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Timeless Software Limited

(incorporated in Hong Kong with limited liability)

(Stock code: 8028)

POSSIBLE LITIGATION

This announcement is made by Timeless Software Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

天時北方軟件(北京)有限公司 (Timeless Northern Software (Beijing) Company Limited) (“**Timeless (Beijing)**”), an indirectly wholly-owned subsidiary of the Company, was served with a writ of civil proceedings on 13 September 2011 in respect of the civil proceedings commenced by 寧夏教育信息技術股份有限公司 (Ningxia Educational Information Technology Company Limited) (“**Ningxia Educational**”), an associated company of the Company in which the Company holds an equity interest of 25%, as plaintiff against Timeless (Beijing) as defendant for the claim of compensation for non-completion of the information engineering project by Timeless (Beijing) pursuant to the agreement between Ningxia Educational and Timeless (Beijing) made in 2001.

The following orders were sought to be granted by the Higher People’s Court against Timeless (Beijing): (i) Timeless (Beijing) to return and pay to Ningxia Educational the project fee in the sum of RMB11,834,793.85 prepaid by Ningxia Educational, the interest in the sum of RMB6,265,915.16 and the interest accrued up to the date of full payment by Timeless (Beijing); (ii) legal counsel fees incurred by Ningxia Educational in the sum of RMB250,000 to be borne by Timeless (Beijing); and (iii) the costs of the proceedings and other costs to be borne by Timeless (Beijing).

The Company is currently seeking legal advice from its PRC legal adviser in respect of the aforesaid possible litigation. The Company has 15 days from the date of receipt of the writ of civil proceedings to submit a written defence to the Higher People's Court for determining whether the case could be established. No hearing date has been scheduled yet.

The Company will make further announcement in due course as to any material development in connection with the aforesaid possible litigation.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Timeless Software Limited
Cheng Kin Kwan
Chairman

Hong Kong, 23 September 2011

As at the date of this announcement, the board of directors of the Company comprises six executive directors, namely Mr. Cheng Kin Kwan (Chairman), Mr. Law Kwai Lam, Ms. Leung Mei Sheung Eliza, Ms. Zheng Ying Yu, Mr. Fung Chun Pong Louis and Mr. Liao Yun; and three independent non-executive directors, namely Ms. Tsang Wai Chun Marianna, Mr. Chan Mei Ying Spencer and Mr. Lam Kwai Yan.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

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>.