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*This announcement, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:—*

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



## **Timeless Software Limited**

*(Incorporated in Hong Kong with limited liability)*

### **DISCLOSEABLE TRANSACTION**

Further to the announcement dated 22nd December, 1999 (the “Initial Announcement”) Timeless Software Limited (the “Company”) has entered into a sale and purchase agreement (the “Agreement”) with, inter alia, The Center 79 (No.2) Limited (the “Vendor”), a subsidiary of Cheung Kong (Holdings) Limited, a company listed on The Stock Exchange of Hong Kong Limited (“Cheung Kong”), whereby the Company will acquire the whole of the 79th Floor, The Center, 99 Queen’s Road Central, Hong Kong for a total consideration of HK\$178,375,500 (the “Transaction”).

Pursuant to the GEM Listing Rules, the Transaction constitutes a discloseable transaction for the Company.

The Company has noted the increase in price of the shares of the Company on 30th December, 1999 and wish to state that it is not aware of any reasons for such increase, save as disclosed herein.

Further to the Initial Announcement, the Company has entered into the Agreement with the Vendor that will serve to strengthen the business relationship of the Company and Cheung Kong, one of Hong Kong’s largest conglomerates, and potentially create substantial future business opportunities for the Company.

#### **The Transaction**

The following are the key terms of the acquisition of office space by the Company from the Vendor which are set out in the Agreement.

##### **A. Sale and Purchase Agreement**

1. Date: 30th December, 1999

2. Parties

Vendor: The Center 79 (No.2) Limited  
Purchaser: Timeless Software Limited

3. Premises

The whole of 79th Floor, The Center, 99 Queen's Road Central, Hong Kong (approximately with gross floor area of 13,213 sq. ft.) (the "Premises") to be sold to the Company.

4. Consideration

The consideration for Premises is HK\$178,375,500. The Premises has an approximate gross floor area of 13,213 square feet. The price per square foot for the Premises is HK\$13,500.

The consideration will be satisfied by (i) payment of a deposit of approximately HK\$17.8 million (the "Deposit"), (ii) payment of a further part payment of approximately HK\$35.7 million (the "First Further Payment"), (iii) payment of another further part payment of approximately HK\$35.7 million (the "Second Further Payment"), and (iv) payment of the balance of approximately HK\$89.2 million on completion (the "Balance").

The Deposit and the First Further Payment will comprise a total cash payment of approximately HK\$53.5 million payable upon the signing of the Agreement with the Second Further Payment to be satisfied by cash or such other form and manner as may be mutually agreed by the Company and the Vendor in compliance with all applicable securities and listing laws, rules and regulations (in particular Rule 17.29 of the GEM Listing Rules) on or before the Completion Date (as defined below).

The Balance will be satisfied by cash payable on the Completion Date.

5. Completion

The expected completion date (the "Completion Date") for the Transaction is 31st March, 2000 or, if the Company gives a notice of extension under the Agreement, a date not later than 30th June, 2000. In the event of such extension, interest on the balance of the purchase price shall be payable at the prime rate specified by the Hongkong & Shanghai Banking Corporation Ltd. from 31st March, 2000 to, but exclusive of, the actual date of completion.

**Reasons for the Transaction**

The Transaction allows the Company to strengthen its business relationship with Cheung Kong with opportunities to provide IT and Internet related services to the Cheung Kong group of companies. The Cheung Kong Group of companies has substantial reach in Hong Kong, not only in the property sector, but also in telecommunications, retail, infrastructure and power. Because of the size and scope of these companies, there is significant potential on further IT development and Web technologies where the Company can add value.

Furthermore, as the Company continues to expand its business in Hong Kong and the Greater China Region, the Company expects to seek additional office premises for its operations when its lease at its current office expires on 31st December, 2000. The Center is one of the most technologically advanced "intelligent" buildings in Hong Kong. The Company believes that the Premises are ideally suited for it in light of its requirement for substantial computing and telecommunications equipment. The office space at the Center will be able to provide the Company with state-of-the-art infrastructure to pursue and grow its software business. As the Company intends to use the Premises solely for its own use as office space, the Company confirms that there is no material change to the general character or nature of its business. The Company is principally engaged in the provision of computer software services, including Internet technology and related services and enterprise resource planning and consulting services.

The Company believes that, following completion of the Transaction, it will have sufficient funds to pursue its business objectives as stated in its prospectus dated 18th November, 1999 and for general working capital purposes.

The Company believes that the consideration for the Premises is reasonable in light of the advanced features offered and its top floor location. The consideration price was arrived at after arms length negotiations between the Company and Cheung Kong. The directors of the Company believe that the terms of the Transaction are fair and reasonable and in the interests of the shareholders as a whole.

### **GEM Rules**

The Transaction constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing further information of the Transaction will be despatched to shareholders of the Company as soon as practicable.

### **Other**

The Company has noted the increase in price of the shares of the Company on 30th December, 1999 and wish to state that it is not aware of any reasons, save as disclosed herein, for such increase.

The Company also confirms that, save as disclosed herein, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

By Order of the Board  
**Law Kwai Lam**  
Company Secretary

Hong Kong, 30th December, 1999

*This announcement will remain on the GEM Web site on the "Latest Company Announcements" page for 7 days from the date of its posting.*