Credit Card DNA Security System (Holdings) Limited

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The Board of the Company wishes to state that we are not aware of the reason for the decrease in the share price of the Company except that proposed subscription and licensing agreement are being discussed with the controlling shareholder of the Company.

This statement is made at the request of the Stock Exchange of Hong Kong Limited (the "Exchange").

The Board (the "Board") of Directors of Credit Card DNA Security System (Holdings) Limited (the "Company") has noted the decrease in the share price today (23rd of September, 2002) of the Company and wishes to state that we are not aware of any reasons for such decrease save as disclosed below.

The Company is discussing with Mr. Wong Kam Fu, the Chairman and controlling shareholder of the Company ("Mr. Wong") for the subscription of shares of a company wholly owned by Mr. Wong. This company holds the patent of the credit card security system registered in Hong Kong and the PRC (the "Patent"). Furthermore, a licensing agreement for the use of the Patent is also discussed (collectively "the Discussions").

The Discussions were not finalized and no concrete terms or agreements have yet been reached. The Discussions, if materialized, may constitute a major and connected transaction of the Company under the Listing Rules. Such transaction may or may not materialize. Further announcement will be made when necessary.

Mr. Wong and its associates hold about 32.8% of the issued share capital of the Company as at 23rd September, 2002.

The Board confirms that save as disclosed above, there are no other negotiations or agreements relating to any intended acquisitions or realizations of assets which are discloseable under paragraph 3 of the Listing Agreement. Neither is the Board aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board of the directors of which individually and jointly accepts responsibility for the accuracy of this announcement.

By order of the Board
Wong Hoi Keung
Managing Director

Hong Kong, 23 September 2002

Please also refer to the published version of this announcement in The Standard.