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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 would like to inform its shareholders the progress of the proposal accepted by the Company from Top Edge as disclosed in the announcement of the Company dated 30 August 2002 and a writ issued from the High Court of the Hong Kong Special Administrative Region has been served on the Company.

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 results, the second quarter results and the third quarter results of the Company and its subsidiaries respectively for the three months ended 31 March 2002, the six months ended 30 June 2002 and the nine months ended 30 September 2002.

The board of directors of Codebank Limited (the "Company") would like to inform its shareholders the progress of the proposal accepted by the Company from Top Edge Tradings Limited ("Top Edge") as disclosed in the announcement of the Company dated 30 August 2002. Presently, Top Edge is still in the process of conducting the due diligence review and investigation on the Company and its subsidiaries. As of today, no formal agreement for the subscription of new shares in the Company has yet been entered into between the Company and Top Edge. 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 board of directors of the Company would also like to inform its shareholders that a writ issued from the High Court of the Hong Kong Special Administrative Region dated 27 September 2002 has been served on the Company by Bestcharm Holdings Limited and Huge Rich Limited (collectively, the "Plaintiffs") claiming as an assignee of an outstanding debt of approximately HK\$3.2 million from a bank owed by the Company and demanding the Company for repayment. Since the Company's special investigation committee is still reviewing the Company's financial position and performing its investigation into matters as

referred to in an announcement of the Company dated 28 May 2002, it is not possible to determine precisely the effect of such claim on the Company at this stage. Such effect, if any, will be announced together with the results of the aforesaid financial review and investigation.

Furthermore, the Plaintiffs informed the Company that as creditors they did not intend to cooperate with the Company for the purposes of assisting it to obtain the necessary confirmation from the court in relation to the proposed capital reduction in the nominal value of the existing shares of the Company from HK\$0.10 to HK\$0.01 as disclosed in the announcement of the Company dated 30 August 2002. The Company is seeking legal advice on the Plaintiffs' position in connection with the above matter.

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By order of the Board
Codebank Limited
Cheng Yu Hong
Director

Hong Kong, 7 October 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.