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This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. 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)

PRIVATE PLACEMENT OF SHARES

The Company had entered into a conditional share subscription agreement with KDS China Ltd., an independent third party not connected with the directors, chief executive, substantial shareholder or management shareholder of the Company or any of their respective associates, on 8 April 2002 pursuant to which, subject to the terms and conditions therein, the Company has agreed to issue, and the Subscriber has agreed to subscribe for, 10,000,000 shares of HK\$0.05 each of the Company, at an aggregate consideration of HK\$5,300,000.

Completion of the Subscription Agreement is conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares on or before 8 May 2002.

The Company intends to use the net proceeds from the Subscription of about HK\$5,200,000 for expansion of the Group's current marketing operations in the U.S., the trademark registrations of the Group's self-developed products and for general working capital purposes.

SUBSCRIPTION AGREEMENT DATED 8 APRIL 2002

Subscriber

KDS China Ltd., an independent third party not connected with the directors, chief executive, substantial shareholder or management shareholder of the Company or any of their respective associates, is equally beneficially owned by Mr. Chow Kit and Mr. Chiu Bing (each an independent third party not connected with the directors, chief executive, substantial shareholder or management shareholder of the Company or any of their respective associates). KDS China Limited is a computer equipment reseller which has established a good distribution network in the United States, mainland China, Taiwan and Korea. The Subscriber is a close business partner of KDS USA, one of the biggest computer equipment manufacturers in the United States.

The Company

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.

Subscription Shares

10,000,000 ordinary shares of HK\$0.05 each, with an aggregate nominal value of HK\$500,000, representing approximately 1.07% of the issued share capital of the Company prior to Subscription and approximately 1.05% of the issued share capital of the Company as enlarged by the Subscription. There is no lock-up in respect of the Subscription Shares.

Subscription Price

HK\$0.53 per Subscription Share, which was determined after arm's length negotiations between the parties. The Subscription Price represents a premium of approximately 10.42% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on 4 April 2002, being the immediate trading day prior to the date of the Subscription Agreement, and a premium of approximately 8.61% to the average closing price of HK\$0.488 per Share for the 10 trading days prior to the date of the Subscription Agreement.

General Mandate

The Subscription Shares will be issued under the authorities granted to the Directors at the Company's annual general meeting held on 3 August 2001.

Ranking of Subscription Shares

The Subscription Shares will rank *pari passu* in all respects with the existing issued Shares.

Condition to the Subscription

The Subscription is conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Share on or before 8 May 2002, and such listing and permission not subsequently being revoked. Application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

Completion

Completion of the Subscription will take place on the second business day following the fulfilment of the condition to the Subscription.

Purpose of the Subscription and Use of Proceeds

The aggregate gross proceeds from the Subscription will be HK\$5,300,000. The net proceeds from the Subscription are estimated to be HK\$5,200,000, which the Company intends to use as to approximately HK\$2,000,000 for an expansion of the Group's current marketing operations in the U.S.; as to approximately HK\$1,700,000 for the trademark registrations of the Group's self-developed products and as to the balance for general working capital purposes. The expenses of approximately HK\$100,000 will be borne by the Company.

Apart from the proceeds from the allotment of new shares to KDS China Limited, the other reasons for the allotment of new shares to the Subscriber are to establish a strategic relationship with KDS China Limited and to make good use of the distribution network of KDS China Limited. Although no formal negotiations or arrangements have yet been initiated, the Directors believe that the strategic relationship with KDS China Limited will facilitate the purchase of computer equipment for our projects in Ningxia in the PRC, and the distribution network of KDS China Limited will facilitate the software export

business that will be conducted by TTA Software Limited, the joint venture in Tianjin in which the Company is 45% beneficially interested. The Directors believe that the terms of the Subscription are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Definitions

In this announcement the following expressions shall have the meanings set out below:

“associates”	shall have the meaning ascribed thereto in the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Company”	Timeless Software Limited
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for the Growth Enterprise Market
“Group”	Timeless Software Limited and its subsidiaries
“Shares”	shares of HK\$0.05 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	KDS China Ltd., a company incorporated in Hong Kong and is an independent third party not connected with the directors, chief executive, substantial shareholder or management shareholder of the Company or any of their respective associates.
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 8 April 2002 and entered into between the Company and the Subscriber wherein the Subscriber has conditionally agreed to subscribe for the Subscription Shares in accordance with the terms set out therein

“Subscription Price”	HK\$0.53 per Subscription Share
“Subscription Shares”	10,000,000 Shares to be issued pursuant to the Subscription

By Order of the Board
Law Kwai Lam
Secretary

Date: 8 April 2002, Hong Kong

This announcement will remain on the “Latest Company Announcements” page on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the Company’s website at <http://www.timeless.com.hk>.