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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 DISPOSAL OF 25.04% EQUITY INTERESTS IN AN ASSOCIATE

The Board announces that on 29 September 2017, the Company and the Purchaser entered into the Agreement pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing 25.04% of the issued share capital of the Target Company, for a total consideration of RMB5,752,500. Upon Completion, the Target Company ceased to be an associate of the Company and the Group ceased to hold, directly or indirectly, any interest in the Target Company.

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE DISPOSAL

On 29 September 2017, the Company and the Purchaser entered into the Agreement pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing 25.04% of the issued share capital of the Target Company, for a total consideration of RMB5,752,500. Details of the Agreement are as follows:

The Agreement

Date : 29 September 2017

Parties : (i) The Company as vendor; and
(ii) Ningxia Guarantee Group Co., Ltd.* as purchaser.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Assets to be disposed

Pursuant to the Agreement, the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares, representing 25.04% of the issued share capital of the Target Company.

Consideration

Pursuant to the Agreement, the Consideration payable by the Purchaser for the Sale Share is RMB5,752,500 (equivalent to approximately HK\$6,718,000). The Consideration was received in full in cash by the Company upon Completion.

The Consideration was determined after arm's length negotiation between the Company and the Purchaser with reference to, among other things, (i) the valuation of the Target Company; and (ii) unaudited net asset value of the Target Company as at 31 August 2017.

Having considered the above and the factors described in the paragraph headed "Reasons for and benefits of the Disposal" below, the Directors consider the Consideration to be fair and reasonable and on normal commercial terms and in the interest of the Shareholders as a whole.

Completion

Completion took place immediately upon the execution of the Agreement.

Upon Completion, the Target Company ceased to be an associate of the Company and the Group ceased to hold, directly or indirectly, any interest in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability and is an associate of the Company prior to the Disposal. The Target Company is principally engaged in software development; integrated wiring; research, development, manufacturing and sales of information product; information technology services; installation of information equipment; information technology consulting and training in the PRC, but has no active operation for the two preceding financial years.

As at 31 August 2017, the unaudited net asset value of the Target Company was RMB24,682,000. The unaudited net loss before and after tax of the Target Company were RMB10,000 for the year ended 31 December 2016 and were RMB501,000 for the year ended 31 December 2015.

Prior to the Disposal, the Company owned 25.04% of the equity interests of the Target Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of consultancy and software maintenance services, software development, sales of computer hardware and software and e-Commerce services; and the exploration and exploitation of mines.

Based on (i) the interest of the Group in the Target Company as an associate of approximately HK\$5.2 million as at 31 August 2017; (ii) the reclassification of the relevant reserves as a result of the Disposal; and (iii) the Consideration, it is estimated that the Group will record a gain of approximately HK\$3.0 million as a result of the Disposal. The actual gain or loss of the Disposal to be recorded by the Group is subject to audit.

The proceeds from the Disposal will be applied towards the general working capital of the Group and as funds for future development of the Group when investment opportunities arise. Accordingly, the Disposal will enable the Group to increase its working capital, and will improve the liquidity and strengthen the overall financial position of the Group.

The Board considers that the Disposal can facilitate the Company to realise its investment in the Target Company and streamline its businesses. Taking into account the opportunity to reallocate financial resources after the Disposal, the Directors consider that the terms and conditions of the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, none of the Directors has a material interest in the Disposal contemplated under the Agreement as at the date of this announcement.

IMPLICATION OF THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Agreement”	the sale and purchase agreement dated 29 September 2017 entered into between the Company and the Purchase in relation to the Disposal
“Board”	the board of Directors
“Company”	Timeless Software Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with terms and conditions of the Agreement
“Consideration”	the sum of RMB5,752,500 (equivalent to approximately HK\$6,718,000), being the consideration for the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares subject to the terms and conditions of the Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Ningxia Guarantee Group Co., Ltd.* 寧夏擔保集團有限公司, a company incorporated in the PRC with limited liability and principally engaged in provision of guarantee, consultancy and investment services
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	8,850,000 shares in the Target Company, representing 25.04% of the issued share capital of the Target Company
“Share(s)”	ordinary share(s) 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
“Target Company”	Ningxia Educational Information & Technology Co., Ltd.* 寧夏教育信息技術股份有限公司, a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

* For identification purposes only

By Order of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 29 September 2017

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