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SmarTech **滙 科**

Smarteck Digital Manufacturing Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

Referring to an article published on 30th January 2002 in a magazine regarding the alleged departure of Mr. Law from Hong Kong, the Board of the Company considers that the Alleged Information will not have any material adverse effect on the business operation of the Group, however, it may bring adverse effect to the financial position of the Group.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of Smarteck Digital Manufacturing Holdings Limited (the “Company”) wishes to make this announcement pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

The Board refers to an article published on 30th January 2002 in a magazine regarding the alleged departure of Mr. Law Man Ming (“Mr. Law”), an executive director of the Company, from Hong Kong (the “Alleged Information”) and the pledge of shares of the Company by Diamonds and Pearls Limited (which is owned as to 84 per cent. by Mr. Law and as to 16 per cent. by Mr. Tang Kwok Yuen, the chairman of the Company (“Mr. Tang”)), a substantial shareholder of the Company which owns as to 41.61% of the issued share capital of the Company, in favour of New Universe Holdings Limited as disclosed previously in the submission of notice pursuant to Part II and III of the Securities (Disclosure of Interests) Ordinance on 11th January 2002 and wishes to clarify that the Company has difficulty to reach Mr. Law since mid of January 2002. The Board considers that the Alleged Information will not have any material adverse effect on the business operation of the Company and its subsidiaries (collectively, the “Group”) since as disclosed in the

announcement of the Company dated 22nd October 2001, Mr. Tang has taken up the role of Mr. Law as the chairman of the Company. Furthermore, Mr. Law was previously involved in the overall management and business development of the Group, and currently his duties are taken up by Mr. Tang and Mr. Chan Ngai Sang, Kenny, the executive director of the Company. However, the Board believes that the Alleged Information may bring adverse effect to the financial position of the Group as it may affect the reputation of the Company and in turn may influence the confidence of the bankers, suppliers and customers of the Group. In fact, the Board believes that the business of the Group have already been adversely affected by the “911” incident in the United States of America before the publication of the Alleged Information. In view of the further adverse impact which may be brought about by the Alleged Information, the financial position of the Group may be adversely affected and the cashflow position of the Group is becoming tight. The working capital and financial position of the Group will be reviewed by the auditors of the Group in conjunction with the audit of the accounts of the Group for the year ended 31st December 2001 and discussion will be made with the Audit Committee and the Board after their review. The auditors of the Group have already commenced their audit of the accounts of the Group. Further announcement will be made on the working capital and the financial position if necessary.

The Board confirms that the Group continues to engage in the design, manufacturing and trading of molds and plastic products and sufficient level of operations is maintained pursuant to the Rule 17.26 of the GEM Listing Rules. Other than those legal cases which in aggregate relating to claim of approximately HK\$6,700,000 disclosed in the announcements dated 8th January 2002, 17th January 2002 and 29th January 2002, as at 8th February 2002, outstanding claims against the Group are in the aggregate amount of approximately HK\$2,300,000 out of which HK\$2,200,000 are in dispute. The cases in dispute came from three outstanding claims whose natures are in the ordinary course of business. Regarding those legal cases of the Group where announcements were made on the abovementioned dates, no material development has been made since those respective dates. Further announcement will be made as and when necessary.

The Board also confirms that there are no negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules.

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 11th February, 2002

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.