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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agents**



太平洋基業證券有限公司  
Pacific Foundation  
Securities Limited



潮商證券有限公司  
ChaoShang Securities Limited

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 13 December 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents have conditionally agreed to place, on a best effort basis, up to an aggregate of 425,000,000 new Placing Shares to not less than six Placees at a price of HK\$0.095 per Placing Share. Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 425,000,000 Placing Shares represents: (a) approximately 17.80% of the existing issued share capital of the Company; and (b) approximately 15.11% of the issued share capital of the Company as enlarged by the Placing. The Placing Price of HK\$0.095 per Placing Share represents (i) a discount of approximately 5% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 4.43% to the average closing price of HK\$0.099 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Placing Shares will be issued under the General Mandate. Assuming all the Placing Shares are successfully placed by the Placing Agents and based on the estimated expenses of the Placing in the amount of approximately HK\$0.91 million, the gross and net proceeds from the Placing are estimated to be HK\$40.375 million and approximately HK\$39.5 million respectively. The Company intends to use the net proceeds from the Placing for repayment of the promissory note held by Starmax and accrued interest, general working capital of the Group and future investment opportunities as may be identified from time to time.

**Shareholders and potential investors should note that the Placing is subject to the fulfilment or waiver of the conditions precedent set out in the Placing Agreement, and may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

13 December 2016 (after trading hours).

### **Parties**

- (1) The Company (as the issuer); and
- (2) The Placing Agents (as the placing agents)

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agents are not interested in any Shares.

### **Placing**

The Placing Agents have conditionally agreed to place, on a best effort basis, up to an aggregate of 425,000,000 new Placing Shares to not less than six Placees at a price of HK\$0.095 per Placing Share. The Placing Agents shall use all reasonable endeavours to ensure that the Placees (being independent individual, professional or institutional investors) and their ultimate beneficial owners are Independent Third Parties and that none of the Placees will become a substantial shareholder of the Company as a result of the Placing (taking into account other securities held by such Placee at the time of his subscription of the Placing Shares). The Placing Agents will receive a placing commission of 2% on the gross proceeds attributable to the actual number of the Placing Shares placed.

### **Number of Placing Shares**

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 425,000,000 Placing Shares represents: (a) approximately 17.80% of the existing issued share capital of the Company; and (b) approximately 15.11% of the issued share capital of the Company as enlarged by the Placing.

### **Placing Price**

The Placing Price of HK\$0.095 per Placing Share represents (i) a discount of approximately 5% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 4.43% to the average closing price of HK\$0.099 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

### **Ranking of the Placing Shares**

The Placing Shares will, when issued and allotted, rank pari passu in all respects among themselves and with all other fully paid Shares in issue on the date of allotment and issue of such Placing Shares.

### **Conditions precedent to the Placing**

Completion of the Placing is conditional upon the fulfilment of the following conditions:

- (a) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agents); and
- (b) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the date of completion of the Placing.

If the conditions precedent in respect of the Placing are not fulfilled (or waived in respect of conditions (b) above) on or before 4:00 p.m. (Hong Kong time) on 9 January 2017 (or such other time and date as may be agreed between the Placing Agents and the Company), the Placing Agreement shall thereupon lapse and become null and void and all rights, obligations and liabilities of the parties in respect of the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any liability arising out of any antecedent breaches of the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing shall take place not later than 4:00 p.m. on the fifth business days after the date on which all the conditions precedent to the Placing have been fulfilled or waived (or such other time and date as may be agreed between the Placing Agents and the Company).

### **Termination of the Placing Agreement**

If at any time on or prior to 12:00 noon on the date of completion of the Placing:

- (i) there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agents, be likely to prejudice materially the consummation of the Placing; or
- (ii) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iii) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances;

then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the date of completion of the Placing.

In the event the Placing Agents terminate the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

### **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the annual general meeting on 29 July 2016 to allot and issue up to 477,576,360 Shares, representing 20% of the total number of Shares in issue of the Company at the date of passing of the ordinary resolution. The General Mandate has not been previously utilised prior to the issue of the Placing Shares. As the Placing Shares are to be issued under the General Mandate, the issue of the Placing Shares is not subject to any Shareholders' approval.

