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## **Smarteck Digital Manufacturing Holdings Limited**

**滙科數碼製造控股有限公司**

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

### **PROPOSED CONSOLIDATION OF SHARES**

The Directors intend to propose to the Shareholders to approve the adjustment of the nominal value of all the existing issued and unissued Shares on the basis that every ten Shares of HK\$0.005 be consolidated into one Consolidated Share of HK\$0.05.

The Share Consolidation is conditional upon the fulfillment of the conditions more particularly referred to in the section headed “Conditions of the Share Consolidation” below.

#### **SHARE CONSOLIDATION**

The directors (the “**Directors**”) of Smarteck Digital Manufacturing Holdings Limited (the “**Company**”) intend to propose to the shareholders of the Company (the “**Shareholders**”) that every ten existing issued and unissued shares (each a “**Share**”) of HK\$0.005 each be consolidated into one share of HK\$0.05 (each a “**Consolidated Share**”) (the “**Share Consolidation**”).

The authorised share capital of the Company is HK\$50,000,000 divided into 10,000,000,000 Shares of HK\$0.005 each, of which 4,700,000,000 Shares are issued and fully paid or credited as fully paid. Immediately after the Share Consolidation, the authorised share capital of the Company will be HK\$50,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.05 each, of which 470,000,000 Consolidated Shares will be in issue and fully paid or credited as fully paid. The Consolidated Shares will rank pari passu with each other and the rights attaching to the Shares will not be affected by the Share Consolidation.

## **Conditions of the Share Consolidation**

The Share Consolidation will be conditional upon:

- (i) the passing by the Shareholders at an extraordinary general meeting of the Company to be held on or about 11 July 2002 (the “EGM”) of an ordinary resolution to approve the Share Consolidation; and
- (ii) the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consolidated Shares and any new Consolidated Share which may falls to be issued pursuant to the exercise of options granted under the Company’s Pre-IPO share option scheme or the Company’s share option scheme both adopted on 4 May 2000.

## **Change in board lot size**

Currently, the Shares are traded in board lots of 10,000 Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will be traded in board lots of 20,000 Consolidated Shares.

## **Reason for the Share Consolidation**

The Directors believe that the Share Consolidation will reduce the overall transaction costs for dealings in the Consolidated Shares and the Directors are of the opinion that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

## **Effects of the Share Consolidation**

Other than the expenses incurred relating to the Share Consolidation, implementation of the Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Consolidation will not have a material adverse effect on the financial and trading position of the Group. On 13 June 2002, being the last trading day prior to this Announcement, the closing price of the Shares as quoted on the GEM is HK\$0.022 and the market value of each board lot of 10,000 Shares is HK\$220. Assuming the Share Consolidation and the change in board lot size becoming effective on 13 June 2002, the market value of each board lot of 20,000 Consolidated Shares would be HK\$4,400.

# ARRANGEMENTS FOR TRADING AND EXCHANGE OF SHARE CERTIFICATES

## Exchange of share certificates

Upon the Share Consolidation becoming effective, Shareholders may submit their certificates for Shares to the Tengis Limited in exchange for certificates for Consolidated Shares free of charge during business hours from 9:00 a.m. to 4:00 p.m. from 12 July 2002 up to and including 20 August 2002. Thereafter, the share certificates for Shares will be accepted for exchange only on payment of a fee, which is at present HK\$2.50 for the issue of each new certificate. Unless otherwise instructed, the share certificates for Consolidated Shares will be issued in board lot of 20,000 Consolidated Shares. Existing share certificates will continue to be good evidence of legal title.

The share certificates for the Consolidated Shares will be issued in gold colour in order to distinguish from the existing share certificates for the Shares which are blue in colour.

## Odd lot facility arrangements

In order to alleviate the difficulties arising from the existence of odd lots of Consolidated Shares when the Share Consolidation becomes effective, the Company has appointed Kingston Securities Limited of 28th Floor, One International Finance Centre, 1 Harbour Street, Central, Hong Kong to provide matching service for the sale and purchase of odd lots of Consolidated Shares during the period from Friday, 26 July 2002 to Friday, 16 August 2002 (both days inclusive). Holders of Consolidated Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of Consolidated Shares or top up their shareholdings in the Company to board lots of 20,000 Consolidated Shares may directly or through their stockbroker contact Ms. Rosita Kiu of Kingston Securities Limited at 2298 6215. **Shareholders should note that successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.**

The arrangement for trading in the Shares upon the approval of the Share Consolidation by the Stock Exchange and the Shareholders at the EGM is expected to be as follows:

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- Despatch of proxy form and circular relating to the Share Consolidation ..... Monday, 24 June
- Form of proxy to be returned by ..... 10:00 a.m. on Tuesday, 9 July
- The EGM ..... 10:00 a.m. on Thursday, 11 July
- Effective date for Share Consolidation ..... Friday, 12 July
- First day for free exchange of certificates for Consolidated Shares ..... 9:00 a.m. on Friday, 12 July
- Original counter for trading in board lots of 10,000 Shares closes ..... 9:30 a.m. on Friday, 12 July
- Temporary counter for trading in board lots of 1,000 Consolidated Shares opens (in the form of existing share certificates) ..... 9:30 a.m. on Friday, 12 July
- Original counter for trading in board lots of 20,000 Consolidated Shares opens (in the form of new share certificates) ..... 9:30 a.m. Friday, 26 July
- Parallel trading in shares starts ..... 9:30 a.m. Friday, 26 July
- First day of operation of odd lot facility ..... Friday, 26 July
- Temporary counter for trading in board lots of 1,000 Consolidated Shares closes (in the form of existing share certificates) ..... 4:00 p.m. on Friday, 16 August
- Parallel trading in shares ends ..... 4:00 p.m. on Friday, 16 August
- Last day of operation of odd lot facility ..... Friday, 16 August
- Latest time for lodging certificates for Shares in exchange for certificates for Consolidated Shares free of charge ..... 4:00 p.m. on Tuesday, 20 August

## GENERAL

The Share Consolidation will be effective upon the fulfillment of all the conditions set out in the section headed “Conditions of the Share Consolidation”.

Application will be made to the GEM Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becomes effective and any new Consolidated Share falls to be issued pursuant to the exercise of options granted under the Company’s Pre-IPO share option scheme and the Company’s share option scheme both adopted on 4 May 2000.

A circular containing details of the proposed Share Consolidation and details of trading in respect of Consolidated Shares and exchange of share certificates and the notice for the EGM will be despatched to the Shareholders on or about Monday, 24 June 2002.

By Order of the Board  
**Hua Zhixiang**  
*Chairman*

Hong Kong, 13 June 2002

*This announcement, for which the Directors, 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, 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 not 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 seven days from the day of its posting.*