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**Armitage Technologies Holding Limited**  
**(萬達資訊科技控股有限公司)\***  
*(incorporated in the Cayman Islands with limited liability)*

**UNRECORDED RECEIVABLE IN RESPECT OF  
THE LISTING EXPENSES SHARED BY  
THE CHAIRMAN AND EXECUTIVE DIRECTOR,  
ADJUSTMENTS TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2003 AND  
PROVISION OF FINANCIAL ASSISTANCE  
TO A CONNECTED PERSON**

Further to the announcement of the audited annual results of Armitage Technologies Holding Limited (“Armitage”) and its subsidiaries for the year ended 31 March, 2003, on 18 June, 2003, the board of Armitage announced certain adjustments, as described more fully below, to the audited consolidated other debtors, interest income and share premium accounts as at 31 March, 2003 in respect of the inadvertent payment, which was due to an oversight and has been rectified, of part of the listing expenses of Armitage which should have been borne by a vendor of existing shares in the placing and listing of Armitage. Details of the calculation of the sharing of such expenses incurred in the placing and listing of Armitage between Armitage and the vendor are set out in the prospectus. The rectification of related accounting treatments and an unaudited adjusted statement of the consolidated net tangible asset value of Armitage and its subsidiaries as at 31 March, 2003 are disclosed in this announcement.

As the auditors of Armitage do not consider the accounting adjustments to be a fundamental and material error which will render the published consolidated financial statements for the year ended 31 March, 2003 not giving a true and fair view of the financial position of the Armitage group, prior year accounting adjustments in respect thereof will not be made in the consolidated financial statements of the Armitage group for the year ending 31 March, 2004.

The Stock Exchange is of the view that the payment of the part of the listing expenses by Armitage, which should have been borne by a vendor of existing shares in Armitage, constituted financial assistance as defined under rule 20.53(2)(a) of the GEM listing rules and is subject to reporting and announcement requirements, and therefore the delay in the reporting of the above constituted a breach of rule 20.53(2)(a) of the GEM listing rules.

In view of the above, the Stock Exchange has indicated that it reserves its right to take any appropriate actions.

This announcement is made at the request of the Stock Exchange. Reference is made to the prospectus issued by Armitage on 28 February, 2003 and the announcement of audited financial results for the financial year ended 31 March, 2003 made by Armitage on 18 June, 2003.

### **Unrecorded receivable in respect of the listing expenses shared by the chairman and executive director**

It was reported in the announcement on 18 June, 2003 of the audited financial results of Armitage for the year ended 31 March, 2003 that Armitage recorded other debtors, interest income and share premium accounts of HK\$578,000, HK\$357,000 and HK\$40,493,000, respectively. As these balances did not take into account the part of the listing expenses of Armitage that should have been borne by Mr. Lee Shun Hon, Felix, the chairman and executive director of Armitage and being a vendor of existing shares in Armitage in the placing in connection with its listing in March, 2003 (the “vendor”), the other debtors, the interest income and the share premium accounts previously announced were understated by HK\$2,347,000, HK\$4,000 and HK\$2,343,000, respectively. This was caused by an oversight by the directors of Armitage in calculating the commission and expenses incurred in connection with the placing and listing of Armitage to be shared between Armitage and the vendor. According to the calculation of the commission and expenses incurred in the placing and listing of Armitage as set out in the prospectus, the total commission and expenses which were estimated to be approximately HK\$14 million, were payable by Armitage (in the sum of approximately HK\$9.1 million of which approximately HK\$7.8 million was paid before the issue of the prospectus and approximately HK\$1.3 million was to be paid out of the gross proceeds from the placing) and the vendor in the proportion of the number of new shares relative to sale shares under the placing.

Once the understatement was discovered upon enquiry by the Stock Exchange, the vendor agreed to pay to Armitage the outstanding balance of his share of the listing expenses of HK\$2,343,000 and interest thereon of HK\$41,000 to rectify the matter. The outstanding balance and interest were fully settled in cash on 25 July, 2003. The total interest income payable to Armitage by the vendor of approximately HK\$41,000 for the period commencing from 17 March, 2003 to 25 July, 2003 and the accrued interest income of approximately HK\$4,000 for the period commencing from 17 March, 2003 to 31 March, 2003, being the date of the financial year end of Armitage, are calculated with reference to the listing expenses of Armitage of HK\$2,343,000 payable by the vendor and the interest rate of 5% per annum levied over the relevant periods. The rate used in the calculation of the interest payable by the vendor was the same as the prime rate quoted by The Hong Kong and Shanghai Banking Corporation Limited in Hong Kong over the same period. The directors of Armitage, including the independent non-executive directors, and the sponsor to Armitage consider that the arrangement between Armitage and the vendor described above is on normal commercial terms.

**Adjustments to the audited financial statements for the year ended 31 March, 2003**

The related accounting entries that should have been made in the financial statements of Armitage for the year ended 31 March, 2003 are as follows:

Dr	Other debtors	HK\$2,347,000
Cr	Share premium	HK\$2,343,000
Cr	Interest income	HK\$4,000

The statement of unaudited adjusted consolidated net tangible asset value of the Armitage group as at 31 March, 2003, as adjusted for the payment of the listing expenses made by the vendor, is as follows:

	<i>HK\$</i>
Audited consolidated net asset value as at 31 March, 2003	53,507,000
Less: Audited consolidated net intangible asset value as at 31 March, 2003	<u>(24,933,000)</u>
Audited consolidated net tangible asset value as at 31 March, 2003	28,574,000
Add: Adjustment to other debtors	<u>2,347,000</u>
 Unaudited adjusted consolidated net tangible asset value	 <u><u>30,921,000</u></u>
 Unaudited adjusted consolidated net tangible asset value per share in Armitage (based on 750,000,000 shares in issue)	 <u><u>4.12 HK cents</u></u>

The accounting adjustments described above will only affect the consolidated balance sheet of the Armitage group as at 31 March, 2003 and will not have any adverse impact on its consolidated income statement for the year ended 31 March, 2003. As the auditors of Armitage do not consider the accounting adjustments to be a fundamental and material error which will render the published consolidated financial statements for the year ended 31 March, 2003 not giving a true and fair view of the financial position of the Armitage group, prior year accounting adjustments in respect thereof will not be made in the consolidated financial statements of the Armitage group for the year ending 31 March, 2004.

The related accounting entries made in the financial statements of Armitage on the date of payment by the vendor are as follows:

Dr	Cash and bank balances	HK\$2,384,000
Cr	Share premium	HK\$2,343,000
Cr	Interest income	HK\$41,000

## **Provision of financial assistance to a connected person**

The Stock Exchange is of the view that the payment of the part of the listing expenses of Armitage, which should have been borne by the vendor constituted financial assistance as defined under rule 20.53(2)(a) of the GEM listing rules and is subject to reporting and announcement requirements, and therefore the delay in the reporting of the above constituted a breach of rule 20.53(2)(a) of the GEM listing rules.

The details of the above will be disclosed in the annual report of Armitage for the financial year ending 31 March, 2004 in accordance with rule 20.34 of the GEM listing rules.

In view of the above, the Stock Exchange has indicated that it reserves its right to take any appropriate actions.

By Order of the Board  
**Lee Shun Hon, Felix**  
*Chairman*

Hong Kong, 4 August, 2003

*This announcement, for which the directors of Armitage collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Armitage. The directors of Armitage, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief;-*

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading;*
- 3. 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 at [www.hkex.com](http://www.hkex.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

*\* for identification only*