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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF NEW INVESTMENT COMPANY

This announcement is made voluntarily by TIMELESS SOFTWARE LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 29 November 2017 (after trading hours), Timeless IT Limited (“**Timeless IT**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (the “**Agreement**”) with T12M Ventures Limited (“**T12M**”) in respect of the formation of a new investment company (the “**New Company**”) in Hong Kong for investment in potential startups with the vision to create value for the Hong Kong IT startup ecosystem in the seed, angel to pre-A funding landscape and to build a strong angel investment holding which could capitalize the coming IT trend and the future potential of startup economy by their individual strengths, so as to maximize the return on capital.

THE AGREEMENT DATED 29 NOVEMBER 2017

Parties

- (i) Timeless IT; and
- (ii) T12M. T12M is an investment holding company incorporated in Hong Kong with limited liability, engaging in technology and business investing activities by “buy and build” value creating model to realize the potential of investments. T12M also builds digital assets like platforms, solutions to solve public problems through the use of different evolving digital media.

To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, T12M and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).

Capital Contribution

The total investment of the New Company will be HK\$10,000,000, comprising share capital of HK\$1,000,000 and shareholder loan of HK\$9,000,000, of which Timeless IT contributed 90.1% and T12M contributed 9.9%. The percentage of equity interest in the New Company,

and the amount of contribution to share capital and shareholder loan are as follows:

Shareholder	% of Equity Interest	Share Capital HK\$	Shareholder Loan HK\$	Total Contribution HK\$
Timeless IT	90.1%	901,000	8,109,000	9,010,000
T12M	9.9%	99,000	891,000	990,000
Total	<u>100.0%</u>	<u>1,000,000</u>	<u>9,000,000</u>	<u>10,000,000</u>

All contribution by Timeless IT and T12M will be settled in cash. The shareholder loan is interest-free and is repayable only with consent of both Timeless IT and T12M or upon close of the New Company subject to the funding available.

Operation of the New Company

Following the completion of formation of the New Company, the New Company and T12M will enter into a management agreement to appoint T12M as the investment manager of the New Company, representing by Mr. Lam Yat Fung Alvin, the sole director of T12M, responsible to the board of directors of the New Company for all the deal seeking, investment operations, management and administration works.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

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.

After restructuring its software business, the Group has been kept seeking opportunities to explore new potential projects in order to diversify its business operation. As the gold mining operation is expected to be ended during the fourth quarter of the year, the Group has more flexibility to use its currently available resources to invest in promising operations to generate more returns to the shareholders of the Company. The Board considers that the operation of the New Company can facilitate the Group to diversify its businesses and participate into various IT projects.

The Board also considers that the terms and conditions of the Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

IMPLICATION OF THE GEM LISTING RULES

As none of the applicable percentage ratio (as defined under the GEM Listing Rules) under the Agreement exceeds 5%, the investment in and formation of the New Company does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules.

Potential investors and the shareholders of the Company are advised to exercise caution when dealing in the ordinary share(s) in the share capital of the Company.

By Order of the Board
TIMELESS SOFTWARE LIMITED
Felipe Tan
Chairman

Hong Kong, 29 November 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.