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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) PROPOSED ADOPTION OF  
THE NEW SHARE OPTION SCHEME;  
(2) PROPOSED CHANGE OF COMPANY NAME;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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The notice of the Extraordinary General Meeting of the Company to be held at Best Western Plus Hotel Hong Kong, Jasmine Room, 3/F., 308 Des Voeux Road West, Hong Kong on Monday, 25 September 2023 at 5:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same day, or any adjournment thereof) is set out on pages 15 to 16 of this circular. A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular.

Whether or not you are able to attend the Extraordinary 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 Extraordinary General Meeting or any adjournment thereof. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Extraordinary 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 Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of publication and on the Company’s website at [www.timeless.com.hk](http://www.timeless.com.hk).

21 August 2023

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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:*

“Adoption Date”	being the date on which the New Share Option Scheme becomes unconditional;
“Allotment Date”	the date on which Shares are allotted and issued to a Grantee pursuant to the exercise of the rights attaching to an Option granted and exercised under the New Share Option Scheme;
“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;
“Change of Company Name”	the proposed change of the English name of the Company from “Timeless Software Limited” to “Timeless Resources Holdings Limited” and its Chinese name from “天時軟件有限公司” to “天時資源控股有限公司”;
“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;
“Eligible Participant(s)”	any Employee Participant and any Related Entity Participant (provided that the Board may have absolute discretion to determine whether or not one falls within the above category);

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## DEFINITIONS

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“Employee Participant(s)”	any Director (including an independent non-executive Director) and employee (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of the Company or any of its subsidiaries (including persons who are granted Options or awards under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group) who in the sole discretion of the Board has contributed or will contribute to the Group;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the New Share Option Scheme;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Best Western Plus Hotel Hong Kong, Jasmine Room, 3/F., 308 Des Voeux Road West, Hong Kong on Monday, 25 September 2023 at 5:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same day, or any adjournment thereof);
“2013 Share Option Scheme”	the existing share option scheme previously adopted by the Company on 25 September 2013;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules;
“GEM Listing Rules”	the rules governing the listing of securities on GEM of the Stock Exchange from time to time;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme;
“Group”	the Company and all of its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	16 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

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## DEFINITIONS

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“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Extraordinary General Meeting, a summary of the principal terms of which is set out in the Appendix to this circular;
“Notice of Extraordinary General Meeting”	the Notice of Extraordinary General Meeting as set out on pages 15 to 16 of this circular;
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme;
“Offer Date”	the date on which an Offer is made to Eligible Participant(s);
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for Shares granted pursuant to the terms of the New Share Option Scheme;
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme;
“Ordinary Resolution”	the proposed ordinary resolution as referred to in the Notice of Extraordinary General Meeting;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“Related Entity Participant(s)”	directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the associated companies of the Company;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Share(s) from time to time;
“Special Resolution”	the proposed special resolution as referred to in the Notice of Extraordinary General Meeting;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“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;
“%”	per cent.

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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. Ronald TAN

***Registered Office:***

Room 2208

118 Connaught Road West

Hong Kong

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

Ms. CHAN Choi Ling

Mr. LAM Kwai Yan

Mr. YU Leung Fai

21 August 2023

*To the Shareholders*

Dear Sir/Madam

**(1) PROPOSED ADOPTION OF  
THE NEW SHARE OPTION SCHEME;  
(2) PROPOSED CHANGE OF COMPANY NAME;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information relating to (i) the Ordinary Resolution to be proposed at the Extraordinary General Meeting involving the proposed adoption of the New Share Option Scheme; (ii) the Special Resolution to be proposed at the Extraordinary General Meeting involving the proposed Change of Company Name; and (iii) give you notice of the Extraordinary General Meeting.

**2. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**

**2013 Share Option Scheme**

The 2013 Share Option Scheme was adopted pursuant to the ordinary resolution passed by the Shareholders on 25 September 2013 and will expire on 24 September 2023.

## LETTER FROM THE BOARD

As at the date of adoption of the 2013 Share Option Scheme on 25 September 2013, the total number of issued Shares was 1,608,201,503 Shares. Pursuant to the GEM Listing Rules and the 2013 Share Option Scheme, the total number of Shares which may fall to be issued upon exercise of all share options to be granted under the 2013 Share Option Scheme was 160,820,150, representing 10% of the then total number of issued Shares as at the date of adoption of the 2013 Share Option Scheme on 25 September 2013 and the maximum number of Shares that might be issued upon the exercise of all share options under the 2013 Share Option Scheme or other schemes. As at the Latest Practicable Date, under the 2013 Share Option Scheme, the Company has 72,736,217 share options outstanding or unexercised and the total number of share options available for grant under the 2013 Share Option Scheme is 64,583,933 share options, representing 2.59% and 2.30% of the total issued Shares as at the Latest Practicable Date respectively, upon exercise of all such share options.

Details of the outstanding or unexercised share options under the 2013 Share Option Scheme are as follows:

Name or category of grantee	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of outstanding share option as at the Latest Practicable Date
<b>Executive Directors</b>				
Felipe TAN	02.03.2017	02.03.2017–01.03.2027	0.1080	2,000,000
	14.08.2023	14.08.2024–13.03.2027	0.0242	2,000,000
Ronald TAN	02.03.2017	02.03.2017–01.03.2027	0.1080	2,000,000
	14.08.2023	14.08.2024–13.03.2027	0.0242	8,000,000
<b>Independent Non-Executive Directors</b>				
CHAN Choi Ling	02.03.2017	02.03.2017–01.03.2027	0.1080	1,000,000
	14.08.2023	14.08.2024–13.03.2027	0.0242	2,000,000
LAM Kwai Yan	02.03.2017	02.03.2017–01.03.2027	0.1080	1,000,000
	14.08.2023	14.08.2024–13.03.2027	0.0242	2,000,000
YU Leung Fai	14.08.2023	14.08.2024–13.03.2027	0.0242	2,000,000
<b>Employees</b>				
	03.10.2013	03.10.2013–02.10.2023	0.1435	3,113,514
	17.02.2014	17.02.2014–16.02.2024	0.1329	622,703
	02.03.2017	02.03.2017–01.03.2027	0.1080	10,000,000
	14.08.2023	14.08.2024–13.03.2027	0.0242	25,000,000
<b>Consultant</b>	02.03.2017	02.03.2017–01.03.2027	0.1080	12,000,000
<b>Total</b>				<u><u>72,736,217</u></u>

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## LETTER FROM THE BOARD

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### **Proposed Adoption of the New Share Option Scheme**

In view of the expiration of the 2013 Share Option Scheme, the Board considered that the adoption of the New Share Option Scheme in accordance with Chapter 23 of the GEM Listing Rules, which will be valid for ten (10) years from the Adoption Date, will provide the Company with more flexibility in the long term planning of the granting of Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

#### *Purpose*

The purposes of the New Share Option Scheme are (i) to enable the Company to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the Grantees with those of the Shareholders to promote the long term financial and business performance of the Company. The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

#### *Eligible Participants*

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (i) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard and their individual contributions or potential contributions towards the development and growth of the Group; and
- (ii) with respect to Related Entity Participants, which include non-employees of the Company, being the directors and employees of the associated companies of the Company, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant gives or is likely to be able to give or make towards the success of the Group.

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## LETTER FROM THE BOARD

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The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees, the success of the Group may also come from the efforts and co-operation of non-employees of the Company, such as the Related Entity Participants, whom have played or may play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future. In particular, for those related entities in which the Group has significant interest, being companies in which the Group holds between 20% to 50% of the share capital of such companies, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies.

