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## **Codebank Limited**

**數碼庫有限公司**

*(incorporated in Hong Kong with limited liability)*

### **ANNOUNCEMENT**

The board of directors of the Company announces that the Company has accepted a proposal which may lead to the subscription of new shares in the Company by an investor pending, amongst other things, the results of a due diligence review and investigation of the Company and its subsidiaries, the entering into of a formal subscription agreement and a capital reorganisation of the Company. The Company will make further announcement(s) about the progress as and when it is appropriate.

Trading in the shares of the Company 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 the second quarter results of the Company and its subsidiaries respectively for the three months ended 31 March 2002 and the six months ended 30 June 2002.

The conditional partial cash offer for the shares and the options of Codebank Limited (the "Company") made by Emperor Capital Limited on behalf of Polywise Limited lapsed as announced in [a joint announcement of renren Holdings Limited and Polywise Limited dated 16 August 2002](#).

The board of directors of the Company announces that on 16 August 2002, the Company has accepted a proposal from Top Edge Tradings Limited ("Top Edge") where amongst other things, the Company has agreed that for a period of six months starting from 16 August 2002:

- a. the Company will allow Top Edge and its professional advisers and/or representatives access to the information, documents and premises of the Company and its subsidiaries for the carrying out of a due diligence review and investigation; and
- b. unless as advised by Top Edge that it does not proceed further, the Company will not solicit any other investor(s) such that it will result in, amongst other things, a subscription of new shares in the Company, injection of funds into the Company, a change in the majority of the board of directors of the Company or the acceptance of other rescue plans for the Company.

Top Edge was incorporated in the British Virgin Islands on 6 June 2001. It did not commence any business before being used as an investment holding company for the purpose of making the above proposal to the Company. Top Edge is wholly owned by Mr. Chan Kee Tin, Ponto, an independent third party not connected with the directors, chief executive, management shareholders or substantial shareholders of the Company or its subsidiaries or any associate(s) of any of them.

Subject to the above-mentioned due diligence review and investigation by Top Edge and the entering into of a formal subscription agreement, major terms of Top Edge's proposal include:

- a. a capital reduction in the nominal value of the existing shares of the Company from HK\$0.10 to HK\$0.01;
- b. a subscription of 700 million new shares of HK\$0.01 each in the share capital of the Company at HK\$0.013 per share, representing approximately 116.7% of the existing issued share capital and 53.8% of the enlarged issued share capital after the above-mentioned capital reduction and share subscription;
- c. a general offer to be made to the then shareholders of the Company after the subscription of new shares at the price of HK\$0.013 per share by Top Edge in accordance with the Hong Kong Code on Takeovers and Mergers; and
- d. as stated in the proposal, there may also be a rights issue on the basis of one rights share for every two shares of the Company, after completion of the capital reduction and the share subscription, held by its then shareholders of HK\$0.01 each at the price of HK\$0.013 per rights share.

An aggregate of HK\$3,000,000 was received by the Company from Top Edge as earnest money. The amount will be repayable to Top Edge if after carrying out the due diligence review and investigation of the Company and its subsidiaries, Top Edge decides not to subscribe shares in the Company. Upon signing of a formal agreement for the subscription of new shares in the Company, the money will be used as partial payment of the consideration. The Company will make further announcement(s) about the progress as and when it is appropriate and the implications under the Hong Kong Code on Takeovers and Mergers upon the signing of a formal subscription agreement with Top Edge.

The Stock Exchange of Hong Kong Limited has indicated that it reserves the right to require the resumption of trading in the shares of the Company be conditional on a consolidation of the shares if the price of the shares approaches the extremity of HK\$0.01.

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

Hong Kong, 30 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.*

*This announcement will remain on the “Latest Company Announcements” page on the GEM website for at least seven days from its date of publication.*