### **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full and there is no other change in the total number of Shares in issue of the Company from the date of this announcement):

Shareholders	As at the date of this announcement		After completion of the Placing	
	Shares	%	Shares	%
Starmax	513,894,400	21.52%	513,894,400	18.27%
Mr. Tan	133,308,000	5.58%	133,308,000	4.74%
	<u>647,202,400</u>	<u>27.10%</u>	<u>647,202,400</u>	<u>23.01%</u>
<b>Independent non-executive Directors:</b>				
Ms. Chan Choi Ling	1,200,000	0.05%	1,200,000	0.04%
Mr. Chan Mei Ying Spencer	1,800,000	0.08%	1,800,000	0.06%
Mr. Lam Kwai Yan	1,200,000	0.05%	1,200,000	0.04%
	<u>651,402,400</u>	<u>27.28%</u>	<u>651,402,400</u>	<u>23.16%</u>
<b>Places</b>	-	0.00%	425,000,000	15.11%
<b>Other Public Shareholders</b>	<u>1,736,479,403</u>	<u>72.72%</u>	<u>1,736,479,403</u>	<u>61.73%</u>
<b>Total</b>	<u>2,387,881,803</u>	<u>100.00%</u>	<u>2,812,881,803</u>	<u>100.00%</u>

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in two business lines, namely (i) the provision of computer consultancy and software maintenance services, software development, sales of computer hardware and software and e-Commerce services; and (ii) the exploration and exploitation of mines.

The Directors have considered various ways of raising funds in the capital market and consider that the Placing is an appropriate mean of raising additional capital for the Company in the circumstances, because the shareholder base of the Company can be enlarged and the asset base of the Group will be improved. The Placing, if completed, will better prepare the Group to take advantage of any future investment opportunities as they arise, and may help to expand the business scope of the Group.

Assuming all the Placing Shares are successfully placed by the Placing Agents and based on the estimated expenses of the Placing in the amount of approximately HK\$0.91 million, the gross and net proceeds from the Placing are estimated to be HK\$40.375 million and approximately HK\$39.5 million respectively. Therefore, the net price is approximately HK\$0.093 per Placing Share. The Company intends to use the net proceeds from the Placing for repayment of the promissory note held by Starmax and accrued interest, general working capital of the Group and future investment opportunities as may be identified from time to time.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents with reference to the historical trading prices of the Shares, the prevailing market sentiment and conditions, liquidity flow in the capital market and the Group's existing financial position. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agents with reference to prevailing market rates. The Directors consider that the terms of the Placing Agreement (including the Placing Price and

the placing commission) are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company had completed the open offer on 7 January 2016 whereby 397,980,300 Shares were allotted and issued to the qualifying shareholders of the Company with the relevant information listed below:

Date of announcements: 20 November 2015 and 7 January 2016

Event: Issued 397,980,300 offer shares at the subscription price of HK\$0.10 per offer share on the basis of one (1) offer share for every five (5) existing Shares

Net Proceeds: Approximately HK\$38.8 million

Intended use of proceeds: (i) Repayment of the promissory note held by Starmax and accrued interest of approximately HK\$10.9 million; (ii) repayment of amount due by the Group to Starmax of approximately HK\$5.3 million; and (iii) general working capital of the Group.

Actual use of proceeds: (i) Approximately HK\$10.9 million had been used for repayment of the outstanding principal of the promissory note and the accrued interests thereof; and (ii) the remaining balance of the proceeds had been used for general working capital of the Group

Saved as disclosed above, the Company has not conducted any equity fund raising activities for the 12 months immediately before the date of this announcement.

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the board of Directors;
“Company”	Timeless Software Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on GEM;
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules;
“Director(s)”	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;

“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting held on 29 July 2016 to allot and issue new Shares in the Company up to 477,576,360 Shares, representing 20% of the total number of Shares in issue of the Company at the date of passing of the ordinary resolution;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons;
“Last Trading Day”	12 December 2016, being the last trading day preceding the date of the Placing Agreement;
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange;
“Mr. Tan”	Mr. Felipe Tan, the Chairman, an executive Director and a substantial shareholder of the Company;
“Placees”	any independent individual, professional or institutional investors whom the Placing Agents and/ or any of their sub-placing agent(s) have procured to subscribe for any of the Placing Shares under the Placing;
“Placing”	the placing of the Placing Shares in accordance with the terms and conditions of the Placing Agreement;
“Placing Agents”	(i) Pacific Foundation Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO; and (ii) ChaoShang Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated 13 December 2016 in relation to the Placing;
“Placing Price”	HK\$0.095 per Placing Share;
“Placing Shares”	up to a maximum of 425,000,000 new Shares to be placed by the Placing Agents to the Placees in accordance with the terms and conditions of the Placing Agreement;
“SFC”	the Securities and Futures Commission of Hong Kong;

“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the issued capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Starmax”	Starmax Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned as to 100% by Mr. Tan who also directly holds 133,308,000 Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By Order of the Board  
**TIMELESS SOFTWARE LIMITED**  
**Felipe Tan**  
*Chairman*

Hong Kong, 13 December 2016

*Executive Directors:*

Mr. Felipe Tan (Chairman)  
Ms. Lau Yun Fong Carman

*Independent non-executive Directors:*

Ms. Chan Choi Ling  
Mr. Chan Mei Ying Spencer  
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 Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.timeless.com.hk).*