In light of the close corporate and collaborative relationships between the Group and the Group's related entities, the Group may from time to time enlist assistance and support from such related entities in the Group's projects or other business engagements relating to or connected with the Group's businesses. As such, the Company is of the view that despite that the Company had not previously granted any share options to any Related Entity Participants in the past, in consideration of the collaborative efforts and positive results brought about by such Related Entity Participants whom have and may continue to contribute to the development and growth of the Group and in order to continue such successful track record of collaboration with the Related Entity Participants, it is important to recognise and incentivise the contributions or future contributions of the Related Entity Participants by giving them the opportunity to participate in the New Share Option Scheme. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme, to include the Related Entity Participants under the New Share Option Scheme, as the Company can incentivise such Related Entity Participants with the grant of Options which will strengthen their loyalties within the Group (even though they may not be directly employed by the Group), and will also in turn facilitate a higher degree of collaboration and closer business relationships and ties between the related entities and the Group.

Recognising the contribution of the Related Entity Participants may enhance their performance and further contributions to the Group which is essential to the sustainable and successful development of the Company, hence, the Board (including the independent non-executive Directors) is of the view that the inclusion of the Related Entity Participants as Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme.

Based on the above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants as Eligible Participants are in line with the Company's business needs as it is desirable and necessary for the Group to sustain and foster long-term business relationships with its related entities and will incentivise high quality performance and contributions to the Group from such Related Entity Participants; and (ii) the criteria for selection of Related Entity Participants as set out in paragraph 2 of the Appendix to this circular and the terms and conditions of the Options which may be granted to them, is appropriate and in the interest of the Company and the Shareholders as a whole, and would align with the purpose of the New Share Option Scheme.

As at the Latest Practicable Date, the Company has no concrete plans to grant Options under the New Share Option Scheme.

Based on the above, the Board consider that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

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## LETTER FROM THE BOARD

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### *Conditions precedent of the New Share Option Scheme*

The adoption of the New Share Option Scheme is conditional upon:

- (a) the GEM Listing Committee granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options that may be granted under the New Share Option Scheme in accordance with the terms and conditions of the New Share Option Scheme; and
- (b) the passing of an ordinary resolution at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

Unless otherwise imposed by the Board at its sole discretion and stated in the relevant offer letter and save for the clawback mechanisms set out in paragraph 22 of the Appendix to this circular, there is neither any performance targets required to be achieved by any Grantee before an Option is capable of being exercised by the Grantee nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Eligible Participants. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant as each Grantee will play a different role and contribute in different ways to the long-term development of the Group. As such, providing the Board with the discretion to impose specific performance targets as and when appropriate depending on the role each Eligible Participant has played or will play to the Group will facilitate the Board in offering meaningful incentives to attract and retain quality and high calibre personnel that are valuable to the development of the Group.

Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; reviews; and such other goals the Board may determine from time to time.

An application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.

### *Maximum number of Shares subject to the New Share Option Scheme*

The total number of Shares which may be issued upon the exercise of all Options which may be granted under the New Share Option Scheme together with all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Scheme Mandate Limit**”) must not exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the total number of issued Shares was 2,812,881,803 Shares. Assuming that there is no change in the total number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share option scheme(s) and share award scheme(s) of the Company would be 281,288,180 Shares, representing approximately 10% of the total issued Shares as at the Adoption Date.

None of the Directors is and will be trustees of the New Share Option Scheme nor has a direct or indirect interest in the trustee. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the New Share Option Scheme at the Extraordinary General Meeting. The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

### *Explanation of the terms of the New Share Option Scheme*

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same. The Exercise Price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the New Share Option Scheme. Save that the Board may at its sole discretion specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant as set out above and save for the clawback mechanisms set out in paragraph 22 of the Appendix to this circular there is neither any performance targets required to be achieved by any Grantee before an Option is capable of being exercised by the Grantee nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the New Share Option Scheme.

Save for the circumstances prescribed in paragraph 4 of the Appendix to this circular, the vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of this New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Options holder(s), such as those set out in paragraphs 4(a) to (e) of the Appendix to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

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## LETTER FROM THE BOARD

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As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 4 of the Appendix to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

It is believed that subject to the GEM Listing Rules and the terms of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the Exercise Price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant(s) to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanisms (save for those set out in paragraph 22 of the Appendix to this circular) for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company. The Company will make relevant disclosure by way of announcement(s) to comply with Rule 23.06A of the GEM Listing Rules when granting the Options to the Eligible Participants in the future.

