

**ARMITAGE TECHNOLOGIES HOLDING LTD:  
THE REAL REASON BEHIND THE SALE OF THOSE 60 MILLION SHARES**

With the share price of Armitage Technologies Holding Ltd () (Code: 8213, The Growth Enterprise Market [The GEM], The Stock Exchange of Hongkong Ltd), standing at about 5 cents, it was something of a surprise to many people that the Controlling Shareholder, Dr Felix Lee Shun Hon (), should determine, on November 16, 2006, to sell 60 million of his shares at 3 cents per share.

For a person of the standing of Dr Felix Lee Shun Hon, \$HK1.80 million is of little consequence.

For what reason, therefore, did this businessman decide to reduce his interest in his company from 46.89 percent to 38.89 percent?

All for the sake of \$HK1.80 million, gross!

Interestingly enough, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), on November 10, 2006, just 6 days prior to the share sale by Dr Felix Lee Shun Hon, the share price of Armitage stood at 7.20 cents.

And, just 6 days before the official announcement of the share sale, Armitage brought out its Interim Results for the 6 months, ended September 30, 2006.

The Interim Profit and Loss Account indicated, inter alia, the following:

1. The Turnover had fallen to about \$HK25.04 million, down about 19 percent, Year-On-Year;
2. The Gross Profit was about \$HK13.60 million, down about 23 percent, Year-On-Year; and,
3. The Loss Attributable to Shareholders was about \$HK4 million, up about 716 percent, Year-On-Year.

Turning to the Consolidated Balance Sheet, it indicated, inter alia, the following:

1. Bank overdrafts had risen to about \$HK11.67 million, up about 42 percent, Year-On-Year; and,
2. Net Assets (Shareholders' Funds) had fallen to about \$HK30.77 million, down about 11 percent, Year-On-Year.

Having a closer look at the Turnover, at Note 2 to the Accounts, the following information is given:

	For The 6 Months, Ended September 30	
	2006	2005
	All Figures Are Denominated In \$HK'000	

Provision Of Information Solutions System Development And Integration Maintenance And Enhancement Income	11,316 1,666	16,105 488
Sales Of Application Software Packages And Related Maintenance Income	11,482	14,010
Advertising Income	579	183
<b>TOTAL</b>	<b>25,043</b>	<b>30,786</b>

For certain, things are not looking good for Armitage on scanning the company's Interim Report.

But that does not explain the reasoning behind Chairman Dr Felix Lee Shun Hon's decision to sell his personal shares in Armitage at 3 cents each when he, easily, could have sold them at 6 cents per share.

### **Who Are The Buyers?**

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