Target Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Announcements”	(i) the announcement of the Company dated 29 December 2017 in relation to, among others, the Subscription Agreement and the Put Option Deed; and (ii) the announcement of the Company dated 24 April 2020 in relation to the supplemental agreement to the Subscription Agreement
“Put Option”	the right granted by Mr. Wu to Dragon Ocean to sell all but not part of the Option Shares to Mr. Wu within a period commencing from the fourth anniversary of the date of the Put Option Deed to the date falling five years from the date of the Put Option Deed (or such other period as agreed by Dragon Ocean and Mr. Wu)
“Put Option Deed”	the option deed dated 29 December 2017 in respect of the grant of the Put Option by Mr. Wu to Dragon Ocean

“Put Option Notice”	the written notice dated 16 February 2022 and given by Drgaon Ocean to Mr. Wu to sell all of the Option Shares to Mr. Wu at the consideration of HK\$7,800,000
“Share(s)”	ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement (as amended and supplemented by a supplemental agreement thereto dated 24 April 2020) dated 29 Decembe 2017 and entered into between Dragon Ocean as subscriber, the Target Company as issuer, and Mr. Wu as guarantor in relation to, among others, the subscription by Dragon Ocean of the Option Shares at the consideration of HK\$7,800,000
“Target Company”	Dragon Silver Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which is owned as to approximately 73.85% by Mr. Wu, approximately 8.86% by Dragon Ocean, approximately 7.39% by Leader Max Development Limited and approximately 9.90% by GobiMin Investments Limited as at the date of this announcement and without taking into account the transactions contemplated under the Put Option Notice
“%”	per cent.

By Order of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 16 February 2022

Executive Directors:
Mr. Felipe Tan (Chairman)
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 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 Listed Company Information” 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.