### *Value of the Options*

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Exercise Price of the Option(s) and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and may be misleading to the Shareholders.

### *Document on display*

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.timeless.com.hk](http://www.timeless.com.hk) for a period of not less than 14 days before the date of the Extraordinary General Meeting and will also be made available for inspection at the Extraordinary General Meeting.

### *Application for Listing*

Application will be made to the GEM Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the New Share Option Scheme.

### *Competing Interest*

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

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## LETTER FROM THE BOARD

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### 3. PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Timeless Software Limited” to “Timeless Resources Holdings Limited”, and its Chinese name from “天時軟件有限公司” to “天時資源控股有限公司”.

#### Conditions of the Change of Company Name

The Change of Company Name is subject to the following conditions being fulfilled:

- (i) the passing of a special resolution by the Shareholders at the Extraordinary General Meeting to approve the Change of Company Name; and
- (ii) the Companies Registry in Hong Kong approving the Change of Company Name by issuing a certificate of change of name.

Subject to the satisfaction of the above conditions, the Change of Company Name will take effect from the date of issuance of the certificate of change of name by the Companies Registry in Hong Kong.

#### Reasons for the Change of Company Name

The Board considers that the Change of Company Name will better reflect the current status of the Group, the Company’s strategic plan, and its direction of future development. The Board believes that the Change of Company Name can provide the Company with a more appropriate corporate image which will benefit the Company’s business development. As such, the change is in the best interests of the Company and Shareholders as a whole.

#### Effects of the Change of Company Name

The Change of Company Name will not affect any rights of the Shareholders or the Company’s daily business operation and its financial position.

All the existing share certificates of the Company in issue bearing the present name of the Company shall, after the Change of Company Name has become effective, continue to be evidence of title to such Shares and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes.

There will not be any arrangement for exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company. Once the Change of Company Name has become effective, share certificates of the Company will only be issued in the new name of the Company and the Shares will be traded on the GEM of the Stock Exchange under the new name of the Company.

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## LETTER FROM THE BOARD

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In addition, subject to the confirmation by the Stock Exchange, the English and the Chinese stock short names of the Company for trading in its securities on the GEM of the Stock Exchange will also be changed after the Change of Company Name has become effective. Subject to the Change of Company Name becoming effective, the Company will change its company website afterwards.

#### **4. EXTRAORDINARY GENERAL MEETING**

The Notice of Extraordinary General Meeting to be held at Best Western Plus Hotel Hong Kong, Jasmine Room, 3/F., 308 Des Voeux Road West, Hong Kong on Monday, 25 September 2023 at 5:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same day, or any adjournment thereof) is set out on pages 15 to 16 of this circular.

The Ordinary Resolution to approve the adoption of the New Share Option Scheme and the Special Resolution to approve the Change of Company Name will be proposed at the Extraordinary General 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 Extraordinary General Meeting. An announcement on the poll vote results will be made by the Company after the Extraordinary General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. Whether or not you are able to attend the Extraordinary 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 appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary 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 Extraordinary General Meeting, the register of members of the Company will be closed from Wednesday, 20 September 2023 to Monday, 25 September 2023 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Extraordinary 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 Tuesday, 19 September 2023.

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## LETTER FROM THE BOARD

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### 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 approval for the adoption of the New Share Option Scheme and the Change of Company Name is in the best interests of the Company and its Shareholders and recommends the Shareholders to vote in favour of the Ordinary Resolution and the Special Resolution to be proposed at the Extraordinary 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 Resolution and the Special Resolution.

### 8. GENERAL

Your attention is drawn to the additional information set out in the Appendix 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 Extraordinary General Meeting.

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

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## NOTICE OF EXTRAORDINARY 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 extraordinary general meeting of TIMELESS SOFTWARE LIMITED (the “**Company**”) will be held at Best Western Plus Hotel Hong Kong, Jasmine Room, 3/F., 308 Des Voeux Road West, Hong Kong on Monday, 25 September 2023 at 5:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same day, or any adjournment thereof) (the “**Extraordinary General Meeting**”) to consider and, if thought fit, pass the following ordinary resolution and special resolution of the Company.

Capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 21 August 2023.

#### **ORDINARY RESOLUTION**

(1) “**THAT**

- (a) subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the terms of which have been produced to the Extraordinary General Meeting and marked “A” and initialed by the chairman of the Extraordinary General Meeting for identification purpose, the terms of the New Share Option Scheme be and are hereby approved and adopted and the directors of the Company (the “**Directors**”) be and are hereby authorised to grant options to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme; and
- (b) the total number of Shares to be allotted and issued pursuant to paragraph (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share option scheme(s) or share award scheme(s) of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10% of the total issued Shares as at the Adoption Date.”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SPECIAL RESOLUTION

- (2) “**THAT**, subject to the approval of the Companies Registry in Hong Kong, the English name of the Company be changed from “Timeless Software Limited” to “Timeless Resources Holdings Limited”, and the Chinese name of the Company be changed from “天時軟件有限公司” to “天時資源控股有限公司”, and that any Director and the company secretary of the Company be and are hereby authorised severally to do all such acts and things and execute such further documents and (where required) under seal of the Company, and take all steps which, in his/her/its opinion, may be necessary, desirable or expedient to implement and give effect to the aforesaid Change of Company Name, and to attend to any necessary registration and/or filing for and on behalf of the Company.”

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

Hong Kong, 21 August 2023

*Registered Office:*

Room 2208  
118 Connaught Road West  
Hong Kong

*Notes:*

1. A Shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting convened by the above notice may appoint one or more proxies to attend the Extraordinary 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 Extraordinary 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 Extraordinary 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, then 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 Extraordinary General Meeting, the register of members of the Company will be closed from Wednesday, 20 September 2023 to Monday, 25 September 2023 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Extraordinary 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 Tuesday, 19 September 2023.
5. 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 Extraordinary 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 Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

*This appendix summarises the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the Extraordinary General Meeting, but such summary does not form, nor is intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the terms of the New Share Option Scheme.*

## **1. PURPOSE**

The purposes of the New Share Option Scheme are (i) to enable the Company to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the Grantees with those of the Shareholders to promote the long term financial and business performance of the Company.

## **2. ELIGIBLE PARTICIPANTS AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANT**

Eligible Participants include the Employee Participants and the Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (i) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard and their individual contributions or potential contributions towards the development and growth of the Group; and
- (ii) with respect to Related Entity Participants, which include non-employees of the Company, being the directors and employees of the associated companies of the Company, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group.

### 3. GRANT OF OPTIONS

The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the GEM Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant(s) as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, determine at the Exercise Price provided that no Option shall be granted by the Board:

- (i) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the GEM Listing Rules; and
- (ii) during the period commencing from one (1) month immediately preceding the earlier of:
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
  - (b) the deadline for the Company to publish its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his Personal Representative(s)) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme or the Eligible Participant to whom such Offer is made has ceased to be an Eligible Participant.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within twenty-one (21) days from the Offer Date (or such shorter period referred to in the relevant provisions of the New Share Option Scheme). To the extent that the Offer is not accepted within the stated period, it will be deemed to have been irrevocably declined.

Upon an Offer being accepted by an Eligible Participant in whole or in part, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance provided that if such date of acceptance shall fall on a non-Business Day, the Business Day immediately following such date of acceptance shall be taken to be the date of acceptance for the grant of such Option. To the extent that the Offer is not accepted within twenty-one (21) days from the Offer Date (or such shorter period referred to in the relevant provisions of the New Share Option Scheme) and in the manner indicated in the relevant provisions of the New Share Option Scheme, it will be deemed to have been irrevocably declined.

Any grant of Options or awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee).

