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Smartech Digital Manufacturing Holdings Limited

滙科數碼製造控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

COMPLETION OF THE DISPOSAL OF SHARES AND PLACING OF SHARES BY CONTROLLING SHAREHOLDER

Following the announcement made by the Company on 17th May 2002, the Board was informed by Diamonds and Pearls that completion of the S&P Agreement and the Placing Agreement took place on 31st May 2002 and Diamonds and Pearls has ceased to be a shareholder of the Company as at the date of this announcement.

As announced by the board of directors (the “Board”) of Smartech Digital Manufacturing Holdings Limited (the “Company”) on 17th May 2002, Diamonds and Pearls Limited (“Diamonds and Pearls”) entered into (i) a conditional sale and purchase agreement dated 15th May 2002 (the “S&P Agreement”) pursuant to which Diamonds and Pearls shall sell shares of the Company beneficially owned by Diamonds and Pearls to New Universe Enterprises Limited (“New Universe”); and (ii) a conditional placing agreement dated 15th May 2002 (the “Placing Agreement”) pursuant to which the placing agent of Diamonds and Pearls shall procure in relation to the placing to independent places shares of the Company beneficially owned by Diamonds and Pearls. Diamonds and Pearls informed the Board that the conditions precedent to the completion of the S&P Agreement and the Placing Agreement were fulfilled, and the completion of the S&P Agreement and the Placing Agreement (the “Completion”) took place on 31st May 2002.

Advance to the Company

Pursuant to the announcement dated 30th May 2002, upon completion of the S&P Agreement, New Universe will advance an amount of HK\$15 million to the Company on date of completion of the S&P Agreement by way of an unsecured and interest-free loan (the “Advance”), which shall be applied solely towards financing the working capital of the Company. The Board is pleased to announce that the Advance was received by the Company today.

Shareholdings in the Company

The following is a summary of the shareholdings in the Company immediately before and upon Completion:

Held by:	No. of Shares held immediately before Completion		No. of Shares held upon Completion	
		%		%
Diamonds and Pearls	1,956,000,000	41.61	—	—
New Universe	—	—	1,363,000,000	29.00
Joyful Way Holdings Limited (<i>Note</i>)	535,500,000	11.39	535,500,000	11.39
Public	<u>2,208,500,000</u>	<u>47.00</u>	<u>2,801,500,000</u>	<u>59.61</u>
Total	<u>4,700,000,000</u>	<u>100.00</u>	<u>4,700,000,000</u>	<u>100.00</u>

Note: Joyful Way Holdings Limited is beneficially owned as to 26.9 per cent. by Mr. Chan Ngai Sang, Kenny, an executive director of the Company and 73.1 per cent. by Mr. Yaw Chee Weng.

Upon Completion, Diamonds and Pearls has disposed of all of its shareholdings in the Company and ceased to be a shareholder of the Company.

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

Hong Kong, 31st May 2002

This announcement, for which the directors of the Company, other than Mr. Law Man Ming 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 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.