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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **TIMELESS SOFTWARE LIMITED** (the “**Company**”), you should at once hand this circular to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**(1) RE-ELECTION OF DIRECTORS;  
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

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The notice of the annual general meeting of the Company to be held at IBIS Hong Kong Central & Sheung Wan Hotel, Meeting Room (Soho 2), 6/F., No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 2 September 2021 at 4:00 p.m. is set out on pages 9 to 13 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of publication and on the Company’s website at [www.timeless.com.hk](http://www.timeless.com.hk).

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at IBIS Hong Kong Central & Sheung Wan Hotel, Meeting Room (Soho 2), 6/F., No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 2 September 2021 at 4:00 p.m. or any adjournment thereof
“Articles”	the articles of association of the Company as amended and adopted from time to time
“Associate(s)”	shall have the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“Buy-back Mandate”	the proposed general mandate to be granted to the Directors to exercise power of the Company to buy back Shares on the Stock Exchange not exceeding 10% of the total number of Shares in issue as at the date of the Annual General Meeting
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	TIMELESS SOFTWARE LIMITED, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the rules governing the listing of securities on GEM made by the Stock Exchange from time to time
“Group”	the Company and all of its subsidiaries from time to time

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	Hong Kong, the Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Nomination Committee”	nomination committee of the Company
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out on pages 9 to 13 of this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Notice of Annual General Meeting
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of the Annual General Meeting
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	shall have the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission

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LETTER FROM THE BOARD

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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)**

***Executive Directors:***

Mr. Felipe TAN (*Chairman*)

Mr. LAM Kai Ling Vincent

Ms. LAU Yun Fong Carman

Mr. Ronald TAN

***Registered Office:***

Room 2208,

118 Connaught Road West,

Hong Kong

***Independent Non-executive Directors:***

Ms. CHAN Choi Ling

Mr. LAM Kwai Yan

Ms. TSANG Wai Chun Marianna

28 June 2021

*To the Shareholders*

Dear Sir/Madam,

**(1) RE-ELECTION OF DIRECTORS;  
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information relating to the Ordinary Resolutions to be proposed at the Annual General Meeting involving but not limited to (a) re-election of Directors; and (b) the Buy-back Mandate and the Share Issue Mandate.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

The Board currently consists of seven members, including the following Directors:

#### **Executive Directors**

- (1) Mr. Felipe Tan
- (2) Mr. Lam Kai Ling Vincent
- (3) Ms. Lau Yun Fong Carman
- (4) Mr. Ronald Tan

#### **Independent Non-executive Directors**

- (5) Ms. Chan Choi Ling
- (6) Mr. Lam Kwai Yan
- (7) Ms. Tsang Wai Chun Marianna

In accordance with Article 96 of the Articles, Mr. Felipe Tan, being Director appointed on 17 March 2021, shall hold office only until the Annual General Meeting and, being eligible, has offered himself for re-election at the Annual General Meeting.

In accordance with Article 105(A) of the Articles, Ms. Tsang Wai Chun Marianna (“**Ms. Tsang**”) and Ms. Chan Choi Ling (“**Ms. Chan**”) shall retire by rotation and be eligible for re-election at the Annual General Meeting. Ms. Tsang and Ms. Chan have offered themselves for re-election at the Annual General Meeting.

Ms. Tsang was appointed on 16 October 2003 and has served the Company as independent non-executive Director for more than nine years as at the Latest Practicable Date.

Code provision A.4.3 of Appendix 15 Corporate Governance Code and Corporate Governance Report of the GEM Listing Rules recommends that serving more than nine years could be relevant to the determination of a non-executive Director’s independence and that any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by Shareholders. Accordingly, further appointment of Ms. Tsang should be subject to a separate resolution to be approved by Shareholders.

Regarding the appointment of Ms. Tsang and Ms. Chan as independent non-executive Directors, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 5.09 of the GEM Listing Rules and affirmed that Ms. Tsang and Ms. Chan remain independent; (ii) the Nomination Committee of the Company (excluding Ms. Tsang and Ms. Chan who have abstained from voting) has assessed and is satisfied with the independence of Ms. Tsang and Ms. Chan; and (iii) the Board considers that Ms. Tsang and Ms. Chan remain independent of management of the Group and free of any relationship which could materially interfere with the exercise of their independent

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## LETTER FROM THE BOARD

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judgement. In view of the factors above and the fact that the experience and knowledge of the relevant individual in the business sector in which the Company operates, the Board would recommend them for re-election at the Annual General Meeting.

Particulars of each of the Directors proposed to be re-elected are set out in appendix II to this circular. At the Annual General Meeting, Ordinary Resolutions will be proposed to approve their re-election.

### **3. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES**

At the last annual general meeting of the Company held on 3 September 2020, the Directors were granted a general mandate to allot and issue Shares and a general mandate to buy back Shares. These mandates will lapse at the conclusion of the Annual General Meeting.

#### **Buy-back Mandate**

An Ordinary Resolution will be proposed at the Annual General Meeting that the Directors will be given the Buy-back Mandate to exercise all powers of the Company to buy back issued Shares of the Company on the Stock Exchange in aggregate up to 10% of the total number of Shares in issue as at the date of passing such resolution.

As at the Latest Practicable Date, the Company has an aggregate of 2,812,881,803 Shares in issue. Subject to the passing of the resolution for the approval of the Buy-back Mandate and on the basis that no further Shares will be issued or bought back between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised to buy back Shares up to a limit of 281,288,180 Shares, representing 10% of the total number of Shares in issue as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution numbered 5(i).

#### **Share Issue Mandate**

An Ordinary Resolution will be proposed at the Annual General Meeting that the Directors will be given the Share Issue Mandate to exercise all powers of the Company to allot, issue and deal with additional Shares up to 20% of the total number of Shares in issue as at the date of passing such resolution.

Subject to the passing of the resolution for the approval of the Share Issue Mandate and on the basis that no further Shares will be issued or bought back between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised under the Share Issue Mandate to allot, issue and deal with up to a limit of 562,576,360 Shares, representing 20% of the total number of Shares in issue as at the date of passing such resolution. The relevant resolution is set out as Ordinary Resolution numbered 5(ii).



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## LETTER FROM THE BOARD

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An Ordinary Resolution will also be proposed at the Annual General Meeting to authorise the extension of the general mandate to issue new Shares by adding to the mandate the number of Shares to be bought back by the Company under the Buy-back Mandate in the terms set out in Ordinary Resolution numbered 5(iii).

In addition, Shareholders should note that the Buy-back Mandate and the Share Issue Mandate (including the extended Share Issue Mandate) will continue to be in force during the period from the date of passing the resolutions for the approval of the Buy-back Mandate and the Share Issue Mandate until the conclusion of the next annual general meeting of the Company or an earlier date as referred to in paragraph (c) of the Ordinary Resolution numbered 5(i) or paragraph (d) of the Ordinary Resolution numbered 5(ii), as the case may be.

### **Explanatory statement**

An explanatory statement as required under Rule 13.08 of the GEM Listing Rules to provide the requisite information of the Buy-back Mandate is set out in appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Buy-back Mandate at the Annual General Meeting.

### **4. 2021 ANNUAL GENERAL MEETING**

The Notice of Annual General Meeting to be held at IBIS Hong Kong Central & Sheung Wan Hotel, Meeting Room (Soho 2), 6/F., No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 2 September 2021 at 4:00 p.m. is set out on pages 9 to 13 of this circular.

The Ordinary Resolutions to approve the re-election of Directors and the granting of the Buy-back Mandate and the Share Issue Mandate will be proposed at such meeting.

In accordance with Rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman of the meeting will therefore demand a poll for each of the resolutions put to the vote at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event, so as to be received not less than 48 hours before the time

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## LETTER FROM THE BOARD

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appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting, or any adjournment thereof, should you so wish and in such event, the form of proxy should be deemed to be revoked.

### **5. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 27 August 2021 to Thursday, 2 September 2021 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 26 August 2021.

### **6. RESPONSIBILITY STATEMENT**

This circular, 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 circular 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 circular misleading.

### **7. RECOMMENDATION**

The Directors consider that approvals for the re-election of Directors and the granting of the Buy-back Mandate and the Share Issue Mandate are in the best interests of the Company and its Shareholders and so recommend you to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting. Shareholders should note that the Directors will exercise their voting rights in respect of all of their shareholdings (if any) in favour of the Ordinary Resolutions.

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## LETTER FROM THE BOARD

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### 8. GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board of  
**TIMELESS SOFTWARE LIMITED**  
**Felipe Tan**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of TIMELESS SOFTWARE LIMITED (the “**Company**”) will be held at IBIS Hong Kong Central & Sheung Wan Hotel, Meeting Room (Soho 2), 6/F., No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 2 September 2021 at 4:00 p.m. (the “**Annual General Meeting**”) to consider and, if thought fit, pass the following ordinary resolutions of the Company:

As ordinary business:

- (1) To receive and consider the audited financial statements together with the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2021;
- (2)
  - (i) To re-elect Mr. Felipe Tan as an executive Director;
  - (ii) To re-elect Ms. Tsang Wai Chun Marianna as an independent non-executive Director;
  - (iii) To re-elect Ms. Chan Choi Ling as an independent non-executive Director;
- (3) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
- (4) To re-appoint HLB Hodgson Impey Cheng Limited as the Company’s auditors to hold office until conclusion of the next annual general meeting and to authorise the Board to fix their remuneration; and

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

- (5)
  - (i) “**THAT**
    - (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereunder) of all powers of the Company to buy back ordinary shares (the “**Shares**”) of the Company in issue on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock**

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## NOTICE OF ANNUAL GENERAL MEETING

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**Exchange**”) or any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Future Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, in accordance with the rules and regulations of SFC, the Stock Exchange or of any such other exchange from time to time and all applicable laws in this regard be and is hereby generally and unconditionally approved;

- (b) the total number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall be no more than 10% of the total number of Shares in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earlier of:

- (A) the conclusion of the next annual general meeting of the Company;
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “**Articles**”) or any applicable law to be held; and
- (C) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(ii) “**THAT**

- (a) subject to paragraph (c) of this resolution and pursuant to the rules governing the listing of securities on GEM, the exercise by the Directors during the Relevant Period (as defined hereunder) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants and securities convertible into Shares), which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, which might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (A) a Rights Issue (as defined hereunder), (B) the exercise of options granted under any share option scheme adopted by the Company from time to time and (C) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles in force from time to time shall not exceed the aggregate of:
- (i) 20% of the total number of Shares in issue at the date of passing this resolution; and
  - (ii) (if the Directors are so authorised by a separate ordinary resolution of the Company) the total number of Shares bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue at the date of passing this resolution) and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this Resolution until whichever is the earlier of:

- (A) the conclusion of the next annual general meeting of the Company;
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held;
- (C) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Company or by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) “**THAT** the Directors be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution numbered 5(ii) in this notice in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution”.

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

Hong Kong, 28 June 2021

*Registered Office:*

Room 2208, 118 Connaught Road West, Hong Kong

*Notes:*

1. A Shareholder of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice may appoint one or more proxies to attend the Annual General Meeting and vote on a poll instead of him. A proxy need not be a Shareholder of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney must be deposited at the office of the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
3. In the case of joint holders of any shares in the Company any one of such joint holders may vote at the Annual General Meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stand first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. For the purpose of determining shareholders’ entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 27 August 2021 to Thursday, 2 September 2021 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 26 August 2021.
5. Particulars of Mr. Felipe Tan, Ms. Tsang Wai Chun Marianna and Ms. Chan Choi Ling who offer themselves for re-election are provided in appendix II to the Company’s circular dated 28 June 2021.
6. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 12:00 noon on the date of the Annual General Meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at [www.timeless.com.hk](http://www.timeless.com.hk) and on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) to notify Shareholders of the date, time and place of the rescheduled meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting against the epidemic to protect the Shareholders from the risk of infection:
- (i) Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
  - (ii) Every Shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
  - (iii) No food and beverage service will be served.

Furthermore, the Company wishes to advise the Shareholders, particularly Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Annual General Meeting as a proxy to vote on the resolution, instead of attending the Annual General Meeting in person.



*This appendix serves as an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the buy-back of Shares up to a maximum of 10% of the total number of Shares in issue as at the date of approval for the Buy-back Mandate. This explanatory statement also constitutes the memorandum required under the Companies Ordinance.*

### **1. MAXIMUM NUMBER OF SHARES TO BE BOUGHT BACK**

A maximum of 10% of the total number of Shares in issue at the date of the proposed resolution may be bought back on the Stock Exchange. As at the Latest Practicable Date, the number of Shares in issue was 2,812,881,803 Shares. Subject to the passing of the resolution for the approval of the Buy-back Mandate and on the basis that no further Shares will be issued or bought back between the Latest Practicable Date and the date of passing such resolution, the Directors would be authorised to buy back Shares up to a limit of 281,288,180 Shares, representing 10% of the total number of Shares in issue as at the date of passing such resolution.

### **2. REASONS FOR THE BUY-BACK MANDATE**

The Directors have no present intention to buy back any Shares. It is not possible to anticipate in advance those circumstances in which the Directors might consider it appropriate to buy back Shares, but Shares would only be bought back in circumstances where the Directors consider that the buy-back would be in the best interests of the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net assets and/or earnings per Share.

### **3. SOURCE OF FUNDS**

It is expected that the funds required for buy-back of Shares under the Buy-back Mandate will be funds legally available for the buy-back under the Companies Ordinance and in accordance with the Articles.