#### **4. VESTING PERIOD**

Save for the circumstances set out below, the vesting period for Options shall not be less than 12 months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant,

each of which are considered appropriate to provide flexibility to grant Options (i) as part of the competitive terms and conditions to induce valuable talent to join the Group (paragraphs (a) and (d)); (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons (paragraphs (b) and (c)); (iii) reward exceptional performers with accelerated vesting (paragraph (d)); and (iv) to motivate exceptional performers based on performance metrics rather than time (paragraph (e)).

## **5. EXERCISE OF OPTIONS AND PRICE OF SHARES**

An Option shall be exercisable in whole or in part by giving notice to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the auditors' or independent financial adviser's certificate, the Company shall accordingly allot the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the Share Registrar to issue to the Grantee (or his estate in the event of an exercise by his Personal Representative(s) as aforesaid) a share certificate for the Shares so allotted.

Grantee is not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme or under the relevant laws or the Articles in effect from time to time.

The Exercise Price shall, subject to any adjustments made pursuant to paragraph 17 below, be determined at the discretion of the Board at its absolute discretion, provided that it must be at least the higher of:

- (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; and
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date.

**6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE**

The total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme together with all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit in accordance with this paragraph.

For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any Options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders’ approval for the last refreshment (or the Adoption Date), provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total issued Shares as at the date of such Shareholders’ approval of the refreshment of the Scheme Mandate Limit;
- (b) for the purpose of calculating the Scheme Mandate Limit, Options or awards lapsed will not be regarded as utilised and Options or awards cancelled will be regarded as utilised; and
- (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with the relevant provisions of Chapter 23 of the GEM Listing Rules and any other applicable laws and rules, and containing among others, the number of Options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

Any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders’ approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:

- (a) any controlling Shareholder and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (b) the Company must comply with the requirements under Rules 17.47(6) and 17.47(7) and rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules; and

- (c) the requirements under sub-paragraphs (a) and (b) of the New Share Option Scheme do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.

The Company may seek separate approval from the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

- (a) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and
- (b) circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules and any other applicable laws and rules.

If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the New Share Option Scheme and all other share schemes of the Company under the unutilised Scheme Mandate Limit as a percentage of the total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

Unless approved by the Shareholders in the manner set out in the New Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the total issued Shares.

#### **7. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES**

Any grant of Options or awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee).

Where any grant of Options to an independent non-executive Director or a substantial Shareholder (as defined in the GEM Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and awards granted or to be granted (excluding any Options and awards lapsed in accordance with the terms of the New Share Option Scheme and the relevant share award scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of the total issued Shares, such further grant of Options or awards must be approved by Shareholders in general meeting in the manner set out in rule 23.04(4) of the GEM Listing Rules. The Company must send a circular to the Shareholders in a manner complying with relevant provisions of Chapter 23 of the GEM Listing Rules, and containing, among others,

(i) details of the number and terms of the Options or awards to be granted to each Grantee, which must be fixed before the Shareholders' meeting, in respect of any Options to be granted; (ii) the date of the Board meeting for proposing such further grant which is to be taken as the date of grant for the purpose of calculating the Exercise Price; (iii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options or awards) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent shareholders as to voting; and (iv) the matters specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules to the Shareholders. The Grantee, his associates and all core connected persons must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

#### **8. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options and awards granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options, but excluding any options and awards lapsed in accordance with the terms of the relevant share option scheme(s) or share award scheme(s)) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total issued Shares, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options or awards to be granted (and Options previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options and awards to the Eligible Participant, an explanation as to how the terms of the Options or awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

#### **9. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

#### **10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

No Option shall be granted by the Board:

- (1) after inside information has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the GEM Listing Rules; and

- (2) during the period commencing from one (1) month immediately preceding the earlier of:
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
  - (b) the deadline for the Company to publish its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

#### **11. RIGHTS ARE PERSONAL TO GRANTEES**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee to the extent not already exercised.

