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*This announcement, for which the directors of Armitage Technologies Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, 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.*



## **ARMITAGE TECHNOLOGIES HOLDING LIMITED**

**(萬達資訊科技控股有限公司)\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8213)**

### **ANNOUNCEMENT RELATING TO CONCENTRATION OF PUBLIC FLOAT**

The board of directors of the Company (the “Board”) was informed by the Stock Exchange on 27th August, 2004 that the Stock Exchange had received information from the SFC that their investigation found that during the Company’s IPO in March 2003, 65.78 million shares (48%) of the placement shares were placed to persons related to the Company’s former CFO, Au Yat Gai (“Gai”).

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares in the Company.**

This announcement is made at the request of the Stock Exchange.

The Board of the Company was informed by the Stock Exchange on 27th August, 2004 that the Stock Exchange had received information from the Securities and Futures Commission (the “SFC”) that their investigation found that during the Company’s IPO in March 2003, 65.78 million shares (48%) of the placement shares were placed to persons related to the former CFO of the Company, Gai. During the first five trading days following listing of the Company on the GEM, 80 million shares (58% of the placement shares) were transferred

from 9 places to 3 overseas companies owned also by the relatives of Gai. Allowing the fact that 80 million shares transfer included transfers of shares between relatives, at the end of this process 122.08 million shares (or 89% of the placement) resided with relatives of Gai.

## **Introduction**

The Company was listed on the GEM Board on 18/3/2003 by placement of 137,000,000 shares at \$0.35 each. These placement shares together with 50,927,353 shares already in the hands of 3 public shareholders accounted for 25.06% of the enlarged issued share capital of 750 million shares of the Company.

The Listing Placement involved six underwriters/placing agents and 108 places:

<b>Placing Agents</b>	<b># of Places Recruited</b>	<b># of Shares</b>
Agent 1	21	134,900,000
Agent 2	40	1,000,000
Agent 3	21	800,000
Agent 4	20	200,000
Agent 5	3	60,000
Agent 6	3	40,000
Total:	108	137,000,000

Upon listing, 81.7% of the Company's issued shares were held by 15 shareholders (including Gai who was holding 14,472,212 shares or 1.93%) who were under a moratorium of 12 to 18 months. Theoretically only the 137 million placement shares were available in the market during the first year of listing.

## **Background Information about the Company**

In 2001, two brothers of Gai, Au Yat Pang ("Pang") and Au Yat Hon ("Hon") respectively purchased approximately US\$2 million and approximately US\$1.5 million preferred shares of the Company at \$0.52/share in the names of two USA companies, pH Ventures, L.P. and Clothos Ventures, L.P. These two companies had indicated the intention to vote against the listing of the Company because the listing price (\$0.35) was much lower than the subscription price of their preferred shares and there would be a moratorium period of 12 months. In order that the listing might eventuate, the Company repurchased the preferred shares in December 2002.

## **The Allotment**

The placement shares were allotted in the following manner:

- (a) the top 21 places were all procured by the lead manager and they accounted for 98.5% (134.9 million shares) of the placement shares;
- (b) the rest 1.5% (2.1 million shares) were shared among 87 places; and

- (c) each of the 20 placees of one of the placing agents subscribed for one board lot (10,000 shares) only, i.e. \$3,500 before transaction costs for each placee.

### The Off-Market Trades

During the first five trading days (18/3/2003 to 24/3/2003), 9 of the 21 placees procured by one of the placing agents entered into S/P agreements with three overseas companies owned respectively by a brother and two sisters-in-law of Gai to off-load the entirety of their allotments off-exchange and at cost (the then market price ranged from \$0.34 to \$0.38) through the custodian and settlement agent without cash settlement.

Buyer	Seller/Placee	Quantity	Agreement Date
Crimson Associates Inc. (beneficially owned by Charlene Cheung, wife of Au Yat Pui*)	Charlene Cheung*	13,000,000	18/3/2003
	Paul Wang*	8,100,000	19/3/2003
	Peng Ying Ming*	7,000,000	19/3/2003
	Chao Yi Chung*	7,900,000	24/3/2003
Baron Investment Group Inc (beneficially owned by Ann Lieu, wife of Au Yat Cheong*)	Ann Lieu*	12,500,000	18/3/2003
	Hui Yee Wah	8,900,000	19/3/2003
	Chan Man Yuen*	6,600,000	24/3/2003
Transbay Group Ltd (beneficially owned by Pang*)	Ko Wai Wah	7,200,000	18/3/2003
	Jim Kuang Yeh*	8,800,000	19/3/2003
3 buyers	9 placees	80,000,000 (58% of placement shares) (or 10.67% of issued capital)	

\* denotes residents in California, USA.

Apart from the above, the following placees are also related to Gai:

Placee Name	Quantity Allotted	Relationship
Anna Ho	17,000,000 shares	Mother-in-law of Au Yat Pui
Shirley Chen+	14,500,000 shares	Mother-in-law of Au Yat Cheong
Elliott Cheung*	2,080,000 shares	Brother-in-law of Au Yat Pui
Ko Wai Wah	7,200,000 shares	Uncle of Gai
Chow Wai Pang	8,500,000 shares	Cousin of Gai
5 placees	49,280,000 shares (36% of total placement shares)	

+ denotes nominee of Au Yat Cheong

\* denotes resident in California, USA

As at 24/3/2003, 80 million shares were under the control of the three companies belonged to the brothers of Gai and/or their wives and 42.08 million shares were in the hand of other persons related to Gai. Therefore, 122.08 million shares representing 89% of the placement shares or 16.27% of the issued share capital were held by relatives of Gai.

On 21st July, 2003, information was provided by the SFC that, as at 24th April, 2003, an aggregate of approximately 131 million shares in the Company were held by 10 public shareholders. Following a request from the Stock Exchange, the Company had made enquiries of the Board (including Gai) regarding their interests in the shares in the Company, and each of them confirmed that save as those disclosed in the prospectus of the Company dated 28th February, 2003, they and their associates (as defined in the GEM Listing Rules) have no other interest in the shares in the Company, either held by themselves or their associates directly or indirectly through any nominees in the shares in the Company. An announcement was made on 22nd July, 2003 and shareholders and potential investors were reminded to exercise caution in dealing in the shares in the Company.

Gai had ceased to be an executive director of the Company from 14th May, 2004.

Following the disclosure of the information by the SFC recently, the Company had made enquiries of the Board regarding their knowledge of the matter and each of the directors confirmed that they are not aware of any of the disclosed information.

Based on the information available to the Company, the directors hereby confirm that there is sufficient number of shares in the Company held by the public in compliance with the public float requirement under Rule 11.23 of the GEM Listing Rules.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares.**

By order of the board  
**Lee Shun Hon, Felix**  
*Chairman*

Hong Kong, 22nd September, 2004

*As at the date of this announcement, the Company's executive directors are Mr. Lee Shun Hon, Felix and Mr. Chun Hon Ching; non-executive director is Dr. Liao, York; independent non-executive directors are Professor Tsang Hin Pok, Herbert, Mr. Anthony Francis Martin Conway and Mr. Chan Hang.*

*This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

\* *for identification only*