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**Codebank Limited**

**數碼庫有限公司**

*(incorporated in Hong Kong with limited liability)*

## **FORMATION OF SPECIAL INVESTIGATION COMMITTEE**

The board of directors of Codebank Limited has passed a resolution on 27 June 2002 to form a special investigation committee to investigate matters disclosed in the announcement of the Company dated 28 May 2002.

Trading in the Shares was suspended on 14 May 2002 and will remain suspended pending the completion of the investigation as stated in the announcement of the Company dated 28 May 2002 and the release of the first quarter and second quarter results of the Company and its subsidiaries respectively for the three months ended 31 March 2002 and six months ended 30 June 2002.

With reference to the announcement of Codebank Limited (the "Company") dated 28 May 2002 (the "Announcement"), the board of directors (the "Board") has passed a resolution on 27 June 2002 to form a special investigation committee (the "Committee") to investigate on matters disclosed in the Announcement (the "Investigation") and to make recommendation to the Board on appropriate actions to be taken.

The Committee includes the following members:

Mrs. Lauren K.K. Wu Lau, a partner of Kennic L.H. Lui & Co. Ltd., certified public accountants, is newly appointed by the Company in August 2002 to act as the chairman of the Committee. Mrs. Lau is an independent third party and is not connected with any of the directors, chief executive, any of the management shareholders and substantial shareholders of the Company or its subsidiaries or any of their respective associates, and was not involved in the matters as described in the Investigation. Mrs. Lau is a fellow member of the Hong Kong Society of Accountants and has been in accounting practice for over 15 years and specializes in corporate finance, corporate restructuring and forensic accounting.

Mr. Yue Kwai Wa, Ken joined the Company in August 2002 as the Chief Financial Officer of the Company. Mr. Yue was an independent third party and was not connected with any of

the directors, chief executive, any of the management shareholders and substantial shareholders of the Company or its subsidiaries or any of their respective associates prior to his appointment by the Company, and was not involved in the matters as described in the Investigation. Mr. Yue has over 10 years experience in audit, accounting and compliance.

The Investigation is still in progress and is expected to be completed by the end of October 2002. The reason for the delay in formation of the Committee is owing to the Company was not able to appoint the appropriate persons to form the Committee after the passing of the resolution. Further announcement will be made upon the completion of the Investigation.

Due to high staff turnover, the preparation of the quarterly results of the Company and its subsidiaries respectively for the three months ended 31 March 2002 and six months ended 30 June 2002 is still in progress and is pending the results of the Investigation, which may or may not have an impact on the quarterly results.

The delay in the announcement of the quarterly results constitutes a breach of the GEM Listing Rules. The Stock Exchange of Hong Kong Limited has indicated that it reserves the right to take any appropriate actions for the breach of the GEM Listing Rules.

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By order of the Board  
**Codebank Limited**  
**Cheng Yu Hong**  
*Director*

Hong Kong, 29 August 2002

*This announcement, for which 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 (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Codebank Limited. 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 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.*

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