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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 the Hong Kong with limited liability)

CLARIFICATION ANNOUNCEMENT

The Directors would like to update the shareholders on the progress of engaging a firm of auditors to discuss the bases on which the revenue for the three quarterly results of the Company for the nine months ended 31 December 2001 were compiled as mentioned in the Company’s clarification announcements dated 5 July 2002 and 1 August 2002 respectively.

The Directors noted the recent increase in the price of the shares of the Company and wish to state that they are not aware of any reasons for such increase.

Reference is made to the Company’s clarification announcements made on 5 July 2002 and 1 August 2002 respectively (the “**Clarification Announcements**”) relating to the Company’s results announcement made on 21 June 2002. Terms used in this announcement shall have the same meaning as those used in the Clarification Announcements, unless otherwise specified.

The Directors would like to update the shareholders on the progress of engaging a firm of auditors to discuss the bases on which the revenue for the three quarterly results of the Company for the nine months ended 31 December 2001 were compiled as mentioned in the Clarification Announcements.

The Directors are currently in an advanced stage of negotiations with a firm of auditors with a view to setting down the relevant scope of work to be held. Although no substantial conclusions have been made as at the date of this announcement, the Directors will make further announcements on the subject as and when they consider necessary.

Further, the Directors noted the recent increase in the price of the shares of the Company and wish to state that they are not aware of any reasons for such increase. The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, and that the Board is not aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules which is or may be of a price-sensitive nature.

By Order of the Board
Law Kwai Lam
Company Secretary

Hong Kong, 19 August 2002

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