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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.



Timeless Software Limited

(incorporated in Hong Kong with limited liability)

Further Announcement on the Equity Joint Venture in Tianjin

Further to the announcement dated 29 March 2001 in respect of the JV Agreement entered into between the Company and Tianjin Information Port Development Co., Ltd. for the setting up of an equity joint venture company, 天津信息港互聯網數據有限公司, in Tianjin, the Company announces that upon the issuance of the business licence of the JV on 31 May 2001, the payment terms of the Asset Acquisition have been finalised. The Consideration of the Asset Acquisition shall be satisfied by the payment of RMB2,000,000 (equivalent to approximately HK\$1,884,000) in cash and RMB3,000,000 (equivalent to approximately HK\$2,826,000) by way of the issue and allotment of 2,869,035 Consideration Shares, at HK\$0.985 per share, representing approximately 0.37% of the issued share capital of the Company prior to completion of the Asset Acquisition and approximately 0.36% of the issued share capital of the Company as enlarged by the new issue.

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 into the JV.

INFORMATION ON THE ANNOUNCEMENT DATED 29 MARCH 2001

On 29 March 2001, the Company made an announcement on the formation of an equity joint venture company, 天津信息港互聯網數據有限公司, in Tianjin (the “JV”), with Tianjin Information Port Development Co., Ltd. Pursuant to the joint venture agreement signed on the same day (the “JV Agreement”), the transaction involved the investment by the Company in 33.33% of the registered capital of the JV (the “Asset Acquisition”) at a consideration (the “Consideration”) of RMB5,000,000 (equivalent to approximately HK\$4,710,000) to be satisfied partly in cash and partly by way of the issue of a certain number of new shares of HK\$0.05 each in the share capital of the Company (the “Consideration Shares”). The terms of the Consideration Shares shall be determined upon the issuance of the business licence of the JV and shall be the average closing price as quoted on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the ten trading days preceding the date of the business licence. This announcement is in supplement thereto.

FINALISATION OF PAYMENT TERMS

The Company announces that upon the issuance of the business licence of the JV on 31 May 2001 the terms of the Consideration Shares have been determined. The payment terms of the Consideration shall be RMB2,000,000 (equivalent to approximately HK\$1,884,000) in cash and the remaining RMB3,000,000 (equivalent to approximately HK\$2,826,000) by the issue and allotment of 2,869,035 Consideration Shares at HK\$0.985 per share, which was the average closing price as quoted on the Stock Exchange for the ten trading days preceding the date of the issuance of valid business licence of the JV.

The Consideration Shares represent approximately 0.37% of the issued share capital of the Company prior to completion of the Asset Acquisition and approximately 0.36% of the issued share capital of the Company as enlarged by the issue and allotment of 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.

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.

GENERAL

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, and the approval of Tianjin Municipal Foreign Economic Relations & Trade Commission and the full payment of the registered capital into the JV, the latter two expected to be on or before 31 July 2001. Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

By order of the Board
Law Kwai Lam
Secretary

Hong Kong, 7 June 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).