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## **Smartech Digital Manufacturing Holdings Limited**

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

### **ANNOUNCEMENT**

#### **TERMINATION OF APPOINTMENT OF CHIEF EXECUTIVE OFFICER OF A SUBSIDIARY AND RESIGNATION OF NON-EXECUTIVE DIRECTOR OF THE COMPANY**

The appointment of Mr. Law as the chief executive officer of Smartech Services Limited, a wholly-owned subsidiary of the Company, was terminated on 4th March 2002.

Mr. Yaw resigned as a non-executive director of the Company with effect from 5th March 2002.

The board of directors (the “Board”) of Smartech Digital Manufacturing Holdings Limited (the “Company”) announces that by a letter dated 2nd March 2002 (the “Letter”) from the Board to Mr. Law Man Ming (“Mr. Law”) at his last known address that the appointment (the “Appointment”) of Mr. Law as the chief executive officer of Smartech Services Limited, a wholly-owned subsidiary of the Company, was to be terminated by giving him notice with effect from 48 hours after dispatch of the Letter (i.e. with effect from 4th March 2002). According to the terms stipulated in the service agreement dated 4th May 2000 entered into between Mr. Law and Smartech Services Limited (the “Service Agreement”), the suspension of any debt payments will constitute a breach of the Service Agreement. As disclosed in the announcement of the Company dated 17th September 2001, the Board was informed of by Mr. Law that a statutory demand on a judgement debt was served on him and the Board was aware of full settlement of the judgement debt has not been made by Mr. Law up to 2nd March 2002. Accordingly, Mr. Law had breached the Service Agreement. The termination of the Appointment is in accordance with the provisions of the Service Agreement. As at the date of this announcement, Mr. Law has ceased to be the chief executive officer of Smartech Services Limited.

In addition, it is provided in the Service Agreement that on the termination of the Appointment, Mr. Law shall, at the request of Smartech Services Limited, resign from office as a director of the Company and of any other member of the Company. As disclosed in the announcement of the Company dated 11th February 2002, the Company has difficulty in reaching Mr. Law since the middle of January 2002. The Board considers that it is in the interest of the Company and its subsidiaries to request him to resign from office as a director of the Company and its subsidiaries. Accordingly, the Letter was issued to Mr. Law to request Mr. Law to resign from office as a director of the Company and its subsidiaries on 4th March 2002. In relation to the request made by Smartech Services Limited under the Letter, no response has been received from Mr. Law up to 4th March 2002. The Company will seek legal advice on the possible actions that can be taken by the Company in respect of the non-reply from Mr. Law and further announcement will be made as and when necessary.

The Board believes that the termination of Mr. Law as the chief executive officer of Smartech Services Limited will not have any material adverse effect on the Company's business or its operations as disclosed in the announcement of the Company dated 22nd October 2001. Mr. Tang Kwok Yuen ("Mr. Tang") has since 22nd October 2001 replaced Mr. Law as the chairman of the Company. Mr. Law's duties in the Company and his duties as the chief executive officer of Smartech Services Limited have mainly been taken up by Mr. Tang and Mr. Chan Ngai Sang, Kenny, an executive director of the Company.

The Board further announces that Mr. Yaw Chee Weng ("Mr. Yaw") resigned as a non-executive director and vice-chairman of the Company with effect from 5th March 2002. The duties of vice-chairman will be taken up by Mr. Tang.

The Board would like to take this opportunity to thank Mr. Yaw for his past contributions to the Company during his tenure of office.

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

Hong Kong, 5th March 2002

*This announcement, for which the Directors, other than Mr. Law who is not contactable, 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.*

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