

**TIMELESS SOFTWARE LTD:
ARE THE COMPANY'S BANKERS GETTING A LITTLE CONCERNED ?**

Evidently, the traditional bankers of publicly listed [Timeless Software Ltd](#) (Code: 8028, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) – Hang Seng Bank Ltd and Standard Chartered Bank – are not particularly happy with the company because, by extension of the latest missive from the computer software company, one may draw the conclusion that one or more of the company's bankers has turned down a recent request for more funding.

The new financial institution, which has agreed to lend more money to Timeless Software, appears to have imposed some pretty tough conditions on the new loan, too.

On October 23, 2003, Timeless Software announced the following:

*'The Board (of Directors) would like to announce that the Company has on 23 October 2003 issued a corporate guarantee to a financial institution in Hong Kong (the **"Corporate Guarantee"**) as a security for a loan facility of HK\$40,000,000 obtained by Timeless Laboratories Limited, a wholly-owned subsidiary of the Company, on the same date (the **"Loan Facility"**). The Loan Facility is to replace the Company's current loan facility for the outstanding amount of HK\$25,000,000 with another financial institution in Hong Kong, and will also be secured by a fixed legal mortgage over the ownership of the property located at 79/F., The Center, 99 Queen's Road Central, Hong Kong and personal guarantees of Mr. Cheng Kin Kwan and Ms. Leung Mei Sheung Eliza, both directors of the Company, respectively. In respect of the personal guarantees of Mr. Cheng Kin Kwan and Ms. Leung Mei Sheung Eliza, Rule 17.20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited does not apply as Mr. Cheng Kin Kwan and Ms. Leung Mei Sheung Eliza are not controlling shareholders of the Company. The Loan Facility is repayable by 120 equal monthly instalments with the first repayment commencing in November 2003, and bears interest at Hong Kong Interbank Offer Rate + 0.5% per annum.*

'The Directors consider that the Loan Facility is entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the shareholders of the Company as a whole.'

The property, the 79th Floor of The Center, over which the new, unnamed financial institution holds a mortgage, was purchased on December 30, 1999 for \$HK178,375,500.

The vendor of this chunk of this commercial building was The Center 79 (No. 2) Ltd, that company, being beneficially controlled by Mr Li Ka Shing, one of the richest men in the world.

So, a \$HK178-million chunk of a Central Hongkong building was insufficient, by itself, to secure a \$HK40-million loan to a subsidiary of Timeless Software, and the lending institution required, inter alia, the personal guarantees of the 64-year-old, Founder and Chairman, Mr Cheng Kin Kwan, and a 38-year-old Administrative Director, Ms Eliza Leung Mei Sheung, in order to agree to release the money to the Timeless subsidiary.

The purchase of this piece of property was a bit of a shock to many people of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), at the time of its purchase, because Timeless Software only went public on The GEM on November 23, 1999.
This company ... [CLICK TO ORDER FULL ARTICLE](#)

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