### **4. MATERIAL ADVERSE IMPACT**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements) in the event that authorised buy-back of Shares is carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined under the GEM Listing Rules) has any present intention, in the event that the Buy-back Mandate is granted by Shareholders, to sell Shares to the Company.

No core connected person of the Company as defined in the GEM Listing Rules has notified the Company that he/she has a present intention to sell any Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make buy-backs of Shares.

## 6. EFFECT OF TAKEOVERS CODE

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any buy-back made under the Buy-back Mandate.

In the event that the Directors exercise in full the power to buy back Shares which is proposed to be granted pursuant to the Ordinary Resolution numbered (5)(i), then (based on the present shareholdings as at the Latest Practicable Date) the shareholding of Mr. Felipe Tan<sup>(note)</sup> would be increased from approximately 29.76% to approximately 33.07%. In the opinion of the Directors, such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. However, the Directors have no present intention to exercise the buy-back of Shares to an extent that would result in such takeover obligations.

*Note:* Mr. Felipe Tan (“**Mr. Tan**”) has an interest in 837,202,400 Shares, representing approximately 29.76% of the issued Shares of the Company. The interest includes: (i) 159,128,000 Shares directly held by Mr. Tan; and (ii) 678,074,400 Shares held by Starmax Holdings Limited, a company which is beneficially owned as to 100% by Mr. Tan. By virtue of the Securities and Futures Ordinance, Mr. Tan is therefore deemed to have an interest in the Shares in which Starmax Holdings Limited is interested.

## 7. SHARE PRICES

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices per Share on the Stock Exchange were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
June 2020	0.050	0.024
July 2020	0.049	0.028
August 2020	0.040	0.028
September 2020	0.060	0.027
October 2020	0.055	0.032
November 2020	0.043	0.031
December 2020	0.045	0.032
January 2021	0.040	0.031
February 2021	0.063	0.038
March 2021	0.052	0.040
April 2021	0.055	0.039
May 2021	0.056	0.042
June 2021 (up to the Latest Practicable Date)	0.050	0.043

## 8. SHARES BOUGHT BACK BY THE COMPANY

The Company has not bought back any of its Shares (whether on the Stock Exchange or otherwise) during the six months prior to the date of this circular.

## 9. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-back pursuant to the Buy-back Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of Hong Kong.

**PARTICULARS OF EXECUTIVE DIRECTORS**

**Mr. Felipe Tan** (“**Mr. Tan**”), aged 66, has been re-appointed as an executive Director and Chairman of the Company since 17 March 2021. Mr. Tan was appointed as an executive Director on 30 September 2012 and Chairman of the Company on 29 July 2016 and resigned on 12 September 2019. He is also directors of certain subsidiaries of the Company. He has over 40 years of experience in metals trading including over 22 years of management experience in mining industry in the PRC. Mr. Tan is also the chairman of the board, president and chief executive officer of GobiMin Inc. (“**GobiMin**”), the shares of which are listed on the TSX Venture Exchange in Canada (symbol: GMN). GobiMin and its subsidiaries are principally engaged in the investment in equity, debt or other securities as well as direct ownership stakes in projects, including the development of mineral properties, mainly in Xinjiang, PRC. He had been an executive director of Loco Hong Kong Holdings Limited, the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited (stock code: 8162), from February 2014 to July 2019 and had been a director of Jiangmen Proudly Water-soluble Plastic Co., Ltd., the shares of which were traded on the NEEQ (NEEQ:833367) in the PRC, from September 2015 to December 2019.

Save as aforesaid, Mr. Tan did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Tan is the substantial shareholder of the Company and is interested in 837,202,400 ordinary shares and 2,000,000 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Tan is the father of Mr. Ronald Tan, the executive Director of the Company. Save as disclosed above, Mr. Tan is not related to any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

The Company has entered into a service agreement with Mr. Tan in respect of his appointment as the executive Director and Chairman of the Company which will continue until terminated by either party giving to the other party not less than three months’ notice in writing. In accordance with the Articles of the Company, Mr. Tan shall hold office until the next general meeting of the Company and shall then be eligible for re-election. Thereafter, Mr. Tan will be subject to the retirement and re-election requirements in accordance with the Company’s Articles. Mr. Tan will not receive any director fee from the Company but is entitled to an annual salary of approximately HK\$883,000 and discretionary bonus from the Group, as determined by the Board with reference to his duties and responsibilities in the Group, comparable market statistics and the recommendation from the nomination and remuneration committees of the Company. From the date of the appointment on 17 March 2021 to 31 March 2021, he did not receive director fee but his total emolument, comprising salaries and other benefits, and retirement benefits scheme contributions, was approximately HK\$65,000. The emoluments of the directors of the

Company are determined by the remuneration committee, having regard to the Company's operating results and comparable market statistics.

