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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

The Company announces that on 12 April 2001, Timeless Strategy, a wholly-owned subsidiary of the Company, has entered into the Subscription Agreement with COL Net, pursuant to which Timeless Strategy agreed to subscribe 222,222 new ordinary shares of COL Net for a consideration of HK\$12,800,000. The consideration is to be satisfied by the issue and allotment of 16,000,000 Consideration Shares to COL Net. Completion of the Asset Acquisition is expected to take place on or about 11 July 2001 and is conditional upon the obtaining of listing approval of the Consideration Shares from the Stock Exchange. The Consideration Shares represent approximately 2.13% of the issued share capital of the Company prior to completion of the Asset Acquisition and approximately 2.08% of the issued

share capital of the Company as enlarged by the issue and allotment of the Consideration Shares. The issue price of the Consideration Shares represents a premium of about 33.33% to the closing price of HK\$0.60 per Share as quoted by the Stock Exchange on 11 April 2001, a premium of about 36.99% to the average closing price of HK\$0.584 per Share as quoted by the Stock Exchange for the 5 trading days ending on and including 11 April 2001 and a premium of about 38.89% to the average closing price of HK\$0.576 per Share as quoted by the Stock Exchange for the 10 trading days ending on and including 11 April 2001.

On completion of the Asset Acquisition, the Company is indirectly interested in approximately 10% of the enlarged issued share capital of COL Net.

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

SUBSCRIPTION AGREEMENT

Date	: 12 April 2001
Parties	: (i) COL Net Securities Trading Services Limited (ii) Timeless Strategy Limited
Assets to be acquired	: 222,222 new ordinary shares at approximately HK\$57.60 per share representing 10% of the enlarged issued share capital of COL Net on completion of the Asset Acquisition.
Consideration	: HK\$12,800,000

Payment Terms

: The consideration is to be satisfied by the issue and allotment of Consideration Shares to COL Net at HK\$0.80 per Share. The issue price of the Consideration Shares represents (i) a premium of approximately 33.33% to the closing price of HK\$0.60 per Share on 11 April 2001 being the immediate trading day prior to the date of the Subscription Agreement as quoted on the Stock Exchange; (ii) a premium of approximately 36.99% to the average closing price of HK\$0.584 per Share for the last 5 consecutive trading days up to and including 11 April 2001 as quoted on the Stock Exchange; and (iii) a premium of approximately 38.89% to the average closing price of HK\$0.576 per Share for the last 10 consecutive trading days up to and including 11 April 2001 as quoted on the Stock Exchange. There is no lock-up in respect of the Consideration Shares.

The Consideration Shares represent approximately 2.13% of the issued share capital of the Company prior to completion of the Asset Acquisition and approximately 2.08% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

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.

- Basis for Consideration** : The Consideration has been arrived at after arm's length negotiation between the Company and COL Net based on normal commercial terms with reference to a combination of factors including the future prospects and revenue generation potential of COL Net. The Directors consider the consideration for the Asset Acquisition to be fair and reasonable.
- Conditions Precedent** : The Subscription Agreement is conditional upon:
- (1) the delivery of the documentation of COL Net's investment in COL Shenzhen; and
 - (2) the obtaining of listing approval of the Consideration Shares from the Stock Exchange.
- Completion** : Completion of the Asset Acquisition is to take place on or about 11 July 2001.

INFORMATION ON COL NET AND COL SHENZHEN

COL Net is an investment holding company incorporated in Hong Kong. It has been inactive since its incorporation until it became involved in Internet services in 2000. Its business activity is conducted through its wholly-owned subsidiary, COL Shenzhen, which is principally engaged in the business as an application service provider and database service provider to securities brokers and investors in the PRC. COL Shenzhen is the exclusive provider of software development services and database services to the securities portal named "colstock.com". COL Shenzhen has also signed contracts with several securities brokers in the PRC to provide software development services for online securities trading.

COL Shenzhen was established in the PRC on 1 June 2000. After several months of preparation, it began active operation in the beginning of 2001 and has started to generate revenue in March 2001. The current principal focus of COL Shenzhen is to provide software development services to securities brokers to promote and facilitate online securities trading in the PRC. At present, the service contracts entered into by COL Shenzhen are fixed price contracts which range from approximately RMB40,000 to RMB300,000,

depending on the size and complexity of the services to be performed. The Directors believe that more contracts will be signed in the near future as a result of the good relationship established by the COL Shenzhen and the shareholders of COL Net in the PRC. According to the latest available unaudited management accounts of COL Net and its subsidiary as at 31 March 2001, the net tangible assets was approximately HK\$7,500,000.

The shares of COL Net are held by five corporate shareholders, namely COL Group Limited, Scheva Limited, Chatwell Profits Limited, Theorema Group Limited and eGate System Limited, which collectively have over 50 ultimate beneficial owners. These ultimate beneficial owners of COL Net are independent third parties 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). There is no board representation of COL Net in the Company.

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 investment in COL Net 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. Upon completion, Timeless Strategy is entitled to nominate one director to the board of COL Net. The Directors believe that the terms of the Asset Acquisition 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. Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

DEFINITIONS

“Asset Acquisition”	the acquisition by Timeless Strategy of 222,222 new ordinary shares of COL Net at the subscription price of approximately HK\$57.60 per share representing approximately 10% of the enlarged issued share capital of COL Net on completion of the asset acquisition
“COL Net”	COL Net Securities Trading Services Limited, a company incorporated in Hong Kong, the ultimate beneficial owners of which are independent third parties 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)
“Company”	Timeless Software Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“Consideration Shares”	16,000,000 Shares to be issued at HK\$0.80 per Share
“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
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“COL Shenzhen”	開時網絡科技(深圳)有限公司, a company established in the PRC on 1 June 2000 which is a wholly-owned subsidiary of COL Net

“Stock Exchange”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 12 April 2001 entered into between COL Net and Timeless Strategy relating to the Asset Acquisition
“Timeless Strategy”	Timeless Strategy Limited, a company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company

By Order of the Board
Law Kwai Lam
Secretary

Hong Kong, 12 April 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).