

**TIMELESS SOFTWARE LTD :
G.E.M. :
IS IT AN ACRONYM FOR GROWTH ENTERPRISE MADNESS ?**

Clearly, this is the dawning of a new era, an era of *'IT Outsourcing'*, of the *'ISP'*, of the *'ICP'*, the *'QIBs'*, and the *'ERP'*. (See Notes One to 5)

But it is, clearly, also the age of complete investment madness, when a sexy acronym can be translated into mythical profits.

For those directors of companies with sufficient enough, chutzpah, that is.

And chutzpah is about the only way to describe the latest offering on The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd.

Timeless Software Ltd is Placing a total of 150 million, 5-cent shares at an Issue Price of \$HK3.30 per share, raising a total of \$HK450 million, net of expenses.

Timeless Software is a company that was founded just 3 years ago by Messrs Cheng Kin Kwan and Danny Cheng Wan Cheung.

These 2 gentlemen were financially backed by Encore Holdings Ltd, a company, which, today, is controlled by the following persons:

Mr Choi King Chung
Mr Li Yau

Mr Law Kwai Lam
Mr Wan Wai Man

The Company has yet to turn in a profit for any one financial year, but it has managed to amass Accumulated Losses, amounting to \$HK71.40 million.

Under *'The Group's Business'*, the Prospectus states that it is *'a leading computer software services group based in Hong Kong, with an established and growing presence in the market for Internet technology services in Hong Kong and the PRC (People's Republic of China) ...'*

The Company claims to employ more than 100 researchers, developers and consultants in the Hongkong Special Administrative Region (HKSAR) and the PRC and provides a full range of software services, including, among other things:

- @ Internet technology and related services
- @ Enterprise resource planning and consulting services
- @ Software localization
- @ Business applications and system software development

Note One:

IT Outsourcing: Relying on external computer companies in order to support day-to-day computer operations

Note Two:

ISP: Internet Service Provider

Note Three:

ICP: Internet Content Provider

Note Four:

QIB: Qualified Institutional Buyer

Note Five:

ERP: Enterprise Resource Planning – computer software which is developed to achieve company wide integration of business and technical information.

The following is a list of Timeless Software's successes since the Company's founding:

	(Year Ended March 31)			
	Period from March 12 To March 31, 1996	1997	1998	Five Months to August 31, 1999
	<i>(All Figures Denominated in \$HK '000)</i>			
Turnover	26,816	40,985	43,346	25,688
Profit/(Loss)	(12,133)	(25,058)	(13,297)	4,135
Profit/(Loss) Attributable to Shareholders After The Provision For Minority Shareholders' Interests	(12,133)	(23,924)	(13,297)	4,135

As for future dividends, the Prospectus makes it only too clear that *'It is uncertain when the Company will be in a position to pay dividends.'* ... [CLICK TO ORDER FULL ARTICLE](#)