Save as disclosed above, Mr. Tan has no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

### **PARTICULARS OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Ms. Tsang Wai Chun Marianna (“Ms. Tsang”)**, aged 66, has been appointed as an independent non-executive Director since 16 October 2003. She is the Managing Director of TWC Management Limited. She is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Chartered Governance Institute in UK and the Hong Kong Institute of Chartered Secretaries. She is also a member of the Taxation Institute of Hong Kong, the Society of Registered Financial Planners, the Chartered Institute of Arbitrators, the Institute of Financial Accountants and the Institute of Public Accountants in Australia and the Association of International Accountants in UK. She obtained a postgraduate certificate in Professional Accounting. Ms. Tsang had been a member of the Board of Review (Inland Revenue Ordinance) from 2010 to 2015. She has over 30 years working experience covering the spectrum of accounting, company secretarial, corporate affairs, and related legal working experience in major commercial corporations and in professional firms. Ms. Tsang was an independent non-executive director of Loco Hong Kong Holdings Limited, the shares of which are listed on GEM (stock code: 8162), from 22 July 2014 to 28 June 2019. The appointment of Ms. Tsang as an independent non-executive Director of the Company is of a term of one year and renewable annually. For the year ended 31 March 2021, Ms. Tsang's total emolument, comprising director's fee, was approximately HK\$126,000. The emoluments of the directors of the Company are determined by the remuneration committee, having regard to the Company's operating results and comparable market statistics. Save as disclosed above, Ms. Tsang did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Tsang is not interested in any Shares, but interested in 1,000,000 share options and underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Tsang is not related to any Directors, senior management, Substantial Shareholders, or controlling Shareholders of the Company.

Save as disclosed above, Ms. Tsang has no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

**Ms. Chan Choi Ling** (“**Ms. Chan**”), aged 46, has been appointed as an independent non-executive Director since 30 September 2012. Ms. Chan is a qualified solicitor in Hong Kong. She obtained her Bachelor of Laws degree from the City University of Hong Kong. Ms. Chan has over 15 years’ experience in civil litigation. Ms. Chan currently is a consultant in two law firms in Hong Kong. The appointment of Ms. Chan as an independent non-executive director of the Company is of a term of one year and renewable annually. For the year ended 31 March 2021, Ms. Chan’s total emolument, comprising director’s fee, was approximately HK\$126,000. The emoluments of the directors of the Company are determined by the remuneration committee, having regard to the Company’s operating results and comparable market statistics. Ms. Chan did not hold any directorship in other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Chan is interested in 1,200,000 Shares, and in 1,000,000 share options and underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Chan is not related to any Directors, senior management, Substantial Shareholders, or controlling Shareholders of the Company.

Save as disclosed above, Ms. Chan has no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders.

#### **NOMINATION POLICY AND RE-ELECTION OF DIRECTORS**

The Nomination Committee and the Board have followed the nomination policy and board diversity policy of the Company for the re-appointment of Mr. Tan as executive Director, Ms. Tsang and Ms. Chan as independent non-executive Directors. In reviewing the structure of the Board, the Nomination Committee and the Board will consider the Board diversity from several aspects, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and length of service. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee, after having reviewed the profile of the Directors who have offered themselves for re-appointment at the Annual General Meeting to consider their suitability in light of the structure, size and composition of the Board, nominated Mr. Tan, Ms. Tsang and Ms. Chan to the Board for it to recommend to Shareholders for re-election as Directors at the Annual General Meeting. Ms. Tsang and Ms. Chan, who are members of and present at the meeting of the Nomination Committee, abstained from voting at the meeting of the Nomination Committee when their nominations were being considered. The Board

accepted the nomination by the Nomination Committee and recommended Mr. Tan, Ms. Tsang and Ms. Chan to stand for re-election by the Shareholders at the Annual General Meeting.

In recommending Ms. Tsang and Ms. Chan to stand for re-election as independent non-executive Directors, the Nomination Committee has considered backgrounds and attributes of Ms. Tsang and Ms. Chan as mentioned in “Particulars of Independent Non-executive Directors” above.

The Nomination Committee considered that in view of their diverse and different educational backgrounds and professional knowledge and experience in the respective fields of corporate finance, business development, accounting, legal and related working experience as mentioned above, Ms. Tsang and Ms. Chan as independent non-executive Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointment will contribute to the diversity (particularly in terms of skills) of the Board appropriate to the requirements of the Company’s business.

The Nomination Committee also assessed and reviewed the annual confirmation of independence based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules of Ms. Tsang and Ms. Chan and re-affirmed their independence.