ARMITAGE TECHNOLOGIES HOLDING LTD:
THE COMPANY MUST *'KILL'* ITS AMBITION
TO BE A PUBLISHING MOGUL

After 5 years of throwing good money after bad, it appears that publicly listed Armitage Technologies Holding Ltd () (Code: 8213, The **G**rowth **E**nterprise **M**arket [**The GEM**] of The Stock Exchange of Hongkong Ltd) will have to bite the proverbial bullet and close down its loss-making, free magazine named, *'e^{2}Smart'*.

This, just about, is intimated in the latest missive to come out of the bowels of Armitage Technologies Holdings Ltd: Its Annual Results Announcement in respect of the Financial Year, ended March 31, 2009.

At Pages 23 and 24 of the Annual Results Announcement, it is stated:

> '***Magazine Publication & Advertising***
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> *'Revenue generated from the Group's magazine publishing and advertising business has once again marked new highs, totalling HK$1.2 million for this fiscal year, an increase of approximately 10% when compared with the previous year. The average advertisement page rate after discount has increased by 8% when compared with the page rate of the previous year, a sign of recognition from advertisers and the acknowledgement of **e^{2}Smart**'s position among other magazines in the highly competitive media market in the PRC.*
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> *'The subsidiary's flagship magazine and major revenue contributor **e^{2}Smart** continued to make progress in terms of the number of its advertisements, quality, and reputation. Advertising contracts with most of our existing clients were successfully secured and results were pleasing in the first three quarters of our fiscal year. We had been able to conclude contracts with new clients from different categories of consumer goods, such as with a Japanese highend jewellery brand in our second fiscal quarter, or with the Macau Tourism Board, who had fully sponsored our two issues of Macau supplements published in April and September 2008 respectively. In the last fiscal quarter, however, the Group was faced with a rapid downturn of business, as the luxury consumer goods market was deeply affected by the economic downturn. Our advertising clients and prospects took on a cautious attitude on the market and most of them refused to commit to an annual advertising budget.*
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> *'To fully utilise existing resources, the Group had started the co-publication of the newsletter with the Hong Kong Institute of Marketing in the first fiscal quarter hoping that through this, we could broaden our client database in Hong Kong. After the third issue however, this proved to be a wrong direction, as the newsletter failed in generating a meaningful amount of income. The Group had decided to cease cooperation with the Hong Kong Institute of Marketing, which will be effective starting in the second fiscal quarter of 2009/2010.*
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> *'Having foreseen these challenges, the Group had taken on a few cost-efficient strategies to plan ahead. We have relocated our editorial team from Guangzhou to Shanghai in September 2008 in order to speed up communication and to improve operations efficiency. We had also negotiated and successfully reduced the rental price of our Shanghai office.'*

Now, one does not have to be a Sherlock Holmes to understand what the above means: Chairman Felix Lee Shun Hon () has had enough of trying to assume the role of a media tycoon and is planning to kiss this venture, goodbye, once and for all.

How much money **...** **CLICK TO ORDER FULL ARTICLE**