

**WILL SMARTECH DIGITAL MANUFACTURING HOLDINGS LTD BE
THE FIRST G.E.M. COMPANY TO END UP ON THE SCRAP HEAP ?**

Smartech Digital Manufacturing Holdings Ltd (Code: 8068, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) looks as though it is a prime candidate for being the first GEM-listed company to end up on the scrap heap.

TARGET makes this statement, following the filing in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of 2 Winding-Up Proceedings, against 2 of Smartech Digital's subsidiaries: Smartech Plastic Moulding Ltd and Smartech Manufacturing Ltd.

The Petitioners of these 2 Actions are Sky Lucky Metal Ltd and Lung Kee Metal Ltd, 2 of Smartech Digital's former suppliers of fabricated steel.

It was only last Friday that TARGET suggested that it might be difficult for Smartech Digital to last the summer in view of the problems, confronting the Company.

Its shares have been suspended from trading on The GEM since March 8, 2002, and investors in this manufacturer of tools and molds may well be stuck with the scrip, unless somebody can pull the proverbial *'fat'* out of this Company's fire.

Of the 2 corporate parties in respect of Winding-Up Petitions Numbers 432 and 433, Lung Kee Metal Ltd has, already, obtained Judgment with regard to its claim against the Company in the amount of \$HK683,637.76.

However, Smartech Manufacturing Ltd is appealing this Judgment, according to TARGET's information.

According to Lung Kee Metal's Statement of Claim, attached to its Writ of Summons, Smartech Manufacturing requested Lung Kee to deliver steel products to Smartech's factory in the People's Republic of China (PRC): Smartech Tooling and Plastics Ltd.

Deliveries were, allegedly, made between February 2, 2000 and June 6, 2001, but Lung Kee claims that it did not get paid for its goods.

Tired of waiting any longer, one must assume, Lung Kee sought and received the determination of the High Court in respect of outstanding sums of money, owed to it by Smartech.

As for Sky Lucky Metal Ltd, the other Petitioner, this company makes similar allegations to those of Lung Kee, with the exception that the amount of money is \$HK421,702.15 and the dates which, allegedly, this metal fabricator delivered goods to the Dongguan, the PRC, factory of Smartech was between August 11, 2001 and November 30, 2001.

The striking similarity in respect of the presentation of the 2 Writs of Summons against Smartech makes one wonder whether or not the 2 irate suppliers of steel products have the same bosses.

**[For more information about the Smartech Group of
Companies,](#)**

[please see last Friday's
TARGET Intelligence Report, Volume IV, Number 72](#)

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