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Timeless Software Limited

(incorporated in Hong Kong with limited liability)

(Stock code: 8028)

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the Placing was completed on 9 December 2014 in accordance with the Placing Agreement. An aggregate of 201,700,000 Placing Shares have been successfully placed to not less than six Placees, who are Independent Third Parties, at the Placing Price of HK\$0.145 per Placing Share.

The Board further announces that all conditions of the Subscription had been fulfilled and completion of the Subscription took place on 15 December 2014 whereby 201,700,000 Subscription Shares were allotted and issued to the Vendor at the Subscription Price of HK\$0.145 per Subscription Share. The net proceeds from the Subscription are approximately HK\$28.95 million.

Reference is made to the announcement of Timeless Software Limited (the “Company”) dated 3 December 2014 (the “Announcement”) in relation to, among other things, the Placing Agreement and the Subscription Agreement. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

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The net proceeds from the Subscription are approximately HK\$28.95 million. The net price per Subscription Share was approximately HK\$0.144.

None of the Placees became substantial shareholders (as defined under the GEM Listing Rules) of the Company as a result of the Placing and the Subscription.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Placing and the Subscription:

Shareholders	Immediately before completion of the Placing and the Subscription		Immediately after completion of the Placing but before completion of the Subscription		After completion of both the Placing and the Subscription	
	Shares	%	Shares	%	Shares	%
Vendor	304,912,000	18.56%	103,212,000	6.28%	304,912,000	16.53%
Mr. Tan (<i>note 1</i>)	11,380,000	0.69%	11,380,000	0.69%	11,380,000	0.62%
	316,292,000	19.25%	114,592,000	6.97%	316,292,000	17.14%
Other substantial shareholder:						
Educational Information Technology (HK) Company Limited (<i>note 2</i>)	108,057,374	6.58%	108,057,374	6.58%	108,057,374	5.86%
Other Directors:						
Mr. Cheng Kin Kwan (<i>Chairman</i>)	223,800,000	13.62%	223,800,000	13.62%	223,800,000	12.13%
Mr. Law Kwai Lam (<i>note 3</i>)	38,325,000	2.33%	38,325,000	2.33%	38,325,000	2.08%
Ms. Leung Mei Sheung, Eliza	26,592,000	1.62%	26,592,000	1.62%	26,592,000	1.44%
Mr. Fung Chun Pong, Louis	488,000	0.03%	488,000	0.03%	488,000	0.03%
Mr. Liao Yun	11,800,000	0.72%	11,800,000	0.72%	11,800,000	0.64%
Mr. Zhang Ming	75,500,000	4.59%	75,500,000	4.59%	75,500,000	4.09%
Sub-total for other directors	376,505,000	22.91%	376,505,000	22.91%	376,505,000	20.41%
Total for non-public shareholders	800,854,374	48.74%	599,154,374	36.46%	800,854,374	43.41%
Placees	-	0.00%	201,700,000	12.27%	201,700,000	10.93%
Other Public Shareholders	842,337,129	51.26%	842,337,129	51.26%	842,337,129	45.66%
Total	<u>1,643,191,503</u>	<u>100.00%</u>	<u>1,643,191,503</u>	<u>100.00%</u>	<u>1,844,891,503</u>	<u>100.00%</u>

Notes:

- In addition to 5,062,000 Shares owned by Mr. Tan as at the date of the Announcement, these Shares also included the 6,318,000 shares purchased by Mr. Tan thereafter. On 8 December 2014, 9 December 2014, 10 December 2014, 11 December 2014 and 12 December 2014, Mr. Tan purchased 2,764,000, 654,000, 862,000, 1,594,000 and 444,000 Shares from public shareholders respectively.
- These Shares were held in trust for 寧夏教育信息技術股份有限公司 (Ningxia Educational Information Technology Company Limited), a company which is owned as to 25.035% by the Group.
- Of these Shares, 28,325,000 Shares are held by a private company which is wholly-owned by Mr. Law Kwai Lam.

By Order of the Board
Timeless Software Limited
Cheng Kin Kwan
Chairman & Chief Executive Officer

Hong Kong, 15 December 2014

As at the date hereof, Mr. Cheng Kin Kwan (Chairman), Mr. Law Kwai Lam, Ms. Leung Mei Sheung Eliza, Mr. Fung Chun Pong Louis, Mr. Liao Yun, Mr. Felipe Tan, Mr. Zhang Ming and Ms. Lau Yun Fong Carman are executive directors of the Company; and Ms. Tsang Wai Chun Marianna, Mr. Chan Mei Ying Spencer, Mr. Lam Kwai Yan and Ms. Chan Choi Ling are independent non-executive directors of the Company.

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 for at least seven days from the date of its publication and on the Company’s website at www.timeless.com.hk.