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[code/bank]

CODEBANK LIMITED

數碼庫有限公司

(incorporated in Hong Kong with limited liability)

**Listing on
the Growth Enterprise Market
of The Stock Exchange of Hong Kong Limited
by way of Placing**

**Number of Placing Shares : 150,000,000 Shares comprising
105,240,000 New Shares and
44,760,000 Sale Shares
(subject to Over-allotment Option)**

Offer Price : HK\$0.50 per Share

Nominal value : HK\$0.10 each

Stock code : 8162

Sponsor

**Deloitte & Touche
Corporate Finance Ltd**

Bookrunner and Lead Manager



KINGSTON CORPORATE FINANCE LIMITED

Underwriters

**Kingston Securities Limited
Deloitte & Touche Corporate Finance Ltd
Hantec Securities Company Limited
Sun Hung Kai International Limited**

**GC Capital (Asia) Limited
Prudence Securities Company Limited
Core Pacific-Yamaichi International (H.K.) Limited
SBI E2-Capital Securities Limited**

- The 150,000,000 Placing Shares were placed to professional, institutional and other investors and were over-subscribed by approximately 0.095 times.
- The placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or associates of any of them as defined under the GEM Listing Rules.
- The Company has granted the Over-allotment Option to the Lead Manager exercisable by it at any time from 17th December, 2001 up to 4:00 p.m. on 16th January, 2002 to require the Company to issue, at the Offer Price, up to an aggregate of 22,500,000 additional Shares, representing 15% of the Shares initially available under the Placing. Up to the date of this announcement, the Over-allotment Option has not been exercised.
- The board lot size is 4,000 Shares. Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Friday, 21st December, 2001.

Unless otherwise defined herein, terms used in this announcement shall bear the same meaning as defined in the prospectus of Codebank Limited (the “Company”) dated 17th December, 2001 (the “Prospectus”).

Level of interest

The 150,000,000 Placing Shares (comprising 105,240,000 New Shares and 44,760,000 Sale Shares) have been conditionally allocated in full to 135 professional, institutional and other investors and were over-subscribed by approximately 0.095 times. The placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or associates of any of them as defined under the GEM Listing Rules.

The following table sets out the distribution of the 150,000,000 Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing
Top 2 placees (<i>Note</i>)	40,000,000	26.67%	6.67%
Top 5 placees	66,000,000	44.00%	11.00%
Top 10 placees	82,360,000	34.91%	13.73%
Top 25 placees	112,548,000	75.03%	18.76%

Note: The top two placees have each been conditionally allocated 20,000,000 Placing Shares.

Pursuant to the Placing, the 150,000,000 Placing Shares will be held by a total of 135 places.

Number of Shares	Number of places
20,000 to 50,000	11
50,001 to 100,000	33
100,001 to 200,000	20
200,001 to 500,000	23
500,001 to 1,000,000	22
1,000,001 to 6,000,000	23
6,000,001 or above	3
Total	135

No Placing Share has been placed to any party or group of persons specified under Rule 10.12(4) of the GEM Listing Rules.

There is a high concentration of shares held by a small number of shareholders. **The investors should be aware that the concentration of shareholders might affect the liquidity of the Shares in the secondary market. Consequently, the Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.**

Over-Allotment Option

The Company has granted the Over-allotment Option to the Lead Manager exercisable by it at any time from 17th December, 2001 up to 4:00 p.m. on 16th January, 2002 to require the Company to issue, at the Offer Price, up to an aggregate of 22,500,000 additional Shares, representing 15% of the Shares initially available under the Placing. Up to the date of this announcement, the Over-allotment Option has not been exercised.

Minimum public float requirement

Pursuant to the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all times immediately after the listing of the Shares on GEM. Immediately following the Placing (but before exercise of the Over-allotment Option), the Company will have a public float of 25% of its enlarged issued share capital. Assuming that the Over-allotment Option is exercised in full, the Company will have a public float of approximately 27.71% of its enlarged issued share capital.

Deposit of share certificates into CCASS

The certificates in respect of the Placing Shares are expected to be deposited on 20th December, 2001 into CCASS for credit to the respective CCASS participants' stock accounts of the placing agents. All new Shares are expected to be issued on 20th December, 2001.

Commencement of dealings

The board lot size is 4,000 Shares. Dealings in the Shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited are expected to commence at 10:00 a.m. on Friday, 21st December, 2001.

By order of the Board
Yu Hang Chung, Herman
Chairman

Hong Kong, 19th December, 2001

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, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 and a copy of the Prospectus is posted on the GEM website at www.hkgem.com.