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Codebank Limited
數碼庫有限公司

(incorporated in Hong Kong with limited liability)

CHANGE OF ADDRESS

CHANGE OF DIRECTORS

AND UPDATE ON THE GROUP'S OPERATION

The board of directors (the "Board") of Codebank Limited (the "Company") would like to announce that the principal place of business of the Company has changed.

The Board also hereby announces that Mr. Suen Kwok Kin had resigned as Executive Director with effect from 25 March 2003 and Mr. Choy Mun Kei had resigned as non-Executive Director with effect from 17 March 2003. The Company also hereby announces that it has appointed Mr. Raymond Kwong to be a new independent non-executive director subject to the proper completion of director's declaration and undertakings and the approval from the Stock Exchange.

The Board would also like to inform its shareholders that with respect to the terms of memorandum of understanding accepted by the Company (the "MOU") from Top Edge Tradings Limited (the "Top Edge") as disclosed in the announcements of the Company dated 30 August 2002, 7 October 2002, 28 November 2002 and 10 March 2003, up to the date of this announcement, the Company did not receive any formal advice from Top Edge confirming their intention in respect of the MOU nor did the Company receive any formal reply from Top Edge in respect of a formal letter sent by the Company on the date of 17 March 2003 requesting the confirmation of intention from Top Edge.

The Board would also like to inform its shareholders that regarding Restructuring Proposal submitted by Judgment Creditor as defined in the Company's announcement on 20 December 2002 "Restructuring Proposal", the Judgment Creditor confirmed that they continue to be interested in the proposed restructuring of the Company on 16 April 2003 and they are now closely working with the Board to assess the viability of the Company as going concern.

The Company would also like to inform its shareholders that with respect to the Winding Up Petition which was disclosed in the announcement of the Company on 10 March 2003, was first heard on 26 March 2003, second heard on 23 April 2003 and third heard on 7 May 2003, the Board hereby announces that the original Petitioner To Yuet Sing is applying to have its Winding Up Petition dismissed while Top Edge has indicated that it will step in as the substitute Petitioner. The matter is now being adjourned to 12 May 2003 to be heard before the company Judge.

In addition, the Board would like to inform its shareholders that the Group is continuing to implement its restructuring program as disclosed in the Company's announcement at 10 March 2003.

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

Change of Business Address

The Board is pleased to announce that the principal place of business of the Company has changed to Unit 10B, Dotcom House, 128 Wellington Street, Central, Hong Kong effective 4 April 2003, and this relocation shall reduce the office rental cost by around 65% for the Company. Since the Company was not able to announce its relocation on time, the Company is therefore in the breach of Rule 17.50(5) for late publication.

Change of Directors

The Board also hereby announces that Mr. Suen Kwok Kin had resigned as Executive Director with effect from March 25, 2003 and Mr. Choy Mun Kei had resigned as non-Executive Director with effect March 17, 2003. The reason for the resignations as given by Mr. Choy Mun Kei and Mr. Suen Kwok Kin was that they had a different opinion from the Board in respect of the rescue plan of Codebank. These two former directors believed that the draft Subscription Agreement proposed by Top Edge represented the most concrete rescue proposal received by the Company; while the Board focused more on assessing Top Edge's ability to complete the Subscription transaction after the execution of such Subscription Agreement. Due to their difference in opinion from the Board in respect of the rescue plan, these two formers concluded that they were not in a position to make further meaningful contribution to the Company. The Board wishes to express its appreciation to Mr. Suen and Mr. Choy for their contributions towards the Company during their term of service. Since the Company was not able to announce the resignation of directors on time, the Company is therefore in the breach of Rule 17.50(2) for late publication. Further announcement will be made in respect of the divided views of the Board and the two formers directors where applicable.

The Board hereby also announces that it had appointed Mr. Raymond Kwong to be one of the two required new independent non-executive director and such appointment is subject to the proper completion of director's declaration and undertakings and the approval from the Stock Exchange. Mr. Kwong is a practicing solicitor with more than 8 years of working experience in the legal profession. He graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Since the Company is under restructuring, the Board is of the view the Company requires independent non-executive director(s) to serve on the Board in order to review investment proposals submitted to the Company and to protect minority shareholders' interests. With the professional expertise and experience of Mr. Kwong, the Board believes that he can provide professional advice and expert opinion while reviewing proposals and monitoring the process of restructuring resulting and could provide long-term benefits to the Company. In order to comply with Rules 5.05 and 5.23 of the GEM Listing Rules, the Board is now also in the process of identifying suitable candidate to serve as another independent non-executive director.

As of the date of this announcement, the composition of the Board is as follow:

Executive Directors:

Deng Yi

Cheng Yu Hong

Update on Top Edge Proposal

The Board would like to inform shareholders that with respect to the terms of memorandum of understanding accepted by the Company from Top Edge Tradings Limited as disclosed in the announcements of the Company dated 30 August 2002, 7 October 2002, 28 November 2002 and 10 March 2003, the Company, up to the date of this announcement, did not receive any formal advice

from Top Edge to confirm their intention in respect of the MOU nor received any formal reply from Top Edge in respect of a formal letter sent by the Company on the date of 17 March 2003 to request the confirmation of intention from Top Edge.

Restructuring Proposal from Judgment Creditor

In respect of the Restructuring Proposal submitted from Judgment Creditor as disclosed in the Company's announcement on 20 December 2002, the Judgment Creditor confirmed that they continue to be interested in the proposed restructuring of the Company on 16 April 2003, and they are now closely working with the Board to assess the viability of the Company as going concern. Further announcement will be made as and where applicable.

Claims Against the Group and Winding Up Petition

In respect to the Winding Up Petition which was mentioned in the announcement of the Company on 10 March 2003, was first heard on 26 March 2003, second heard on 23 April 2003 and third heard on 7 May 2003, the Board hereby announces that the original Petitioner To Yuet Sing is applying to have its Winding Up Petition dismissed while Top Edge has indicated to step in as the substitute Petitioner. The matter is now being adjourned to 12 May 2003 to be heard before company Judge.

Current Operation of the Group

With respect to current financial and operation of the Company, as disclosed in the Company's announcement 10 March 2003 on the Board would like to inform its shareholders that Group is in serious financial difficulty and the Board is continuing to implement its restructuring program as disclosed in the Company's announcement of the same date.

Continued Suspension of Trading

Trading in the shares of the Company was suspended on 14 May 2002 and will remain suspended pending completion of the Investigation as stated in the announcement of the Company dated 28 May 2002 and the release of the results of the Company and its subsidiaries respectively for the three months ended 31 March 2002, the six months ended 30 June 2002, the nine months ended 30 September 2002 and the twelve months ended 31 December 2002.

The Exchange reserves the right to take appropriate action in relation to the above breaches.

By order of the Board
Codebank Limited
Cheng Yu Hong
Director

Hong Kong, 7 May 2003

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.