

**ARMITAGE TECHNOLOGIES HOLDING LTD:
ANOTHER DUD FOR THE SCRAP HEAP OF TIME**

Loans to officers and directors, allowing them to speculate on stocks and shares, listed on equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and pumping in a club debenture, claiming it to be an asset of the company, all feature in the Consolidated Balance Sheet of Armitage Technologies Holding Ltd, a company which went public on The Stock Exchange of Hongkong Ltd on the last day of February, this year.

Armitage Technologies Placed a total of 137 million, one-cent Shares at a Premium of 34 cents per Share.

Of that number of Shares, 89.05 million Shares were New Shares, while 47.95 million Shares were those, owned by the Chairman, Dr Felix Lee Shun Hon (47.25 million Shares), and an employee of the Company, Mr Rodney Lam Hok Yim (700,000 Shares).

This Company prides itself on being '*a local information solutions and application software developer and provider targeting at both the commercial and public sectors in Hong Kong and the commercial sector in China. The Group is headquartered in Hong Kong with four research and development centres, one of which is located in Hong Kong, one is located in Shenzhen, China and two are located in Guangzhou, China ...*'. (Page 49 of the Prospectus)

The Founder of this Company, which is, now, a fully fledged member of The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, being Stock Code Number 8213, is the current Chairman, Dr Felix Lee.

Since 1980 up to August 31, 2002, it has, consistently, performed rather poorly – hence the reason for a GEM listing and, probably, the reason that Dr Felix Lee cashed in about \$HK16 million-worth of his scrip '*chips*'.

The following table is lifted from Page 138 of the Prospectus and requires little analysis, telling the story for itself:

Consolidated Profit and Loss Account

	Financial Year ended March 31		Five Months to August 31
	2001	2002	2002
	All Figures are Denominated in \$HK'000		
Turnover	28,553	35,605	16,659
Cost of Sales and Services Rendered	(14,987)	(18,901)	(7,329)
Gross Profit	13,566	16,704	9,330
Other Income	2,142	701	706
Net Realised and Unrealised Gains/ (Losses) on Other Investments	(331)	2	43
Surplus/(Deficit) on Revaluation of Land and Buildings	(577)	(81)	62

Deficit on Revaluation of Investment Properties	(209)	Nil	Nil
Loss on Disposal of Properties and Related Fixed Assets Written Off	Nil	(1,164)	Nil
Loss on Disposal of Investment Securities	Nil	(1,000)	Nil
Provision for Loss on Loans to an Associate	(106)	(200)	Nil
Impairment of Goodwill	Nil	(514)	Nil
Other Expenses	(14,624)	(25,956)	(9,771)
Operating Profit/(Loss)	(139)	(11,508)	370
Financing Costs	(1,108)	(902)	(30)
Share of Losses of Associates	(476)	(158)	Nil
Profit/(Loss) before Taxation	(1,723)	(12,568)	340
Taxation	(394)	(46)	(7)
Profit/(Loss) after Taxation	(2,117)	(12,614)	333
Minority Interests	442	443	(44)
Profit/(Loss) Attributable to Shareholders	(1,675)	(12,171)	289

The Consolidated Balance Sheet, contained at Page 139 of the Prospectus, under Current Assets, the following is listed:

Current Assets

	As at March 31		As at August 31
	2001	2002	2002
	All Figures are Denominated in \$HK'000		
Other Investments ¹	1,671	1,230	753
Amount Due from a Director ²	2,275	Nil	Nil
Loan to an Officer	600	Nil	Nil
Amount due from a Shareholder	36	Nil	Nil
Amount due from a Related Company	1,662	Nil	Nil
Debtors, Deposits and Prepayments	7,084	15,702	19,040
Pledged Time Deposits	6,500	10,500	10,500
Time Deposits with a Bank	395	17,073	9,098
Cash and Bank Balances	566	4,421	4,260
TOTAL	20,789	48,926	43,651

¹ Relates to shares, listed on The Stock Exchange of Hongkong Ltd at Market Value

² Relates to the following persons:

<u>Name of Borrower</u>	<u>Position</u>	<u>Amount (\$HK'000)</u>		
		2001	2002	As at 31/8/ 2002
Dr Felix Lee Shun Hun	Executive Director	4,147	2,366	Nil
Au Yat Gai	Chief Financial Officer	600	600	Nil
The Advances/Loans were unsecured, interest-free				

In respect of the Non-Current Assets Schedule ... [CLICK TO ORDER FULL ARTICLE](#)

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