#### **12. RIGHTS ON CEASING EMPLOYMENT, DEATH OR DISMISSAL**

Subject to the terms of the New Share Option Scheme, where the Grantee ceases to be an Eligible Participant for any reason except for paragraphs (a) and (b) below, Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Company, any subsidiary or any related entity, his last actual working day at his work place with the Company, any subsidiary or any related entity whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Company, any subsidiary or any related entity, the date on which his relationship with the Group which has constituted him an Eligible Participant ceases.

- (a) Where the Grantee is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Option in full or at all, the Option may continue to be exercised by the Grantee; and
- (b) where the Grantee dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to the relevant provisions of the New Share Scheme by his Personal Representatives within 6 months of the date of death.

**13. RIGHTS ON A GENERAL OFFER AND SCHEME OF ARRANGEMENT**

If a general offer by way of a take-over is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his Personal Representatives) may exercise the Option to its full extent or to the extent specified in such notice.

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his Personal Representatives) may, by delivering a notice in writing to the Company within five (5) Business Days of such Shareholders' approval, exercise the Option to its full extent or to the extent specified in such notice.

**14. RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his Personal Representatives) shall be entitled to exercise all or any of his Options at any time not later than 7 days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.

**15. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement, between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee (or his Personal Representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his Options, and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, issue, allot and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Options. In the event that the Grantees do not exercise all or any of his Options before the specified timing, and provided that the then market price of the Option is higher than the Exercise Price of the Option, the Board may in its sole discretion, sell the Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Option is lower than the Exercise Price of the

Option or the Board in its sole discretion decides not to sell the Option on the market, the Option will automatically lapse.

## **16. CANCELLATION OF OPTIONS**

Subject to the terms of the New Share Option Scheme, any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options or awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under a scheme with available Scheme Mandate Limit. The options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

## **17. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company, then the Company shall instruct the auditors or independent financial adviser to certify in writing:

- (a) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
  - (i) the number of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
  - (ii) the Exercise Price,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (1) any such adjustment shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same, rounded to the nearest whole share (but shall not be greater than) as it was before such event;
  - (2) no such adjustment shall be made to the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
  - (3) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (b) in respect of any such adjustments, other than that made on a capitalisation issue, the auditors or the independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule

23.03(13) of the GEM Listing Rules, the supplementary guidance issued by the Stock Exchange on 5 September 2005, any relevant provisions of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange and the note thereto from time to time.

## **18. RANKING OF SHARES**

Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles for the time being in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issued on the Allotment Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered in to the register of members of the Company as the holder thereof.

## **19. DURATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls on ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

## **20. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered in any respect by a resolution of the Board except:

- (a) any alterations to the terms and conditions of the New Share Option Scheme which are of material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Participants must be approved by Shareholders in general meeting;
- (b) any change to the terms of Options or awards granted to a Grantee, except alterations which take effect automatically under the existing terms of the New Share Option Scheme, must be approved by the Board, the remuneration committee, the independent non-executive directors and/or the Shareholders (as the case may be) if the initial grant of the Options or awards was approved by the Board, the remuneration committee, the independent non-executive directors and/or the Shareholders (as the case may be); and
- (c) any change to the authority of the Directors to alter to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

Any alterations to the terms and conditions of the New Share Option Scheme shall comply with the relevant provisions of Chapter 23 of the GEM Listing Rules.

**21. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at a general meeting of the Company approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

**22. LAPSE OF OPTIONS**

The Option (to the extent not already exercised) shall automatically lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the relevant periods or occurrence of the relevant event referred to in paragraphs 12 to 15 above;
- (c) the date of the commencement of the winding-up of the Company;
- (d) the date on which the Grantee ceases to be an Eligible Participant by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his employment contract or other contract constituting him an Eligible Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty; or
- (e) the date on which the Grantee commits a breach of paragraph 11 above.

**23. TERMINATION**

The Company may at any time terminate the operation of the New Share Option Scheme by an ordinary resolution in general meeting and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.