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SmarTech **滙 科**

Smarteck Digital Manufacturing Holdings Limited *(Incorporated in the Cayman Islands with limited liability)*

ANNOUNCEMENT

IN RELATION TO THE LEGAL CASES OF A SUBSIDIARY

The Board announces that a judgement has been entered against Sky Datamann on 7th January 2002 upon the landlord's summons for summary judgement application on 21st December 2001 in relation to the claims of outstanding rents, rates and management fee and related interest of the Premises.

The Board also announces that the hearing for the summons to strike out and/or dismiss the Petition against Sky Datamann was heard on 8th January 2002, the judgement for the hearing was reserved until further notice from the Court. Further announcement in relation to the judgement from the Court will be made in due course.

At the request of the Company, trading of shares of the Company on the Stock Exchange was suspended at 10:00 a.m. on 8th January, 2002 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the securities of the Company with effect from 10:00 a.m. on 9th January, 2002.

The board of directors (the "Board") of Smarteck Digital Manufacturing Holdings Limited (the "Company") has noted the decrease in the price of the shares of the Company and announces a judgement (the "Judgement") has been entered against Sky Datamann (Hong Kong) Limited ("Sky Datamann") on 7th January 2002, an indirect and wholly owned subsidiary of the Company, in the Court of First Instance Action No. 5020 of 2001 (the "Action") for (i) the sum

of HK\$704,401.36, (ii) possession of the Premises situated Units A&B, 4/F, CDW Building, 388-392 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong (the “Premises”), (iii) damages to be assessed and (iv) costs of the Action to be taxed on an indemnity basis (if not agreed) in favour of the landlord of the Premises. The Judgement was entered into upon the landlord’s summons for summary judgement application on 21st December 2001 in relation to the claims of outstanding rents, rates and management fee and related interest of the Premises. The Board consider the judgement will not have any significant effect on the operation, financial position, and net cash flow of the Company as a whole. The unaudited net asset value of the Group (the Company and its subsidiaries) as at 30th September 2001 was approximately HK\$114,781,000.

Further to the announcements dated 23rd May 2001, 18th July 2001, 23rd July 2001, 21st August 2001 and 2nd January 2002 in respect of the High Court Companies Winding-Up Proceedings No. 487 of 2001 (the “Petition”) against Sky Datamann by CCP Engineering Ltd (“CCP”), Sky Datamann was advised by its legal advisors that the alleged debt mentioned in the Petition is bona fide disputed on substantial grounds, and/or the Petition is scandalous, frivolous or vexatious and/or the Petition is an abuse of process of Court. Therefore, Sky Datamann has taken out a Summons to strike out and/or dismiss the Petition. The hearing for the summons to strike out and/or dismiss the Petition was heard on the High Court on 8th January 2002, the Board announces that the judgement for the hearing was reserved until further notice from the Court. Further announcement in relation to the judgement from the Court will be made in due course. Sky Datamann has engaged CCP to conduct certain mechanical & electrical installations works and the alleged debt mentioned by CCP under the Petition was of approximately HK\$4,000,000.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”). Save as the above matter, the Board is not aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

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By Order of the Board
Smartech Digital Manufacturing Holdings Limited
Tang Kwok Yuen
Chairman

Hong Kong, 8th January 2002

This announcement, for which the Directors 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 will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting.