

**SMARTECH DIGITAL MANUFACTURING HOLDINGS LTD :
WILL THIS G.E.M. SURVIVE THE SUMMER ?**

Whether or not publicly listed Smartech Digital Manufacturing Holdings Ltd (Code: 8068, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) can survive the next few months must be a question, quite open to speculation.

Because this manufacturer of tools and molds for some of the biggest names in the US is getting itself stuck deeper and deeper into the smelly stuff.

The latest attack on this May 2000 GEM-listed company has come from Sanwa Finance Hongkong Ltd, which is seeking about \$HK340,000 from the following parties:

Smartech Solutions Ltd	A wholly owned subsidiary
Smartech Manufacturing Ltd	A wholly owned subsidiary
Smartech Digital Manufacturing Holdings Ltd	The publicly listed holding company
Mr Law Man Ming	The Founder and former Chairman

Sanwa Finance alleges, in its claim against the above-mentioned 4 parties, that, on April 5, 2000, it entered into an agreement with Smartech Solutions, enabling this subsidiary of Smartech Digital to lease various machines for a period of 3 years.

It was agreed that Smartech Solutions would pay a rental of \$HK46,115 per month for 30 consecutive months, Sanwa Finance alleges.

On March 5, 2002, however, it appears that Smartech Solutions failed to pay the monthly rental as agreed.

On March 18, 2002, solicitors, acting on behalf of Sanwa Finance, wrote to Smartech Solutions, terminating the April 2000 lease agreement.

Now, Sanwa Finance is having difficulty in getting back its goods and, as such, the Japanese-owned finance company is out of pocket to the extent of about \$HK308,646, at least, it is claiming.

Smartech Manufacturing and the holding company, Smartech Digital, along with Mr Law Man Ming are all said to be guarantors of the leasing agreement, but when Sanwa Finance's solicitors wrote to these 3 parties, asking them to honour their respective pledges, it appears that Sanwa Finance found no solace – and no money, also.

Needless to say, Sanwa Finance is not too happy with its lot.

The Smartech Group of Companies is hardly a 'virgin' when it comes to being on the receiving end of legal actions since the records of **TOLFIN** (**TARGET**'s Computerised Online Financial Service) indicate that there is a rather long list of legal actions pending.

Further, it was announced on March 12, 2002 that certain banks had frozen the parent company's accounts.

The announcement from Smartech Digital said, inter alia:

'... Banking facilities of an aggregate amount of HK\$8,000,000 with two bankers of the Group are being withheld by the two bankers and several bank accounts of the Group of an aggregate amount of approximately HK\$400,000 are being frozen by certain bankers of the Group ...'

Just a fortnight prior to this action, The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd) sued Dongguan Smartech Tooling and Plastics Ltd, a wholly owned subsidiary of Smartech Digital, in Guanzhou.

Not including the latest assault by Sanwa Finance, and the banks' legal actions, the 3 major cases, still pending against Smartech Digital and/or its subsidiaries and associates, include ... [CLICK TO ORDER FULL ARTICLE](#)

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