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This announcement, for which the directors of Timeless Software Limited collectively and individually accept 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 Timeless Software Limited. 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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Consideration Shares.



Timeless Software Limited
(incorporated in Hong Kong with limited liability)

SHARE TRANSACTION

On 29 March 2001, the Company entered into the equity joint venture agreement with a PRC independent third party, Tianjin Information Port Development Co., Ltd., pursuant to which an equity joint venture company, 天津信息港互聯網數據有限公司, is to be set up with a registered capital of RMB15,000,000 (equivalent to approximately HK\$13,889,000) for the operation of the Internet Resources Platform in Tianjin. The Company will invest RMB5,000,000 (equivalent to approximately HK\$4,630,000) representing 33.33% of the registered capital of the JV. The capital injection is to be satisfied by the payment of RMB2,000,000 (equivalent to approximately HK\$1,852,000) in cash and RMB3,000,000 (equivalent to approximately HK\$2,778,000) by way of the issue and allotment of Consideration Shares. Completion of the Asset Acquisition will take place upon the obtaining of listing approval of the Consideration Shares from the

Stock Exchange, the approval of Tianjin Municipal Foreign Economic Relations & Trade Commission and the full payment of the registered capital of the JV. The issue price of the Consideration Shares shall be the average closing price as quoted by the Stock Exchange for the ten trading days preceding the date of the issuance of valid business licence of the JV.

The Asset Acquisition constitutes a share transaction for the Company under the GEM Listing Rules.

Trading in the Shares has been suspended since 2:30 p.m. on 29 March 2001 and application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 10:00 a.m. on 30 March 2001.

EQUITY JOINT VENTURE AGREEMENT

Date : 29 March 2001

Parties : (i) Tianjin Information Port Development Co., Ltd.
(ii) The Company

Assets to be acquired : 33.33% of the registered capital of the JV at RMB5,000,000

Consideration : RMB5,000,000

Payment Terms : The consideration is to be satisfied by the payment of RMB2,000,000 in cash out of the working capital of the Company whilst the remaining RMB3,000,000 by the issue and allotment of Consideration Shares. The issue price of the Consideration Shares shall be the average closing price as quoted by the Stock Exchange for the ten trading days preceding the date of the issuance of valid business licence of the JV. Application for the business licence will be made in due course and the Directors expect that the business licence will be obtained in the next six months. There is no lock-up in respect of the Consideration Shares.

The consideration has to be settled within two months from the date of the issuance of valid business licence of the JV.

The Consideration Shares are to be issued and credited as fully paid pursuant to the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 7 July 2000.

The Consideration Shares shall rank *pari passu* in all respects with the existing Shares in issue.

Further announcement will be made upon the finalisation of the payment terms, including the determination of the issue price of the Consideration Shares and the number of Shares to be issued.

- Basis for Consideration : The Consideration has been arrived at after arm's length negotiation between the Company and Tianjin Information Port Development Co., Ltd. based on normal commercial terms with reference to a combination of factors including the future prospects and revenue generation potential of the JV. The Directors consider the consideration for the Asset Acquisition to be fair and reasonable.
- Completion : Completion of the Asset Acquisition will take place upon the obtaining of listing approval of the Consideration Shares from the Stock Exchange, the approval of Tianjin Municipal Foreign Economic Relations & Trade Commission and the full payment of the registered capital of the JV.

INFORMATION ON THE JV AND JV PARTNER

The JV Partner is, directly or indirectly, owned by Tianjin Government, Tianjin Post & Telecom Administration, China United Telecommunication Corporation Tianjin Branch and Tianjin Broadcast Television Bureau. The JV Partner is a high-tech enterprise which was authorised by the government of Tianjin and registered in Tianjin Hi-tech Industry Park. Pursuant to the principle of "government sponsoring, market operating" and the criteria of modern enterprises system, the JV Partner actively takes part in information technology development focusing on the plan of Tianjin information port project.

The JV will be engaged in the operation of Tianjin Information Resources Platform (“IRP”) which will be constructed by Timeless Beijing. A service contract of approximately HK\$20 million has also been signed between the JV Partner and Timeless Beijing on 29 March 2001. IRP will be a standard system in relation to information resources in Tianjin. Its functions include areas such as database centre, public information database, eCommerce, industry and commerce administration management system and office automation. It is planned that the infrastructure of IRP will be completed within one year. Based on the support from the Tianjin Government, all enterprises in Tianjin will be introduced to use IRP and IRP will further be introduced to the north-western part of mainland China in two years time.

REASONS FOR THE ASSET ACQUISITION

The Group is principally engaged in providing a full range of computer software services with an established and growing presence in the market for Internet technology services in Hong Kong and the PRC. The Asset Acquisition is in line with the Group’s broad objective to grow through strategic partnership with technology companies providing services that complement the business of the Group, in particular companies with expertise in Internet related technologies. The Directors consider that the JV is in line with the Company’s business strategy to establish itself as a world leader in corporate software services with a dominant position in the Greater China region and will complement and enhance the existing business of the Group including Internet technology and related services. The Directors believe that the terms of the JV are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

The Asset Acquisition constitutes a share transaction for the Company under the GEM Listing Rules. Completion of the Asset Acquisition is conditional on the approval by the Stock Exchange for the listing of and permission to deal in the Consideration Shares, the approval of Tianjin Municipal Foreign Economic Relations & Trade Commission and the full payment of the registered capital of the JV. Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Trading in the Shares of the Company on the Stock Exchange was suspended with effect from 2:30 p.m. on 29 March 2001 at the request of the Company and an application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 10:00 a.m. on 30 March 2001.

DEFINITIONS

“Asset Acquisition”	the investment by the Company at a consideration of RMB5,000,000 for 33.33% of the registered capital of a newly set up equity joint venture company
“Company”	Timeless Software Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“Consideration Shares”	a certain number of shares to be issued and allotted as consideration for the Asset Acquisition
“Directors”	the directors of the Company
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“JV”	天津信息港互聯網數據有限公司, an equity joint venture company to be incorporated in the PRC
“JV Partner”	Tianjin Information Port Development Co., Ltd., a state-owned enterprise and an independent third party not connected with the Directors, chief executives, management shareholders or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules)
“RMB”	Renminbi
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

“Timeless Beijing”

Timeless Software (Beijing) Limited, a wholly owned subsidiary of the Company

On behalf of the Board

Cheng Kin Kwan

Chairman

Hong Kong, 29 March 2001

This announcement will remain on the GEM website (www.hkgem.com) on the “Latest Company Announcements” page for 7 days from the day of its posting and on the Company’s website (www.timeless.com.hk).