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***SmarTech***

**滙科**

## **Smartech Digital Manufacturing Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

### **CLARIFICATION ANNOUNCEMENT**

Clarification of articles on newspapers regarding the Alleged Litigations against a subsidiary of the Company.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Smartech Digital Manufacturing Holdings Limited (the “Company”) has noted the recent increase in the price of the shares of the Company and wish to state that the Board is not aware of any reasons for such increase.

The Board also 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”), neither is the Board 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.

In addition, the Board wishes to make announcement in response to certain articles (the “Articles”) appearing in newspapers today regarding alleged litigations (the “Alleged Litigations”) made against Smartech Manufacturing Limited (“SML”), a wholly-owned subsidiary of the Company by Lung Kee Metal Limited and Lung Kee Steel Limited (collectively as “Lung Kee”). Lung Kee are one of the suppliers that provide mold base and steel to SML. The alleged debts according to the Articles were approximately HK\$2,000,000.

The Board wishes to clarify that up to the date of this announcement, though the Articles

indicated that proceedings by Lung Kee has been commenced, SML has not yet been served with the writ of summons as alleged therein. Lung Kee have issued letters previously to demand payments. SML is now under negotiation with Lung Kee on this matter. Once SML receives the writ of summons, the Company will immediately seek legal advice on the matter and further announcement will be made accordingly.

The Board considers the Alleged Litigations will not have any significant effect on the operation, financial position, and net cash flow of the Company as a whole.

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

Hong Kong, 16 January 2002

*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 of the Company, 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.*