THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in **Armitage Technologies Holding Limited**, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the Forms of Acceptance, the contents of which form part of the terms of the Offers contained therein.

FIRST GLORY HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

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)

MANDATORY UNCONDITIONAL CASH OFFER BY CIMB SECURITIES (HK) LIMITED ON BEHALF OF FIRST GLORY HOLDINGS LIMITED FOR ALL THE OFFER SHARES AND CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS

Financial Adviser to First Glory Holdings Limited

CIMB Securities (HK) Limited

Financial Adviser to Armitage Technologies Holding Limited

Karl Thomson Financial Advisory Limited

Independent financial adviser to the independent board committee of Armitage Technologies Holding Limited

信達國際融資有限公司
CINDA INTERNATIONAL CAPITAL LIMITED

This Composite Document is issued jointly by First Glory Holdings Limited and Armitage Technologies Holding Limited.

A letter from CIMB containing, among other things, details of the terms of the Offers is set out on pages 10 to 16 of this Composite Document.

A letter from the Board is set out on pages 6 to 9 of this Composite Document.

A letter from the Independent Board Committee is set out on page 17 to 18 of this Composite Document. A letter from Cinda containing advice to the Independent Board Committee in respect of the Offers is set out on pages 19 to 40 of this Composite Document.

The procedures for acceptance and other related information are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptances of the Share Offer and Option Offer should be received by the Registrar and the company secretary of the Company respectively no later than 4:00 p.m. on Friday, 5 March 2010 (or such other time and/or date as the Offeror may determine and announce with the consent of the Executive).

* *For identification purposes only*

12 February 2010

CONTENTS

The timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be announced by the Offeror and the Company. All time references contained in this Composite Document are to Hong Kong time.

Despatch date of this Composite Document and the commencement of the Offers *(Note 1)*	Friday, 12 February 2010
Latest time and date for acceptance of the Offers	4:00 p.m. on Friday, 5 March 2010
Closing Date *(Note 2)*	Friday, 5 March 2010
Announcement of the result of the Offers, on the website of the Stock Exchange	by 7:00 p.m. on Friday, 5 March 2010
Latest date for posting of remittances for the amount due in respect of valid acceptances received on the Closing Date *(Note 3)*	Monday, 15 March 2010

Notes:

(1) In accordance with the Takeovers Code, the Offers must be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time for acceptance of the Offers is 4:00 p.m. on Friday, 5 March 2010. The Offers are unconditional. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code.

(2) The Offers, which are unconditional, will close on Friday, 5 March 2010 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be issued by the Offeror and the Company on the Stock Exchange's website by 7:00 p.m. on Friday, 5 March 2010 stating the results of the Offers and whether the Offers have been revised or extended or expired. If the Offeror decides to extend the Offers, an announcement will be made stating the next closing day or that the Offers will remain open until further notice, in which case at least 14 days' notice in writing will be given, to those Shareholders and Optionholders who have not yet accepted the Offers before the Offers are closed.

(3) Remittances in respect of the consideration (after deducting the seller's ad valorem stamp duty) payable under the Offers will be posted by ordinary post to the Shareholders and the Optionholders accepting the Offers at their own risk as soon as possible, but in any event within 10 days of the date of receipt of duly completed Forms of Acceptance by the Registrar for the Share Offer or by the company secretary of the Company for the Option Offer.

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:-

"acting in concert"	has the meaning ascribed thereto in the Takeovers Code
"Armitage Convertible Bond"	the convertible bond in a principal amount of HK$52 million to be issued by the Company to the Offeror pursuant to the Armitage Subscription Agreement
"Armitage Subscription Agreement"	the subscription agreement dated 22 December 2009 entered into between the Company and First Glory in relation to the subscription of the Armitage Convertible Bond by First Glory
"associates"	has the meaning ascribed thereto in the GEM Listing Rules, unless otherwise specified
"Board"	the board of Directors
"Business Day"	a day (other than Saturday) on which banks in Hong Kong are generally open for business
"CIMB"	CIMB Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
"Closing Date"	the closing date of the Offers, being 21 days after the date on which the Offers commence, i.e. 5 March 2010 (or such other later date as the Offeror may determine and announce in accordance with the Takeovers Code)
"Company"	Armitage Technologies Holding Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Growth Enterprise Market of the Stock Exchange
"Composite Document"	this composite offer and response document jointly issued by the Company and the Offeror, which set out, among other things, details of the Offers
"connected persons"	has the meaning ascribed thereto in the GEM Listing Rules
"Conversion Price"	HK$0.065 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the Armitage Convertible Bond

"Conversion Shares"	the Shares falling to be issued by the Company under the Armitage Convertible Bond (upon exercise by a bondholder pursuant to the terms and conditions of thereof)
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company held on 9 February 2010 to approve the issuance of the Armitage Convertible Bond and the allotment and issuance of the Conversion Shares upon the exercise of the Armitage Convertible Bond
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
"First Announcement"	announcement of the Company dated 6 November 2009 in relation to the possible change in control of the Company
"Form(s) of Acceptance"	the WHITE Form of Acceptance and the PINK Form of Acceptance and "Form of Acceptance" means one of these forms
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee of the Board, comprising Dr. Liao, York, the non-executive Director; Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki, being all the independent non-executive Directors, which has been formed to make recommendation to the Independent Shareholders and Optionholders in respect of the Offers
"Independent Financial Adviser" or "Cinda"	Cinda International Capital Limited, a corporation licensed to carry on business type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders and Optionholders in respect of the Offers
"Independent Shareholders"	Shareholders, other than the Offeror, its ultimate beneficial owner and their respective concert parties

"Joint Announcement"	the joint announcement issued by the Company and the Offeror dated 7 January 2010 in relation to, amongst other things, the Offers
"Last Trading Date"	22 December 2009, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading of the Shares pending the release of the Joint Announcement
"Latest Practicable Date"	10 February 2010, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Marvel Success"	Marvel Success Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
"Mr. Lee"	Mr. Lee Shun Hon, Felix, an executive Director and one of the Vendors under the Sale and Purchase Agreement
"Mr. Tang"	Mr. Tang Sing Ming Sherman, the ultimate beneficial owner of the Offeror
"Offer Share(s)"	317,154,710 Share(s), being the 750,000,000 Shares in issue less the Sale Shares
"Offeror" or "First Glory"	First Glory Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is held by Mr. Tang
"Offers"	the Share Offer and the Option Offer
"Optionholder(s)"	the holder(s) of the Share Options
"Option Offer"	the unconditional cash offer by CIMB on behalf of the Offeror to cancel all outstanding Share Options at the Option Offer Price in accordance to the Takeovers Code
"Option Offer Price"	the cash amount of HK$0.01 payable by the Offeror for cancellation of each Share Option under the Option Offer
"Pink Form of Acceptance"	the form of acceptance and transfer of Shares in PINK in respect of the Share Offer which accompanies this Composite Document
"PJ Convertible Bond"	the convertible bond in a principal amount of US$2 million to be issued by PJ Partners to Marvel Success pursuant to the PJ Subscription Agreement

"PJ Partners"	PJ Partners Pte Limited, a company incorporated in Singapore with limited liability
"PJ Subscription Agreement"	the subscription agreement dated 22 December 2009 entered into between Marvel Success and PJ Partners in relation to the subscription by Marvel Success of the PJ Convertible Bond
"Registrar"	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company situated at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
"Sale and Purchase Agreement"	the conditional agreement dated 22 December 2009 and entered into between the Vendors and First Glory in relation to the sale and purchase of the Sale Shares
"Sale Shares"	432,845,290 Shares, representing approximately 57.71% of the existing issued share capital of the Company as at the Latest Practicable Date
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Offer"	the unconditional cash offer by CIMB on behalf of the Offeror to acquire all issued Shares not already owned by First Glory, its ultimate beneficial owner and parties acting in concert with any one of them in accordance with the Takeovers Code
"Share Offer Price"	the cash amount of HK$0.065 payable by the Offeror for each Share accepted under the Share Offer
"Share Option(s)"	options granted pursuant to the share option scheme of the Company adopted on 26 February 2003 to subscribe for Shares, which are outstanding
"Share Sale Completion"	completion of the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
"Shareholder(s)"	holder(s) of the Shares
"Shares"	ordinary shares of HK$0.01 each in the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Code on Takeovers and Mergers

"Vendors"	Mr. Lee Shun Hon, Felix, Mr. Lee Wai Yip, Alvin, Ms. Leung Mee Chun, Stella, Ms. Lee Sze Yee, Joyce, Mr. Lee Shun Kwong, Kingspecial Investments Limited, Ms. Jim Sui Fun, Mr. So Cheong, Mr. Wong Ping Kuen, Ambrose, Mr. Yeung Chun Lam; and Mr. Lau Che Kin, Stephen, being all the vendors of the Sale Shares
"White Form of Acceptance"	the form of acceptance and cancellation of Share Options in WHITE in respect of the Option Offer which accompanies this Composite Document
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

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)

Executive Directors:
Mr. Lee Shun Hon, Felix
Ms. Jim Sui Fun
Mr. Lee Wai Yip, Alvin

Non-Executive Director:
Dr. Liao, York

Independent Non-Executive Directors:
Mr. Anthony Francis Martin Conway
Mr. Chan Hang
Mr. Li Pak Ki

Registered Office:
Ugland House
P.O. Box 309 GT
South Church Street
George Town
Grand Cayman

Principal place of business in Hong Kong:
10th Floor, Everwin Centre
72 Hung To Road
Kwun Tong
Kowloon
Hong Kong

12 February 2010

To the Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY CIMB SECURITIES (HK) LIMITED ON BEHALF OF FIRST GLORY HOLDINGS LIMITED FOR ALL THE OFFER SHARES AND CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS

INTRODUCTION

Reference is made to the announcements of the Company dated 6 November 2009, 18 November 2009, 4 December 2009 and 7 January 2010 in relation to, amongst other things, a possible change in control in the Company.

On 22 December 2009, the Company and First Glory entered into the Armitage Subscription Agreement whereby First Glory has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to First Glory, the Armitage Convertible Bond at a principal amount of HK$52 million pursuant to the terms and conditions set out therein.

On 22 December 2009, Marvel Success, a wholly owned subsidiary of the Company, entered into the PJ Subscription Agreement with PJ Partners, pursuant to which, Marvel Success conditionally agreed to subscribe for, and PJ Partners conditionally agreed to issue, the PJ Convertible Bond at a principal amount of US$2 million.

On the same date as the Armitage Subscription Agreement, First Glory entered into the Sale and Purchase Agreement with the Vendors, pursuant to which, First Glory conditionally agreed to purchase and the Vendors conditionally agreed to sell an aggregate of 432,845,290 Sale Shares representing approximately 57.71% of the issued share capital of the Company as at the Latest Practicable Date for a total consideration of HK$28,134,943.85 (equivalent to HK$0.065 per Sale Share) in cash.

In the EGM of the Company held on 9 February 2010, the Shareholders, other than the Vendors and their respective associates, approved and passed all the relevant resolutions in relation to the issuance of the Armitage Convertible Bond, allotment and issuance of the Conversion Shares pursuant to the terms and conditions of the Armitage Subscription Agreement and the transactions contemplated thereunder. Completion of the Armitage Subscription Agreement took place on 10 February 2010.

Subsequent to the completion of the Armitage Subscription Agreement, the Sale Share Completion took place on 10 February 2010.

The primary purpose of this Composite Document is to provide you with information relating to, among other things, the Group and the Offeror and to set out the reasons for the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser, in each case regarding the Offers.

MANDATORY UNCONDITIONAL CASH OFFER

Following the Share Sale Completion, First Glory owns an aggregate of 432,845,290 Shares, representing approximately 57.71% of the issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, First Glory is required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by First Glory and parties acting in concert with it and to make a comparable offer for cancellation of all outstanding Share Options. Details of the Offers are set out in the "Letter from CIMB" on pages 10 to 16 and in Appendix I "Further Terms of the Offers" on pages I-1 to I-8 of this Composite Document.

CIMB, on behalf of the Offeror, is making the Offers on the following basis:

For each Share . . . . **HK$0.065 in cash**

For cancellation of each Share Option . . . . **HK$0.010 in cash**

The Offers are unconditional in all respects and are therefore not conditional upon any minimum level of acceptance being received or subject to any conditions.

Save for the outstanding Share Options, the Company has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Shares and save for the Armitage Subscription Agreement, the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

INFORMATION ON THE COMPANY

The principal business of the Group is the provision of information solutions and designing, development and sale of application software packages.

As disclosed in the interim reports of the Company for the two periods ended 30 September 2008 and 2009, the unaudited consolidated net assets of the Group as at the end of the said periods were approximately HK$27,632,000 and HK$24,551,000 respectively.

For each of the two financial years ended 31 March 2008 and 2009, the Group recorded audited losses before tax of approximately HK$2,698,000 and HK$2,957,000 respectively; and audited losses after tax of approximately HK$2,710,000 and HK$3,228,000 respectively.

It is intended that all Directors, except for Mr. Lee, will resign as Directors with effect on or after 5 March 2010, being the earliest time permitted for resignation of directors under the Takeovers Code. Details of nomination of the new Directors have been set out on page 15 in "Letter from CIMB" of this Composite Document.

Further announcement containing appointment of new Directors and their biographies will be published when appropriate and in accordance with Rule 17.50 (2) of the GEM Listing Rules.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, upon the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.

The Offeror intends to maintain the listing status of the Shares on the Growth Enterprise Market of the Stock Exchange after the close of the Offers. It is noted that under the section headed "Maintaining the Listing Status of the Company" in "the Letter from CIMB", the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the closing of the Offers to ensure at least 25% of the issued share capital of the Company are held by the public. As the Company and the Offeror are unable to ascertain at this stage the level of acceptance of the Offers, the aforesaid parties have not decided the exact actions that will be taken by them after close of the Offers to restore the public float of the Shares, if applicable. Notwithstanding this, the Company and the Offeror may consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror for this purpose. Separate announcements will be made when necessary regarding the decision of any such placing down, if the circumstances warrant.

RECOMMENDATIONS

The Independent Board Committee comprising the non-executive Director and all the independent non-executive Directors has been set up to advise the Independent Shareholders regarding the Offers. Cinda has been appointed by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in this regard and such appointment has been approved by the Independent Board Committee.

Your attention is drawn to the "Letter from the Independent Board Committee" which sets out its recommendations as set out on pages 17 to 18 of this Composite Document. Your attention is also drawn to the letter of advice from Cinda which contains, among other matters, its advice to the Independent Board Committee in relation to the Offers and the principal factors considered by it in arriving at its recommendations. The "Letter from Cinda" is set out on pages 19 to 40 of this Composite Document.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from CIMB" as set out on pages 10 to 16 and to Appendix I "Further Terms of the Offers" on pages I-1 to I-8 of this Composite Document which contains details of the Offers.

You are recommended to read this Composite Document and the accompanying Form(s) of Acceptance for details of the Offers. Your attention is also drawn to the information set out in the appendices to this Composite Document.

In considering what action to take in connection with the Offers, you should consider your own tax position and, if you are in any doubt, you should consult your professional advisers.

By order of the Board of
Armitage Technologies Holding Limited
Lee Shun Hon, Felix
Executive Director

CIMB Securities (HK) Limited

25/F Central Tower
28 Queen's Road Central
Hong Kong

12 February 2010

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY CIMB SECURITIES (HK) LIMITED ON BEHALF OF FIRST GLORY HOLDINGS LIMITED FOR ALL THE OFFER SHARES AND CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS

INTRODUCTION

By the Joint Announcement, First Glory and the Company jointly announced that on 22 December 2009, First Glory and the Company entered into the Sale and Purchase Agreement with the Vendors, pursuant to which, First Glory conditionally agreed to purchase and the Vendors conditionally agreed to sell an aggregate of 432,845,290 Sale Shares representing approximately 57.71% of the issued share capital of the Company as at the Latest Practicable Date for a total consideration of HK$28,134,943.85 (equivalent to HK$0.065 per Sale Share) in cash.

On the same date, First Glory and the Company also entered into the Armitage Subscription Agreement whereby First Glory has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to First Glory, the Armitage Convertible Bond at a principal amount of HK$52 million pursuant to the terms and conditions set out therein.

Following completion of the Armitage Subscription Agreement on 10 February 2010, Share Sale Completion took place on 10 February 2010 and First Glory has become interested in 432,845,290 Sale Shares representing approximately 57.71% of the issued share capital of the Company as at the Latest Practicable Date. Under Rule 26.1 of the Takeovers Code, First Glory is required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by it and parties acting in concert with it. Under Rule 13 of the Takeovers Code, First Glory is also required to make a comparable offer to cancel all the outstanding Share Options. The principal terms of the Offers are set out under the section headed "The Offers" of this letter. CIMB is making the Offers on behalf of First Glory.

This letter, together with Appendix I to this Composite Document and the accompanying Forms of Acceptance, sets out, among other things, the terms and other details of the Offers, information on First Glory and its intention regarding the Group. Your attention is also drawn to the letter from the Board as well as the respective letters of advice from the Independent Board Committee, who will give its recommendation in respect of the Offers to the Independent Shareholders and the Optionholders, and Cinda, which has been appointed as the independent financial adviser to the Independent Board Committee to give its advice and recommendation on the Offers, as contained in this Composite Document.

THE OFFERS

As at the Latest Practicable Date, other than the Sale Shares, there are 317,154,710 Shares in issue and 20,300,000 Share Options entitling the holders thereof to subscribe for up to an aggregate of 20,300,000 Shares at an exercise price of HK$0.055 per Share.

As at the Latest Practicable Date, save for the outstanding Share Options and the Armitage Convertible Bond, the Company has no convertible securities, options, derivatives or warrants outstanding and has not entered into any agreement with the Offeror or parties acting in concert with it for the issue of any convertible securities, options, warrants or derivatives of the Company.

Principal terms of the Offers

CIMB, on behalf of the Offeror, is making the Offers on the following basis:

For each Offer Share . . . . HK$0.065 in cash

For cancellation of each Share Option . . . . HK$0.010 in cash

The Offers are unconditional in all respects and are therefore not conditional upon any minimum level of acceptance being received or subject to any conditions.

(1) **Comparison of value**

The Share Offer Price of HK$0.065 per Offer Share represents:

(i) a discount of approximately 50.76% to the closing price of HK$0.132 per Share as quoted on the Stock Exchange on 5 November 2009, being the last trading day immediately prior to the commencement of the offer period in respect of the Offers;

(ii) a discount of approximately 36.27% to the average closing price of HK$0.102 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including 5 November 2009;

(iii) a discount of approximately 54.55% to the closing price of HK$0.143 per Share as quoted on the Stock Exchange on the Last Trading Date;

(iv) a discount of approximately 53.90% to the average closing price of approximately HK$0.141 per Share for the 5 trading days immediately prior to and including the Last Trading Date;

(v) a discount of approximately 53.57% to the average closing price of approximately HK$0.140 per Share for the 10 trading days immediately prior to and including the Last Trading Date;

(vi) a discount of approximately 68.45% to the closing price of HK$0.206 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vii) a premium of approximately 98.59% over the Group's unaudited consolidated net assets of approximately HK$0.03273 per Share calculated based on the Group's unaudited consolidated net assets of approximately HK$24,551,000 as at 30 September 2009 and 750,000,000 Shares in issue as at the Latest Practicable Date.

The Option Offer Price of HK$0.01 per Share Option is determined with reference to the exercise price of the Share Options of HK$0.055 per Share and is equivalent to the difference between the Share Offer Price and the exercise price of the Share Options.

(2) **Total consideration and financial resources available for the Offers**

As at the Latest Practicable Date, other than the Sale Shares, there are 317,154,710 Shares in issue and 20,300,000 Share Options outstanding. On the basis of the Share Offer Price and the Option Offer Price and assuming that none of the outstanding Share Options are exercised, the total consideration payable by the Offeror under the Share Offer and the Option Offer amount to HK$20,615,056.15 and HK$203,000 respectively. On the basis of the Share Offer Price and assuming that all the outstanding Share Options are exercised in full, the total consideration payable by the Offeror under the Share Offer amount to HK$21,934,556.15. The total consideration payable under the Share Offer and the Option Offer will be financed by the Offeror's internal resources.

CIMB, as the financial adviser to First Glory, is satisfied that sufficient financial resources are available to First Glory to satisfy the full acceptance of the Offers.

(3) **Effect of accepting the Offers**

Acceptance of the Share Offer by any Independent Shareholder will be deemed to constitute a warranty by such Shareholder that all Shares sold by such Independent Shareholder under the Share

Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of despatch of the Composite Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their Share Options and all rights attached thereto with effect from the date of despatch of the Composite Document.

Your attention is drawn to the details in respect of the procedures for acceptance and settlement set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

STAMP DUTY

Seller's ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will bear its own portion of buyer's ad valorem stamp duty under the Share Offer at the rate of 0.1% of the amount payable in respect of the relevant acceptances or, if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and will be responsible to account to the Stamp Office of Hong Kong for the stamp duty payable for the sale and purchase of the relevant Offer Shares pursuant to the acceptances of the Share Offer. No stamp duty will arise in connection with the acceptance of the Option Offer.

PAYMENT

Payment in cash in respect of acceptance of the Offers, net of the stamp duty, will be made as soon as practicable and in any event no later than 10 days from the date of receipt by the Offeror of the duly completed and valid acceptances.

COMPULSORY ACQUISITION

First Glory does not intend to apply any right which may be made available to it to acquire compulsorily any Shares outstanding after the closing of the Offers.

INFORMATION ON FIRST GLORY

First Glory was established on 28 October 2009 with limited liability in the British Virgin Islands. It is principally engaged in investment holding. The ultimate beneficial owner and the sole director of First Glory is Mr. Tang Sing Ming Sherman.

Mr. Tang is a seasoned entrepreneur in hospitality management and consultancy services. He owns a well established hospitality group in Hong Kong which creates and operates a wide variety of food and beverage concepts. He has extensive experience in investment and management of restaurants, cafes and bars.

Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement and the subscription of the Armitage Convertible Bond under the Armitage Subscription Agreement, none of the Offeror, its ultimate beneficial owner nor parties acting in concert with any one of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of the First Announcement and up to the date of this Composite Document. Save for the Sale and Purchase Agreement and the Armitage Subscription Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INTENTION OF THE OFFEROR REGARDING THE GROUP

(1) Business

Following the closing of the Offers, it is the intention of First Glory that the Group will continue its principal business activities of provision of information solutions and designing, development and sale of application software packages. While First Glory is optimistic on the future prospects of the Group's business, First Glory will conduct a detailed review of the operation of the Group with a view to formulating a long term strategy for the Group and introducing other businesses or investment opportunities with the aim to diversify the source of income and enhance the future development of the Group. In the event that any of the opportunities materializes, further announcements will be made as and when required by the GEM Listing Rules.

As disclosed in the Joint Announcement, Marvel Success, a wholly owned subsidiary of the Company, entered into the PJ Subscription Agreement with PJ Partners on 22 December 2009, pursuant to which Marvel Success conditionally agreed to subscribe for and PJ Partners conditionally agreed to issue the PJ Convertible Bond at a principal amount of US$2 million. First Glory has given its consent to the entering into of the PJ Subscription Agreement by Marvel Success and the transactions as contemplated therein. On 20 January 2010, the Executive has granted a waiver to the Company to waive the requirement, under Rule 4 of the Takeovers Code, for the Company to obtain the Shareholders' approval in respect of the PJ Subscription Agreement and the subscription of the PJ Convertible Bond. Completion of the subscription of the PJ Convertible Bond has taken place on 10 February 2010. It is the intention of First Glory that the Group will continue to explore the opportunity to tap into the food and beverage management business by virtue of the subscription of the PJ Convertible Bond pursuant to the PJ Subscription Agreement.

As at the Latest Practicable Date, First Glory had no intention or plan or had entered into any negotiations or agreements for any acquisition of assets and/or business by the Group or any redeployment of the fixed assets of the Group or any other major changes to be introduced to the existing business of the Group, save and except that it is the intention of First Glory to endorse the Group's plan to tap into the food and beverage management business by virtue of the Group's subscription of the PJ Convertible Bond pursuant to the PJ Subscription Agreement.

(2) **Directors, management and employees**

The Board is currently made up of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. All of the existing Directors, except for Mr. Lee, intend to resign as Directors with effect on or after 5 March 2010, being the earliest time permitted for resignation under the Takeovers Code. First Glory has nominated (i) Mr. Tang Sing Ming Sherman as executive Director; and (ii) Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter as independent non-executive Directors.

Details of the proposed new Directors, the respective terms of their appointments, including emoluments and the basis of determining the emoluments, will be announced upon their appointments after the Composite Document is despatched.

Other than the proposed nomination of new Directors and the resignation of the existing Directors referred to above, First Glory does not intend that there would be any material changes to the existing management and employees of the Group following the closing of the Offers.

MAINTAINING OF THE LISTING STATUS OF THE COMPANY

First Glory intends to maintain the listing of the Shares on the Stock Exchange after the closing of the Offers. First Glory and the new Directors to be nominated by the Offeror and appointed to the Board will undertake to the Stock Exchange that following the closing of the Offers, appropriate steps will be taken as soon as possible to ensure that not less than 25% of the issued Shares will be held by public hands.

The Stock Exchange has stated that if, at the closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- **a false market exists or may exist in the trading of the Shares; or**

- **there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend trading in the Shares.

OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The attention of overseas Shareholders and overseas Optionholders is drawn to the section headed "Overseas Shareholders and Overseas Optionholders" in Appendix I to this Composite Document.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order to accept the Share Offer, it is essential that the beneficial owners of the Shares, whose investments are registered in the names of their respective nominees, provide instructions to their nominees of their intentions with regard to the Share Offer.

All documents and remittances will be sent to the Independent Shareholders and/or the Optionholders through ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as stated on the relevant Form(s) of Acceptance or if no such address is stated, as they appear in the register of members, or register of Optionholders or, in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the said register of member. None of the First Glory, the parties acting in concert with First Glory, CIMB and the Registrar or any of their respective directors or any other person will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the further terms of the Offers and the additional information set out in the Appendices to this Composite Document, which form part of this Composite Document.

Yours faithfully,
For and on behalf of
CIMB Securities (HK) Limited

Heidi Cheng	**Anthony Ng**
Director	*Senior Vice President*

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this Composite Document.

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)

12 February 2010

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY CIMB SECURITIES (HK) LIMITED ON BEHALF OF FIRST GLORY HOLDINGS LIMITED FOR ALL THE OFFER SHARES AND CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS

We refer to the composite document dated 12 February 2010 jointly issued by the Offeror and the Company to the Independent Shareholders and the Optionholders ("**Composite Document**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

We have considered: (i) whether the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the terms of the Option Offer are fair and reasonable so far as the Optionholders are concerned. Cinda has been appointed as the Independent Financial Advisers to advise us (the members of the Independent Board Committee) in respect of the above.

Having taken into account the advice of the Independent Financial Adviser, we consider that the terms of the Share Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and the Optionholders, respectively, are concerned. Accordingly, we recommend that the Independent Shareholders and the Optionholders should accept the Share Offer and the Option Offer respectively.

* *For identification purposes only*

However, the Independent Shareholders should consider selling their Shares in the open market during the offer period, rather than accepting the Share Offer even though the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Share Offer. The Optionholders should consider exercising their Share Options and selling the resulting Shares in the open market if the market price of the Shares exceeds the sum of the exercise price of the Share Options and the Option Offer Price during the offer period and the net proceeds from such sales (after deducting the amount payable for exercising the Share Options and the transaction costs arising from such sales) would be higher than the net amount receivable under the Option Offer. The Shareholders and Optionholders should exercise caution in doing so as the disposal of a large tranche of Shares in the open market may exert downward price pressure on the Shares.

The letter from the Independent Financial Adviser containing its recommendations to us and the principal factors and reasons taken into account by it in arriving at such recommendations is set out on pages 19 to 40 of the Composite Document.

Yours faithfully,
Independent Board Committee

Dr. Liao, York	**Mr. Anthony Francis Martin Conway**	**Mr. Chan Hang**	**Mr. Li Pak Ki**
Non-executive Director	*Independent Non-executive Directors*		

The following is the text of a letter of advice from Cinda International Capital Limited, which has been prepared for the purpose of incorporation into this document, setting out its advice to the Independent Board Committee in connection with the Offers.

信達國際融資有限公司
CINDA INTERNATIONAL CAPITAL LIMITED

45th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

12 February 2010

To the Independent Board Committee of
Armitage Technologies Holding Limited

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFER BY CIMB SECURITIES (HK) LIMITED ON BEHALF OF FIRST GLORY HOLDINGS LIMITED FOR ALL THE OFFER SHARES AND CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS OF ARMITAGE TECHNOLOGIES HOLDING LIMITED

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee in respect of the Offers and to give an opinion as to whether the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned. Details of the Offers are contained in the Letter from the Board (the "**Letter from the Board**") of the composite document dated 12 February 2010 to the Shareholders and Optionholders (the "**Composite Document**") of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

First Glory and the Company jointly announced in the Joint Announcement that on 22 December 2009, First Glory and the Company entered into the Sale and Purchase Agreement with the Vendors, pursuant to which, First Glory conditionally agreed to purchase and the Vendors conditionally agreed to sell an aggregate of 432,845,290 Sale Shares representing approximately 57.71% of the issued share capital of the Company as at the Latest Practicable Date for a total consideration of HK$28,134,943.85 (equivalent to HK$0.065 per Sale Share) in cash.

On the same date, First Glory and the Company also entered into the Armitage Subscription Agreement whereby First Glory has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to First Glory, the Armitage Convertible Bond at a principal amount of HK$52 million pursuant to the terms and conditions set out therein. Pursuant to the Sale and Purchase Agreement, Share Sale Completion is conditional on the satisfaction of the conditions precedent as set out in the Armitage Subscription Agreement.

Following completion of the Armitage Subscription Agreement on 10 February 2010, Share Sale Completion took place on 10 February 2010 and First Glory has become interested in 432,845,290 Sale Shares representing approximately 57.71% of the issued share capital of the Company as at the Latest Practicable Date. Under Rule 26.1 of the Takeovers Code, First Glory is required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by it and parties acting in concert with it. Under Rule 13 of the Takeovers Code, First Glory is also required to make a comparable offer to cancel all the outstanding Share Options. The principal terms of the Offers are set out under the section headed "The Offers" of the letter from CIMB in the Composite Document (the "**Letter from CIMB**"). CIMB is making the Offers on behalf of First Glory.

The Independent Board Committee (comprises Dr. Liao, York, the non-executive Director; Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki, being all the independent non-executive Directors) which has been formed to advise the Independent Shareholders and the Optionholders in respect of the Offers. We have been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers and such appointment has been approved by the Independent Board Committee.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the statements, information and representations contained in the Composite Document and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained in the Composite Document and all information and representations which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate as at the date of the Composite Document. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company.

We consider that we have been provided with sufficient information and have performed all the necessary steps on which to reach our opinion and give the advice set out in this letter. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statements in the Composite Document, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group or the Offeror or associates of any of them.

We have not considered the tax consequences on the Independent Shareholders and the Optionholders in respect of their acceptance or non-acceptance of the Offers since they vary depending on respective individual circumstances. The Independent Shareholders and the Optionholders who are overseas residents or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendations, we have taken into consideration the following principal factors and reasons:

1. **Historical financial performance of the Group**

The principal business of the Group is the provision of information solutions and designing, development and sale of application software packages.

Based on the information as set out in the interim report of the Group for the six months ended 30 September 2009, and the annual report of the Group for each of the three years ended 31 March 2007, 2008 and 2009, the key financial results of the Group for the respective periods are summarized as follows:

	For the six months ended 30 September 2009 (unaudited)	**For the six months ended 30 September 2008 (unaudited)**	**For the year ended 31 March 2009 (audited)**	**For the year ended 31 March 2008 (audited)**	**For the year ended 31 March 2007 (audited)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover					
Provision of information solutions					
— System development and integration	12,283	14,625	30,572	27,495	23,916
— Maintenance and enhancement income	408	586	1,248	1,165	1,932

	For the six months ended 30 September 2009 (unaudited) *HK$'000*	For the six months ended 30 September 2008 (unaudited) *HK$'000*	For the year ended 31 March 2009 (audited) *HK$'000*	For the year ended 31 March 2008 (audited) *HK$'000*	For the year ended 31 March 2007 (audited) *HK$'000*
Sales of application software packages and related maintenance income	15,521	16,036	30,011	29,590	27,039
Publishing and advertising income *(note 1)*	107	835	1,243	1,117	895
	28,319	32,082	63,074	59,367	53,782
Loss attributable to the equity holders of the Company	1,715	1,641	3,228	2,710	4,813

Note:

1. The Company passed an ordinary resolution on 1 August 2009 to discontinue all the businesses of magazine publication and provision of advertising services.

	As at 30 September 2009 (unaudited) *HK$'000*	As at 31 March 2009 (audited) *HK$'000*	As at 31 March 2008 (audited) *HK$'000*	As at 31 March 2007 (audited) *HK$'000*
Non current assets	20,769	20,742	20,192	20,027
Current assets	29,981	30,379	33,443	33,999
Current liabilities	22,756	22,883	22,323	22,353
Non current liabilities	3,443	2,160	2,802	1,368
Net current assets	7,225	7,496	11,120	11,646
Net assets	24,551	26,078	28,510	30,305

The six months ended 30 September 2009 versus the six months ended 30 September 2008

For the six months ended 30 September 2009, the Group recorded an unaudited consolidated turnover for both continuing and discontinued operations of approximately HK$28.3 million (of which approximately HK$28.2 million are from continuing operations and approximately HK$107,000 are from discontinued operations), representing a decrease of approximately 12% from that for the six months ended 30 September 2008 of approximately HK$32.1 million. With reference to the interim report of the Company for the six months ended 30 September 2009 (the "**2009 Interim Report**"), the decrease in turnover was mainly attributable to the decrease in turnover of the provision of information solutions business unit which amounted to approximately HK$12.7 million for the six months ended 30 September 2009, representing a decrease of approximately HK$2.5 million for the respective figure for the six months ended 30 September 2008. The unaudited net loss attributable to the equity holders of the Company for both continuing and discontinued operations for the six months ended 30 September 2009 was approximately HK$1.7 million, representing a deterioration of approximately 6% as compared with HK$1.6 million reported in the corresponding period in 2008. In August 2009, the Company discontinued all the businesses of magazine publication and provision of advertising services and recorded an income from this discontinued operation of approximately HK$107,000, representing a decrease of approximately 87% over the corresponding period in 2008.

The year ended 31 March 2009 versus the year ended 31 March 2008

For the year ended 31 March 2009, the Group recorded a total turnover of approximately HK$63.1 million, representing an increase of approximately 6.2% from that for the year ended 31 March 2008 of approximately HK$59.4 million. The increase in turnover of the Group for the year ended 31 March 2009 was mainly attributable to the increase in turnover from the provision of information solutions business unit of approximately HK$31.8 million, representing an increase of approximately 11% as compared with approximately HK$28.7 million for the respective period in 2008. Nevertheless, the Group recorded net loss attributable to the equity holders of the Company of approximately HK$3.2 million for the year ended 31 March 2009, which represented an increase of approximately 19% from that for the year ended 31 March 2008 of approximately HK$2.7 million. As stated in the annual report of the Company for the year ended 31 March 2009 (the "**2008/2009 Annual Report**"), the increase in net loss attributable to the equity holders of the Company for the year ended 31 March 2009 was mainly attributable to (i) the realized and unrealized loss on financial asset at fair value through profit or loss amounted to HK$450,000 as compared with a net realized and unrealized gains of approximately HK$110,000 for the year ended 31 March 2008; (ii) the costs related to restructuring amounted to approximately HK$595,000 as compared with nil for the year ended 31 March 2008; (iii) the impairment loss of the development costs amounted to approximately HK$157,000 as compared with nil for the year ended 31 March 2008; and (iv) the recognition of equity-settled share-based payment expenses of approximately HK$181,000 as compared with nil for the year ended 31 March 2008.

The year ended 31 March 2008 versus the year ended 31 March 2007

For the year ended 31 March 2008, the Group recorded a total turnover of approximately HK$59.4 million, representing an increase of approximately 10.4% from that for the year ended 31 March 2007 of approximately HK$53.8 million. According to the annual report of the Company for the year ended 31 March 2008 (the "**2007/2008 Annual Report**"), the increase in turnover of the Group for the year ended 31 March 2008 was mainly attributable to (i) the increase in turnover generated from the provision of information solutions business unit of approximately HK$28.7 million, representing an increase of approximately 11% as compared with approximately HK$25.8 million for the respective period in 2007; (ii) the increase in turnover generated from the application software packages business unit amounted to approximately HK$29.6 million, representing an increase of approximately 9.6% as compared with the respective period in 2007; and (iii) the increase in turnover generated from the publishing and advertising business unit of approximately HK$1.1 million, representing an increase of approximately 25% as compared with approximately HK$895,000 for the respective period in 2007. The net loss attributable to the equity holders of the Company for the year ended 31 March 2008 was approximately HK$2.7 million, representing a decrease of approximately 43.8% from that for the year ended 31 March 2007 of approximately HK$4.8 million. The improvement in the net loss position of the Group was mainly due to the increase in the total gross profit of approximately HK$2.7 million for the year ended 31 March 2008 which in turn attributable from the increase in total turnover.

Financial position of the Group

In respect of the financial position of the Group as illustrated in the table above, the Group recorded net current assets of approximately HK$11.6 million as at 31 March 2007, which decreased to approximately HK$11.1 million as at 31 March 2008 and further worsened to approximately HK$7.5 million and HK$7.2 million as at 31 March 2009 and 30 September 2009 respectively. The decrease in the net current assets from 31 March 2007 to 31 March 2008 was mainly due to the increase in the creditors, accruals and deposits received account from approximately HK$8.2 million as at 31 March 2007 to HK$9.1 million as at 31 March 2008. The further decrease in the net current assets from 31 March 2008 to 31 March 2009 was mainly attributable to the decrease in the debtors, deposits and prepayments from approximately HK$20.7 million to approximately HK$17.1 million. Moreover, the slight decrease in the net current assets from 31 March 2009 to 30 September 2009 was mainly attributable to the decrease in the debtors, deposits and prepayments account from approximately HK$17.1 million to approximately HK$16.5 million.

2. **Business prospects of the Group**

According to the annual reports of the Company, the Group has been experiencing continuous losses since financial year ended 31 March 2004. As stated in the 2008/2009 Annual Report and the 2007/2008 Annual Report, the Group has encountered difficult operating environment resulting from the unfavorable market conditions such as high oil price which affected its transportation and logistic sector customers and the new labour law and employee retirement policies implemented by the PRC government which further deteriorated the operating expenses of the Group, and the appreciation of the Renminbi against the Hong Kong dollar and the continuous and aggressive price competition, which remained as the greatest challenges to the Group's operation in Hong Kong and the PRC. As the after-effects of the financial tsunami continued to hit the logistic and transportation industry severely during the fourth quarter of 2008 and first quarter of 2009, the Group's Hong Kong operations in the outsourcing and information solutions unit (in which the products/services are mostly provided for its container terminal and airline operators clients in the abovementioned industry) were adversely affected during the fiscal year 2008/2009. On the other hand, as set out in the 2008/2009 Annual Report, given that the living standards of the citizens in the PRC continue to improve with the constant increase in the citizens' spending power, the Group believed that the hospitality industry possesses immense potential in the long run and consequently it would contribute to the Group's PRC operations through the Pegasus Hotel Management System, an application software package enable the end users (mostly hotel and facility management clients) to make room booking through a centralize system which is a business-to-business platform connecting hotels and hotel distribution channels and corporate customers together.

As set out in the 2009 Interim Report, the Group has discontinued all the businesses of magazine publication and provision of advertising services in August 2009. Nevertheless, the Group has successfully completed the Gasoline Management System Phase II enhancement and the installation of the Petroleum Monitoring System for its clients, both of which are fuel management solution systems mainly used by container terminal operators, which believes to be the Group's revenue drivers in the future. Being one of the hospitality solutions providers in the PRC, the Group has been planning to develop a business-to-business platform which connects hotels and hotel distribution channels and corporate customers etc. In addition, the Group has been penetrating into the hospitality market in the Northwest region and in Anhui province in the PRC by established offices in such areas as the Group has been realizing that the development pace of second tier cities in the PRC has grown rapidly in the past few years. The Group has also decided to streamline the operations procedures of its existing Pegasus Food and Beverage System, a similar software package of the aforesaid Pegasus Hotel Management System but target in the food and beverage industry, in order to cope with the markets' needs and requirements and hence to strengthen its competitiveness within the industry in the PRC. However, given that (i) the Group has yet to formulate the abovementioned business plans and strategies for the future business development of the Group, in particular, the development of business-to-business platform in the hospitality industry and the plan of streamline operations procedures of its existing Pegasus Food and Beverage System; and (ii) the uncertainties as to whether the rate of economic growth of second tier cities in the PRC continues to remain strong in future, we consider that the aforesaid future business plans of the Group are uncertain.

As set out in the Letter from the Board, on 22 December 2009, Marvel Success, a wholly owned subsidiary of the Company, entered into the PJ Subscription Agreement with PJ Partners, pursuant to which, Marvel Success conditionally agreed to subscribe for, and PJ Partners conditionally agreed to issue, the PJ Convertible Bond at a principal amount of US$2 million. PJ Partners is principally engaged in the exportation and development of Japanese food and beverage business in Asian countries. As advised by the Directors, in light of the increasing competition in the information technology servicing industry, the Company has been actively seeking for investment opportunities to diversify its current business. By entering into the PJ Subscription Agreement, the Company will be provided an opportunity to tap into the food and beverage management business. The Directors intend to use the gross proceeds of approximately HK$16 million from the issuance of the Armitage Convertible Bond for the subscription of the PJ Convertible Bond. However, there is no specific plan or target to which the Company is committed at present. We are of the view that the future investment plan of the Group in relation to the food and beverage management business is uncertain.

In view that (i) the Group has incurred continuing losses for the past few financial years and the six months ended 30 September 2009; (ii) the Group has encountered difficult operating environment resulting from the unfavorable market conditions in recent financial years; and (iii) any fluctuations in the marketplace may affect the financial performance of the Group, we are of the view that the business prospects and outlook of the Group are uncertain.

3. **The Share Offer**

CIMB, on behalf of the Offeror, is making the Offers on the following basis:

For each Share . . . . HK$0.065 in cash

For cancellation of each Share Option . . . . HK$0.010 in cash

The Offers are unconditional in all respects and are therefore not conditional upon any minimum level of acceptance being received or subject to any conditions.

Comparison of value

The Share Offer Price of HK$0.065 per Offer Share is equal to the price per Sale Share under the Sale and Purchase Agreement and also represents:

(i) a discount of approximately 50.76% to the closing price of HK$0.132 per Share as quoted on the Stock Exchange on 5 November 2009, being the last trading day immediately prior to the commencement of the offer period in respect of the Offers;

(ii) a discount of approximately 36.27% to the average closing price of HK$0.102 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including 5 November 2009;

(iii) a discount of approximately 54.55% to the closing price of HK$0.143 per Share as quoted on the Stock Exchange on the Last Trading Date;

(iv) a discount of approximately 53.90% to the average closing price of approximately HK$0.141 per Share for the 5 trading days immediately prior to and including the Last Trading Date;

(v) a discount of approximately 53.57% to the average closing price of approximately HK$0.140 per Share for the 10 trading days immediately prior to and including the Last Trading Date;

(vi) a discount of approximately 68.45% to the closing price of HK$0.206 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vii) a premium of approximately 98.59% over the Group's unaudited consolidated net assets of approximately HK$0.03273 per Share calculated based on the Group's unaudited consolidated net assets of approximately HK$24,551,000 as at 30 September 2009 and 750,000,000 Shares in issue as at the Latest Practicable Date.

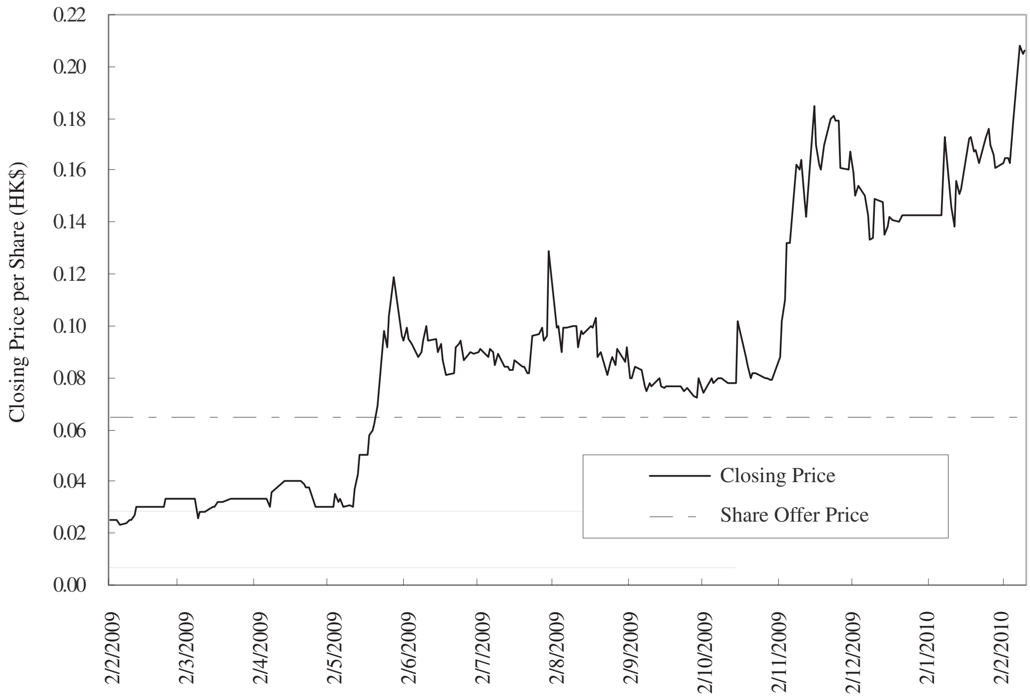
The Option Offer Price of HK$0.01 per Share Option is determined with reference to the exercise price of the Share Options of HK$0.055 per Share and is equivalent to the difference between the Share Offer Price and the exercise price of the Share Options.

Further information of the Offers, including the procedures for the acceptance, is set out in the Letter from CIMB and Appendix I to the Composite Document.

4. **Historical Share price performance and trading liquidity of the Shares**

(a) *Price performance of the Shares*

The chart below illustrates the closing price level of the Shares during the period from 2 February 2009 to 10 February 2010 (being the 12 months period prior to the Last Trading Date and thereafter up to and including the Latest Practicable Date) (the "**Review Period**"):



Source of data: Website of the Stock Exchange

Note: Trading of the Shares was suspended from 2:30 p.m. on 5 November 2009 to 6 November 2009 and from 23 December 2009 to 8 January 2010 during the Review Period.

During the Review Period, the closing price of the Shares was in general on an increasing trend from the lowest point of HK$0.023 per Share (recorded on 6 February 2009) to the highest point of HK$0.208 (recorded on 8 February 2010). We note that the average daily closing price of the Shares during the Review Period was approximately HK$0.090 per Share, which is above the Share Offer Price. We also note that the Shares have closed on or above the Share Offer Price on 183 trading days, representing approximately 70.66% of the 259 trading days during the Review Period. As can be seen from the graph above, since early May 2009, the closing price of the Shares has grown significantly from HK$0.03 on 4 May 2009 to HK$0.119 on 29 May 2009 and we noted from the Company's announcement dated 19 May 2009 and 27 May 2009 that the Board was not aware of any reasons for the increase in trading price of the Shares and there were no negotiations or agreement relating to intended acquisitions or realizations which were discloseable under the GEM Listing Rules. Since then and up to early November 2009, the closing price of the Shares had been fluctuated within the range from HK$0.072 to HK$0.129 before surged to HK$0.132 on 5 November 2009. We noted that trading of Shares was suspended from 2:30 p.m. on 5 November 2009 to 9:30 a.m. on 9 November 2009 pending for the release of the First Announcement and the closing price of the Shares surged up to HK$0.162 on 9 November 2009 upon publication of the First Announcement, representing an increase of approximately 47.27% to the closing price of the Shares on the last full trading day immediately prior to the First Announcement. The closing price of the Shares was HK$0.173 upon publication of the Joint Announcement, representing an increase of 20.98% to the closing price of the Shares on the Last Trading Date.

We are aware that the Share Offer Price represents discounts to the recent market prices of the Shares and might appear not attractive to the Independent Shareholders. Nevertheless, taking into account that (i) the Group had incurred continuous losses for the past few years and for the six months ended 30 September 2009; (ii) the uncertain prospects and outlook of the Group as described in the sub-section headed "Business Prospects of the Group" above; and (iii) the substantial premium represented by the Share Offer Price over the unaudited net asset value per Share as at 30 September 2009, we consider that the Independent Shareholders should not solely rely on the market prices to make their decision to accept the Share Offer or not and should consider all other factors as well throughout this letter. In addition, based on the low liquidity of the Shares as described in the section headed "Liquidity of the Shares" below, we are of the view that for the Independent Shareholders who may wish to realize their investment in the Company, especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the market price level of the Shares.

We would like to remind the Independent Shareholders that although (i) the Shares have closed on or above the Share Offer Price on 183 trading days, representing approximately 70.66% of the 259 trading days during the Review Period as mentioned above; and (ii) the Share Offer Price represents a discount to the closing price of the Shares on the Latest Practicable Date, there is no guarantee that the trading price of the Shares will sustain and be higher than the Share Offer Price during and after the offer period in respect of the Share Offer. The Independent Shareholders, in particular those who may wish to realize their investments in the Shares, are thus reminded to closely monitor the market price of the Shares during the period of the Offers remains open for acceptance.

(b) *Liquidity of the Shares*

We have reviewed the historical trading volume of the Shares during the Review Period. The total trading volume of the Shares, the average daily trading volume of the Shares, the percentages of daily trading volume of the Shares as compared to the total number of issued Shares and the Shares held by the public Shareholders during the Review Period are shown in table below:

	Total trading volume for the month/period	**Average daily trading volume for the month/period** *(Note 1)*	**Percentage of average daily trading volume to total number of Shares in issue as at the Latest Practicable Date** *(Note 2)*	**Percentage of average daily trading volume to total number of Shares held by public Shareholders as at the Latest Practicable Date** *(Note 3)*
2009				
February	1,480,000	74,000	0.010%	0.023%
March	289,054	13,139	0.002%	0.004%
April	4,220,000	211,000	0.028%	0.067%
May	138,060,000	7,266,316	0.969%	2.291%
June	41,320,000	1,878,182	0.250%	0.592%
July	14,870,000	675,909	0.090%	0.213%
August	102,314,000	4,872,095	0.650%	1.536%
September	36,870,000	1,675,909	0.223%	0.528%
October	21,230,000	1,061,500	0.142%	0.335%
November				
1-5 November (being the last trading day of Shares prior to the First Announcement)	66,880,000	16,720,000	2.229%	5.272%
9-30 November	128,670,000	8,041,875	1.072%	2.536%
December (up to and including the Last Trading Date)	39,560,000	2,472,500	0.330%	0.780%
2010				
January	202,299,306	12,643,707	1.686%	3.987%
February (up to and including the Latest Practicable Date)	37,650,000	4,706,250	0.628%	1.484%

Source of data: Website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the relevant month/period which exclude any trading day on which trading of Shares on the Stock Exchange was suspended for the whole trading days.

2. Based on 750,000,000 Shares in issue as at the Latest Practicable Date.

3. Based on 317,154,710 Shares held by the public Shareholders as at the Latest Practicable Date.

4. Trading of the Shares was suspended from 2:30 p.m. on 5 November 2009 to 6 November 2009 and from 23 December 2009 to 8 January 2010 during the Review Period.

As illustrated in the table above, we noted that the liquidity of the Shares was generally thin during the Review Period. The trading volume of the Shares from the beginning of the Review Period to 31 October 2009 was in the range of approximately 0.002% to approximately 0.969% as to the total number of issued Shares and approximately 0.004% to approximately 2.291% as to the total number of the Shares held by the public Shareholders respectively as at the Latest Practicable Date. We also noted that the average daily trading volume has been substantially increased upon publication of the First Announcement and the Joint Announcement. We believe such recent significant increase in trading volume during November 2009 and January 2010, to a large extent, may likely due to the market speculation on the possible change in control of the Company.

Based on the generally low liquidity of the Shares, especially before the First Announcement, we consider that for the Independent Shareholders who may wish to realize their investment in the Company, especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the market price level of the Shares. Therefore, we consider that the Share Offer provides an opportunity for the Independent Shareholders who would like to realize their investment in the Shares. Nevertheless, Independent Shareholders who intend to dispose part or all of their Shares are reminded to closely monitor the market price and the liquidity of the Shares during the period of the Share Offer remains open for acceptance and consider selling their Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the disposal of such Shares in the open market would exceed that receivable under the Share Offer.

5. **Price/earnings multiples and dividend yields**

One of the most commonly used references for valuing a company is the price/earnings multiple and we have considered such an approach in assessing the value of the Shares by applying the price/earnings multiple.

However, since the Company has recorded losses in the year ended 31 March 2009, a meaningful price/earnings multiple cannot be derived for assessing the value of the Group.

We have also reviewed the dividend payment history of the Company and noted that the Company has not paid or declared any dividends to the Shareholders for the financial year ended 31 March 2009 and for the six months ended 30 September 2009. Accordingly, no basis can be formed to appraise the fairness and reasonableness of the Offer Price based on the historical dividend yield of the Company.

6. **Net assets value**

As at 31 March 2009, the Group's audited consolidated net asset value was approximately HK$0.035 per Share based on 750,000,000 Shares in issue. In accordance to the interim report of the Company for the six months ended 30 September 2009, the Group's unaudited consolidated net asset value as at 30 September 2009 was approximately HK$0.033 per Share based on 750,000,000 Shares in issue as at the Latest Practicable Date. The Share Offer Price represents a premium of approximately 85.71% over the audited consolidated net asset value as at 31 March 2009 and a premium of approximately 98.59% over the unaudited consolidated net asset value as at 30 September 2009.

In assessing the fairness and reasonableness of the Share Offer Price, we have performed the price to net asset value ratio analysis, which is one of the commonly adopted trading multiple analyses and we have researched for companies listed on the GEM of the Stock Exchange which are engaged in similar business to the Group (provision of information solutions and design, development and sales of application software packages). To the best of our knowledge, effort and endeavor and based on the information available from the website of the Stock Exchange, we have identified 13 comparable companies (the "**Comparable Companies**") which is being an exhaustive list. We have discussed with the management of the Company regarding the business of the Group in details and noted that the Group's application software packages comprise of software systems as well as hardware equipment as a combination to its clients. The application software packages also involve networking system. In addition, the Group will provide technical consultancy services such as training programs after installation of some particular software systems to its clients. In these regards, we are of the view that the business of the Group is similar to the business of those Comparable Companies as disclosed in this letter. Our review is summarized as follows:

Company name (stock code)	**Principal business**	**Market Capitalization as at the Latest Practicable Date** *(HK$ million)*	**Net asset value** *(HK$ million) (Note 1)*	**Price to net asset value ratio** *(Note 2)*
Qianlong Technology International Holdings Ltd. (8015) *(Note 3)*	Research, development and distribution of software, the provision of related maintenance and consulting services in the PRC	224.8	145.5	1.5

Company name (stock code)	**Principal business**	**Market Capitalization as at the Latest Practicable Date** *(HK$ million)*	**Net asset value** *(HK$ million) (Note 1)*	**Price to net asset value ratio** *(Note 2)*
Long Success International (Holdings) Ltd. (8017)	Sales of customised software and related computer equipment; provision of technical support and maintenance services; sharing of profits of a junket representative of a VIP lounge in a casino in Macau and money lending business	264.3	151.2	1.7
Asian Capital Resources (Holdings) Ltd. (8025)	Investment holdings, provision of on-line content information and related technical services, information technology solutions and consultancy services, logistics services and internet protocol television services	722.6	61.3	11.8
Timeless Software Ltd. (8028)	Software development, provision of computer consultancy and software maintenance services and sales of computer hardware and software	107.7	106.9	1.0
Vodatel Networks Holdings Ltd. (8033)	Design, sale and implementation of data networking systems, provision of related engineering services and sale of networking equipment; and sale of mobile phones	141.2	142.1	1.0

Company name (stock code)	**Principal business**	**Market Capitalization as at the Latest Practicable Date** *(HK$ million)*	**Net asset value** *(HK$ million) (Note 1)*	**Price to net asset value ratio** *(Note 2)*
Jiangsu Nandasoft Technology Co. Ltd. - H Shares (8045) *(Note 4)*	Develop, manufacture and marketing of network security software, internet application software, educational software, business application software and provides IT consulting services and sales of computer hardware products and equipment	331.6	193.4	1.7
Excel Technology International Holdings Ltd. (8048)	Sale of enterprise software products and provision of maintenance services, systems integration services and resale of complementary hardware and software products, consultancy services, and services in respect of ASP business	108.4	96.1	1.1
FlexSystem Holdings Ltd. (8050)	Development and sale of enterprise software and hardware products and the provision of maintenance services	124.8	52.4	2.4
Computech Holdings Ltd. (8081)	Provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products	260.4	15.3	17.0
ePRO Ltd. (8086)	Provision of professional information technology contract services and maintenance services; and re-selling of hardware and software	107.6	27.8	3.9

Company name (stock code)	**Principal business**	**Market Capitalization as at the Latest Practicable Date** *(HK$ million)*	**Net asset value** *(HK$ million)* *(Note 1)*	**Price to net asset value ratio** *(Note 2)*
Capinfo Co. Ltd. - H Shares (8157) *(Note 4)*	Installation of network systems, network design, consultancy and related technical services and sales of computers, related accessories and equipment	1,246.2	701.2	1.8
UURG Corporation Ltd. (8192)	Provision of information technology and engineering consultancy services	1,308.5	9.2	141.8
China Leason Investment Group Company, Limited (8270) *(Note 4)*	Development and sales of computer software, resale of computer hardware, provision of system integration and maintenance services; and manufacture and sales of liquefied coal bed	249.2	127.1	2.0
Average				14.5
Median				1.8
Maximum				141.8
Minimum				1.0
The Share Offer		48.8 *(Note 5)*	24.6	2.0

Source of data: website of the Stock Exchange

Notes:

1. Based on the latest published net asset value set out in the respective latest interim report or annual report.

2. Calculated based on the price as at the Latest Practicable Date divided by the latest published net asset value set out in the respective latest interim report or annual report.

3. As the interim report for this company is not available, the net asset value was based on the third quarterly report for the nine months ended 30 September 2009.

4. The net asset values of these Comparable Companies were recorded in RMB in the respective latest interim report or annual report and have been converted into HK$ based on the exchange rate of RMB1.0 = HK$1.13.

5. Calculated based on the Share Offer Price of HK$0.065 per Share.

As illustrated in the table as stated above, we note that the average price to net asset value ratio as represented by the Comparable Companies was approximately 14.5 times and with a range from approximately 1.0 times to 141.8 times. We also note that three of the Comparable Companies, namely Asian Capital Resources (Holdings) Ltd. ("Asian Capital"), Computech Holdings Ltd. ("Computech") and UURG Corporation Limited ("UURG"), all having an exceptionally high price to net asset value ratio of approximately 11.8 times, 17.0 times and 141.8 times respectively as compared with the price to net asset value ratio of the other Comparable Companies. We have reviewed the latest financial reports and share price movement of the three companies and noted that:

(i) all of the three companies recorded losses from their ordinary course of business in respect of their latest financial years;

(ii) the closing price of Asian Capital surged significantly from HK$0.151 per share on 24 August 2009 to HK$0.75 per share on the Latest Practicable Date and save for the announcement dated 15 September 2009 made by Asian Capital in relation to the contemplated management buy-out of the entire issued share capital from one of the substantial shareholders of Asian Capital, Asian Capital had not made any announcement about its business and financial positions and outlook during the aforesaid period which we consider can account for such significant price increase;

(iii) the closing price of Computech also surged significantly from HK$0.095 per share on 25 August 2009 to HK$0.33 per share on the Latest Practicable Date and save for the announcement dated 15 September 2009 made by Computech in relation to the disposal of shares of Computech by its substantial shareholders, Computech had not made any announcement about its business and financial positions and outlook during the aforesaid period which we consider can account for such significant price increase;

(iv) the closing price of UURG also increased from HK$0.13 per share on 9 September 2009 to HK$0.235 per share on the Latest Practicable Date and save for the announcements dated 22 September 2009 and 6 November 2009 made by UURG in relation to the potential disposal of shares in UURG by its substantial shareholders and the mandatory unconditional cash offers respectively, UURG had not made any announcement about its business and financial positions and outlook during the aforesaid period which we consider can account for such significant price increase;

(v) the net asset values of Computech and UURG are much smaller than that of the Group, as evidenced by the relatively lower consolidated net assets value of both companies as compared with the Group (the unaudited consolidated net asset values of Computech and UURG as at 30 June 2009 were approximately HK$15.3 million and approximately HK$9.2 million respectively); and

(vi) based on the published information of the three companies available on the website of the Stock Exchange, we are not aware of any underlying business and financial factors of both companies which support the exceptionally high price to net asset value ratio and the recent increase in share price of these companies.

Based on these exceptionally high price to net asset value ratios represented by the three abovementioned Comparable Companies which (i) they cannot be accounted for by their fundamentals and financial performance; and (ii) they have significant deviations against the average of the price to net asset value ratio of the Comparable Companies excluding all of them as mentioned below, we consider that it may not be appropriate to include them to calculate the average of the price to net asset value ratio when assessing the fairness and reasonableness of the Share Offer Price. As such, we have also calculated the average of the price to net asset value ratios of the Comparable Companies excluding Asian Capital, Computech and UURG. We note that the average price to net asset value ratio based on the Comparable Companies excluding Asian Capital, Computech and UURG was approximately 1.8 times and with a range from approximately 1.0 times to 3.9 times. We also note that the price to net asset value per share ratio represented by the Share Offer Price is approximately 2.0 times, which falls within the range and above the average of the Comparable Companies excluding Asian Capital, Computech and UURG. Moreover, we also used the median of price to net asset value ratio of the Comparable Companies excluding Asian Capital, Computech and UURG for our comparison purpose. We note that the median price to net asset value ratio represented by the Comparable Companies was approximately 1.8 times. We also note that the price to net asset value ratio represented by the Share Offer Price is approximately 2.0 times, which is higher than the median price to net asset value ratio of the Comparable Companies excluding Asian Capital, Computech and UURG. In view of the above analysis, we consider the Share Offer Price is fair and reasonable.

7. **Background of the Offeror and its intention regarding the future of the Group**

(a) *Information on the Offeror*

First Glory was established on 28 October 2009 with limited liability in the British Virgin Islands. It is principally engaged in investment holding. The ultimate beneficial owner and the sole director of First Glory is Mr. Tang Sing Ming Sherman.

Mr. Tang is a seasoned entrepreneur in hospitality management and consultancy services. He owns a well established hospitality group in Hong Kong which creates and operates a wide variety of food and beverage concepts. He has extensive experience in investment and management of restaurants, cafes and bars.

(b) *Intention of the Offeror*

As stated in the Letter from CIMB, it is the intention of the Offeror that the Group will continue its principal business activities of provision of information solutions and designing, development and sale of application software packages. While First Glory is optimistic on the future prospects of the Group's business, First Glory will conduct a detailed review of the operation of the Group with a view to formulating a long term strategy for the Group and introducing other businesses or investment opportunities with the aim to diversify the source of income and enhance the future development of the Group. In the event that any of the opportunities materializes, further announcements will be made as and when required by the GEM Listing Rules.

As set out in the Joint Announcement, Marvel Success, a wholly owned subsidiary of the Company, entered into the PJ Subscription Agreement with PJ Partners on 22 December 2009, pursuant to which Marvel Success conditionally agreed to subscribe for and PJ Partners conditionally agreed to issue the PJ Convertible Bond at a principal amount of US$2 million. First Glory has given its consent to the entering into of the PJ Subscription Agreement by Marvel Success and the transactions as contemplated therein. On 20 January 2010, the Executive has granted a waiver to the Company to waive the requirement, under Rule 4 of the Takeovers Code, for the Company to obtain the Shareholders' approval in respect of the PJ Subscription Agreement and the subscription of the PJ Convertible Bond. Completion of the subscription of the PJ Convertible Bond has taken place on 10 February 2010. It is the intention of First Glory that the Group will continue to explore the opportunity to tap into the food and beverage management business by virtue of the subscription of the PJ Convertible Bond pursuant to the PJ Subscription Agreement.

As at the Latest Practicable Date, First Glory had no intention or plan or had entered into any negotiations or agreements for any acquisition of assets and/or business by the Group or any redeployment of the fixed assets of the Group or any other major changes to be introduced to the existing business of the Group, save and except that it is the intention of First Glory to endorse the Group's plan to tap into the food and beverage management business by virtue of the Group's subscription of the PJ Convertible Bond pursuant to the PJ Subscription Agreement. As the Offeror has yet to formulate the business plans and strategies for the future business development of the Group, we are uncertain as to whether the Offeror's objectives including tap into the food and beverage management business would materialize in the future.

(c) *Directors, management and employees*

The Board is currently made up of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. All of the existing

Directors, except for Mr. Lee, intend to resign as Directors with effect on or after 5 March 2010, being the earliest time permitted for resignation under the Takeovers Code. First Glory has nominated (i) Mr. Tang Sing Ming Sherman as executive Directors; and (ii) Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter as independent non-executive Directors.

Further announcement will be made by the Company in respect of the changes to the Board pursuant to Rule 17.50(2) of the GEM Listing Rules as and when appropriate. Save as disclosed above, First Glory does not intend that there would be any material changes to the existing management and employees of the Group following the closing of the Offers.

Given the above, we consider that no immediate material change in the existing business of the Group as a result of the Completion, the completion of the Offers and/or appointment of any new directors of the Company is foreseeable. However, the Shareholders are reminded that all the existing executive Directors will resign in the manner as permitted under the Takeovers Code and although new directors will be appointed to the Board to ensure management continuity, it is uncertain whether the change in the composition of the Board would affect the existing business of the Group and its business direction in the future.

8. **The Option Offer**

As at the Latest Practicable Date, there are 20,300,000 Share Options outstanding which entitling the holders thereof to subscribe for up to an aggregate of 20,300,000 new Shares at an exercise price of HK$0.055 per Share. On the basis of the Option Offer Price of HK$0.01 per Share Options, the total consideration payable by the Offeror under the Option Offer amount to HK$203,000. Pursuant to Rule 13 of the Takeovers Code, CIMB is making, on behalf of First Glory Holdings Limited, the Option Offer on the following basis:

For cancellation of each Share Option .... HK$0.010 in cash

The Optionholders will receive HK$0.010 in cash for each Option. By accepting the Option Offer, the Optionholders will surrender the subscription rights attaching to the Options granted to them, which will be cancelled by the Company.

We note that the principle of equality of treatment has been applied under the Takeovers Code. Given that the exercise price of the outstanding Share Options is lower than the Share Offer Price and thus are “in-the-money”, a “see through” price has been adopted to make the Option Offer, being the intrinsic value for the outstanding Share Options which essentially represents the difference between the exercise price of the Share Options at HK$0.055 per Share and the Share Offer Price of HK$0.065. As we are of the opinion that the Share Offer Price is fair and reasonable, we also consider the Option Offer Price to be fair and reasonable.

9. **Armitage Convertible Bond issued by the Company to the Offeror**

On 22 December 2009, the Company and First Glory entered into the Armitage Subscription Agreement whereby First Glory has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to First Glory, the Armitage Convertible Bond at a principal amount of HK$52 million pursuant to the terms and conditions set out therein.

As set out in the Letter from the Board, in the EGM of the Company held on 9 February 2010, the Independent Shareholders approved and passed all the relevant resolutions in relation to the issuance of Armitage Convertible Bond, allotment and issuance of the Conversion Shares pursuant to the terms and conditions of the Armitage Subscription Agreement and the transactions contemplated thereunder. Completion of the Armitage Subscription Agreement took place on 10 February 2010.

According to the 2009 Interim Report, we note that the total cash and bank balances of the Group amounted to approximately HK$3.8 million, and hence it is not sufficient for the subscription of the PJ Convertible Bond of US$2 million as mentioned in the section headed "Business prospects of the Group" above. As such, the issuance of the Armitage Convertible Bond provided an immediate liquid capital of HK$52 million (before expenses) to strengthen the cash position of the Company and enable it to proceed with subscription of the PJ Convertible Bond.

We would like to remind the Independent Shareholders that the issuance of Armitage Convertible Bond will create a possible dilution effect to the Independent Shareholders arising from the issuance of the Conversion Shares upon exercise of the conversion rights attaching to the Armitage Convertible Bond. In the event that the Group could overturn profit in the future and the rights attached to the Armitage Convertible Bond are exercised, the earnings per Share by the Independent Shareholders will be affected from the diluted shareholding of the Company. On the other hand, if the Group continues to make losses in the coming financial years and the rights attached to the Armitage Convertible Bond are exercised, the Independent Shareholders may suffer less from the diluted shareholding of the Company as the loss per Share has been diluted than they would otherwise be. In light of the above and taken into consideration that the existing shareholding interests of the Independent Shareholders will be diluted in proportion to their respective shareholdings in the Company upon exercise of the conversion rights attaching to the Armitage Convertible Bond, we are of the view that the terms of the Offers is fair and reasonable.

RECOMMENDATION

Having considered the above factors, and in particular that:

(i) the uncertain business prospects of the Group as detailed in the section headed "Business prospects of the Group" above;

(ii) the Group has been making persistent losses for the past few financial years and the six months ended 30 September 2009;

(iii) the trading liquidity of the Shares has been thin during the Review Period;

(iv) no dividend has been paid or declared to its Shareholders during the Relevant Financial Periods; and

(v) the value of the Company based on the Share Offer Price of HK$0.065 per Share and the issued share of the Company as at the Latest Practicable Date represents a premium of approximately 98.59% over the unaudited net asset value of the Group as at 30 September 2009 and the price to net asset value ratio implied by the Share Offer Price falls within the range and above the average and median of the Comparable Companies excluding Asian Capital, Computech and UURG,

we are of the opinion that the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned, and advise the Independent Board Committee to recommend the Independent Shareholders that they should accept the Offers.

The Independent Shareholders and the Optionholders, in particular those who intend to accept the Offers, are reminded to note the recent fluctuation in the Share price after release of the First Announcement and the Joint Announcement, and there is no guarantee that the current market price will or will not sustain and will or will not be higher than the Share Offer Price and the Option Offer Price during and after the close of the Offers. The Independent Shareholders and the Optionholders who intend to accept the Offers are reminded to closely monitor the market price and the liquidity of the Shares during the period of the Offers remain open for acceptance and shall, having regard to their own circumstances, consider exercising the Share Options and/or selling the Shares (as the case may be) in the open market, instead of accepting the Offers, if the net proceeds from the sale of such Shares would be higher than that receivable under the Offers.

Yours faithfully,
For and on behalf of
Cinda International Capital Limited

Thomas Lai	**Robert Siu**
Executive Director	*Executive Director*

1. PROCEDURES FOR ACCEPTANCE

1.1 The Share Offer

(a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed Pink Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) by post or by hand, to the Registrar, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the Pink Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the Pink Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

(c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the Pink Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or CIMB or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the Pink Form of Acceptance.

(d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the Pink Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(e) Acceptance of the Share Offer will be treated as valid only if the completed Pink Form of Acceptance is received by the Registrar on or before 4:00 p.m. on the Closing Date and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:

(i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of you, the person accepting the Share Offer, executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange. If the Pink Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) must be produced.

(f) **Deeming provisions:** the following provisions apply in the case of incorrectly completed, incomplete or illegible Pink Form of Acceptance:

(i) if no number is specified or if the total number of Shares specified in the Pink Form of Acceptance is greater than the Shares tendered, as supported by the Share certificate(s), transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof), the Shareholder is deemed to have accepted the Share Offer in respect of the Shares as shall be equal to the number of the Shares, tendered by such Shareholder, as supported by the Share certificate(s), transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof); and

(ii) if the number specified in the Pink Form of Acceptance is smaller than the Shares tendered, as supported by the Share certificate(s), transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof), the Shareholder is deemed to have accepted the Share Offer in respect of the Shares as shall be equal to the number of the Shares specified in such Pink Form of Acceptance;

(g) No acknowledgement of receipt of any Pink Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

The Option Offer

(a) If you accept the Option Offer, you should complete the White Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and condition of the Option Offer.

(b) The completed White Form of Acceptance should be forwarded, together with the relevant letter(s) of grant of the Share Options stating the number of Share Options for not less than the number of the Share Options in respect of which you intend to accept the Option Offer, by post or by hand to the company secretary of the Company at 10th Floor, Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong, as soon as possible and in any event so as to reach the Registrar at the aforesaid address no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce with the consent of the Executive.

(c) No stamp duty will be deducted from the amount paid to the Optionholders who accept the Option Offer.

(d) No acknowledgement of receipt of any White Form of Acceptance and/or letter(s) of grant of the Share Options will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offers have previously been extended in accordance with the Takeovers Code, all Forms of Acceptance must be received by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form(s) of Acceptance and the Offers will be closed on Friday, 5 March 2010.

(b) If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date or that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Independent Shareholders and the Optionholders who have not accepted the Offers, and an announcement will be released.

If the Offeror revises the terms of the Offers, all Independent Shareholders and/or the Optionholders, whether or not they have already accepted the Share Offer or the Option Offer (as the case may be), will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted.

(c) If the Closing Date is extended, any reference in this Composite Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers so extended.

3. ANNOUNCEMENTS

(a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Offers. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating whether the Offers have been revised or extended or have expired.

The announcement must state the followings:

(i) the total number of Shares and rights over Shares for which acceptances of the Share Offer and the Share Options for which acceptances of the Option Offer have been received;

(ii) the total number of Shares and rights over Shares, and the Share Options, held, controlled or directed by the Offeror or persons acting in concert with it before the offer period; and

(iii) the total number of Shares, rights over Shares and the Share Options acquired or agreed to be acquired by the Offeror or persons acting in concert with it during the offer period.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.

(b) In computing the total number of Shares and Share Options represented by acceptances, only valid acceptances have been received by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Option Offer) no later than 4:00 p.m. on the Closing Date shall be included.

(c) As required under the Takeovers Code, all announcements in respect of Offers will be made in accordance with the requirements of GEM Listing Rules.

4. RIGHT OF WITHDRAWAL

(a) Acceptance to the Offers tendered by the Independent Shareholders and the Optionholder, as the case may be, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.

(b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "**ANNOUNCEMENTS**" above, the Executive may require that the Independent Shareholders and the Optionholders who have tendered acceptances to the Offers, as the case may be, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, upon the Independent Shareholders and/or the Optionholders (as the case may be) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of Shares lodged with the Pink Form of Acceptance to the relevant Independent Shareholder(s) or the letter(s) of grant of the Share Options and/or transfer receipt(s) and/or other document(s) of title and/or any satisfactory indemnity or indemnities required lodged with the White Form of Acceptance to the Optionholders.

5. SETTLEMENT OF THE OFFERS

(a) The Share Offer

Provided that a valid Pink Form of Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each of the accepting Independent Shareholders less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him under the Share Offer will be despatched to such Independent Shareholders by ordinary post at his own risk as soon as possible but in any event within 10 days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

(b) **The Option Offer**

Provided that a valid White Form of Acceptance and the relevant letter(s) of grant of the Share Options and/or transfer receipt(s) and/or other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof have been received by the company secretary of the Company no later than the latest time for acceptance, a cheque for the amount due to the Optionholders in respect of the Share Options tendered by them under the Option Offer will be despatched to the Optionholders by ordinary post at his own risk as soon as possible but in any event within 10 days of the date on which all the relevant documents are received by the company secretary of the Company to render such acceptance complete and valid.

Settlement of the consideration to which any Independent Shareholders and/or the Optionholders is entitled under the Offers will be implemented in full in accordance with the terms of the Offers (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders and/or the Optionholders.

6. OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The making of the Offers to overseas Shareholders and overseas Optionholders may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders and overseas Optionholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas Shareholder and overseas Optionholder wishing to accept the Offers to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction. Acceptances of the Offers by any such person will constitute a warranty by such person that such person is permitted under all applicable laws to accept the Offers and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

7. TAXATION

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their accepting the Offers. None of the Offeror and parties acting in concert with it, CIMB, the Registrar or any of their respective directors or any persons involved in the Offers accept responsibility for any tax effects or liabilities of any person or persons as a result of their acceptance of the Offers.

8. GENERAL

(a) All communications, notices, Form(s) of Acceptance, Share certificates, letter(s) of grant of the Share Options, transfer receipts, other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent

Shareholders and/or the Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, CIMB and any of their respective agents nor the Registrar or the company secretary of the Company or other parties involved the Offers accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the accompanying Form(s) of Acceptance form part of the terms and conditions of the Offers.

(c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.

(d) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, or such person or persons as the Offeror may direct to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as it may direct the Shares and/or the Share Option in respect of which such person or persons has accepted the Offers.

(f) Acceptance of the Share Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company:

i. that the Shares tendered for acceptance under the Share Offer are sold by such person or persons free from all third party rights, liens, claims, charges, equities and encumbrances and together with all rights accruing or attaching thereto on or after the date of Completion or subsequently becoming attached to them, including, without limitation, the rights to receive all future dividends and/or other distributions declared, paid or made, if any, on or after the date of the despatch of the Composite Document; and

ii. that if such Independent Shareholder accepting the Share Offer is an overseas Shareholder, he has observed the laws of all relevant territories, obtained all requisite governmental, exchange control or other consents, complied with all requisite formalities or legal requirements and paid any issue, transfer or other taxes or other required payments due from him in connection with such acceptance in any territory, that he has not taken or omitted to take any action which will or may result in the Offeror or CIMB or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the Share Offer or his acceptance thereof, and is permitted under all applicable laws to accept the Share Offer and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws.

(g) Acceptance of the Option Offer by the Optionholders will be deemed to constitute a warranty by the Optionholders to the Offeror that the Share Options tendered for acceptance are free from all third party rights, liens, claims, charges, equities, and encumbrances whatsoever and renounced together with all rights accruing or attaching thereto on or after the date of despatch of the Composite Document or subsequently becoming attached to them and that such Optionholders will surrender to the Company all of their existing rights, if any, in respect of the Share Options.

(h) Acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares it has indicated in the Pink Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Share Offer on their behalf.

(i) Reference to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension or revision thereof.

1. FINANCIAL SUMMARY

The following is a summary of (i) the audited financial results of the Group for each of the three financial years ended 31 March 2007, 2008 and 2009; and (ii) the assets and liabilities as at 31 March 2007, 2008 and 2009 as extracted from the audited financial statements of the Group for the relevant years. The auditors of the Company has not issued any qualified opinion on the financial statements of the Group for the three years ended 31 March 2007, 2008 and 2009. The Company had no exceptional or extraordinary items for each of the three years ended 31 December 2007, 2008 and 2009.

(i) Results

	Year ended 31 March		
	2009	**2008**	**2007**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	63,074	59,367	53,782
Cost of sales and services rendered	(28,163)	(26,393)	(23,521)
Gross profit	34,911	32,974	30,261
Other income	252	1,192	896
Operating expenses	(37,119)	(35,646)	(35,051)
Operating loss	(1,956)	(1,480)	(3,894)
Finance costs	(1,001)	(1,218)	(1,164)
Loss before income tax	(2,957)	(2,698)	(5,058)
Income tax (expense)/credit	(271)	(12)	209
Loss for the year	(3,228)	(2,710)	(4,849)
Attributable to:			
Equity holders of the Company	(3,228)	(2,710)	(4,813)
Minority interests	—	—	(36)
Loss for the year	(3,228)	(2,710)	(4,849)
Dividend	—	—	—
Loss per share (HK cents)			
- Basic	(0.43)	(0.36)	(0.64)
- Diluted	N/A	N/A	N/A

(ii) **Assets and liabilities**

	As at 31 March		
	Group		
	2009	**2008**	**2007**
	HK$'000	*HK$'000*	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	28,238	31,312	31,673
NON-CURRENT LIABILITIES			
Obligation under finance lease	21	99	—
Bank loans, secured	2,139	2,703	1,368
	2,160	2,802	1,368
NET ASSETS	26,078	28,510	30,305
REPRESENTING:			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	7,500	7,500	7,500
Reserves	18,578	21,010	22,805
TOTAL EQUITY	26,078	28,510	30,305

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is the full text of the audited financial statements of the Group for the year ended 31 March 2009 extracted from the annual report of the Company for the year ended 31 March 2009:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Note	2009 HK$'000	2008 HK$'000
Turnover	4	63,074	59,367
Cost of sales and services rendered		(28,163)	(26,393)
Gross profit		34,911	32,974
Other income	5	252	1,192
Operating expenses		(37,119)	(35,646)
Operating loss		(1,956)	(1,480)
Finance costs	6(a)	(1,001)	(1,218)
Loss before income tax	6	(2,957)	(2,698)
Income tax expense	8(a)	(271)	(12)
Loss for the year and attributable to equity holders of the Company	9	(3,228)	(2,710)
Dividend	10	—	—
Loss per share (HK cents)			
— Basic	11	(0.43)	(0.36)
— Diluted	11	N/A	N/A

BALANCE SHEETS

As at 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Note	HK$'000	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS					
Plant and equipment	12	3,980	3,782	—	—
Software	13	—	—	—	—
Trade mark	14	76	82	—	—
Interests in subsidiaries	15	—	—	51,334	52,408
Goodwill on consolidation	16	1,721	1,721	—	—
Development costs	17	13,669	13,047	—	—
Club debenture, at cost		200	200	—	—
Deferred tax	18	1,096	1,360	—	—
		20,742	20,192	51,334	52,408
CURRENT ASSETS					
Financial assets at fair value through profit or loss	19	412	862	—	—
Debtors, deposits and prepayments	20	17,110	20,661	134	137
Pledged time deposits	28	9,000	9,000	—	—
Pledged bank balance	28	80	—	—	—
Cash and bank balances		3,777	2,920	3	1
		30,379	33,443	137	138
DEDUCT:					
CURRENT LIABILITIES					
Bank overdrafts, secured	28	11,815	10,368	—	—
Bank loans, secured	24 & 28	671	1,297	—	—
Bank loan - factoring arrangement	28	1,601	1,489	—	—
Obligation under finance lease	25	78	72	—	—
Creditors, accruals and deposits received	21	8,718	9,097	562	546
		22,883	22,323	562	546
NET CURRENT ASSETS/(LIABILITIES)		7,496	11,120	(425)	(408)

		Group		Company	
		2009	**2008**	**2009**	**2008**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		28,238	31,312	50,909	52,000
NON-CURRENT LIABILITIES					
Obligation under finance lease	25	21	99	—	—
Bank loans, secured	24	2,139	2,703	—	—
		2,160	2,802	—	—
NET ASSETS		26,078	28,510	50,909	52,000
REPRESENTING:					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	22	7,500	7,500	7,500	7,500
Reserves	23	18,578	21,010	43,409	44,500
TOTAL EQUITY		26,078	28,510	50,909	52,000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to equity holders of the Company							
	Share capital	Accumulated losses	Share premium	Special reserve	Exchange reserve	Employee share-based compensation reserve	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1.4.2007	7,500	(24,538)	42,836	3,801	706	—	—	30,305
Exchange reserve arising from translation of financial statements of the People's Republic of China ("PRC") subsidiaries	—	—	—	—	915	—	66	981
Acquisition of minority interests	—	—	—	—	—	—	(66)	(66)
Loss for the year	—	(2,710)	—	—	—	—	—	(2,710)
At 31.3.2008 and 1.4.2008	7,500	(27,248)	42,836	3,801	1,621	—	—	28,510
Exchange reserve arising from translation of financial statements of the PRC subsidiaries	—	—	—	—	615	—	—	615
Recognition of equity-settled share-based payment expenses — Note 26	—	—	—	—	—	181	—	181
Loss for the year	—	(3,228)	—	—	—	—	—	(3,228)
At 31.3.2009	7,500	(30,476)	42,836	3,801	2,236	181	—	26,078

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009	2008
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(2,957)	(2,698)
Adjustments for:		
Dividend income	(12)	(11)
Interest income	(141)	(375)
Interests on bank loans, factoring loans and overdrafts wholly repayable within 5 years	921	1,142
Finance charge on obligation under finance lease	12	7
Depreciation of plant and equipment	811	742
Loss on disposal of plant and equipment	25	37
Amortisation of intangible assets	3,676	4,358
Impairment loss on development costs	157	—
Equity-settled share-based payment expenses	181	—
(Gain)/loss on financial assets at fair value through profit or loss		
— realised	—	(136)
— unrealised	450	26
Operating profit before working capital changes	3,123	3,092
Decrease/(increase) in debtors, deposits and prepayments	3,873	(82)
(Decrease)/increase in creditors, accruals and deposits received	(577)	417
Cash generated from operations	6,419	3,427
Dividend received	12	11
Interest received	141	405
Interests on bank loans, factoring loans and overdrafts wholly repayable with 5 years	(921)	(1,142)
Finance charges on obligation under finance lease	(12)	(7)
Income tax refunded	—	723
NET CASH FLOW FROM OPERATING ACTIVITIES	5,639	3,417

	2009 *HK$'000*	2008 *HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of minority interests in a subsidiary	—	(137)
Payment for purchase of plant and equipment	(1,048)	(1,307)
Sales proceeds from disposal of plant and equipment	—	4
Sales proceeds from disposal of financial assets at fair value through profit or loss	—	395
Payment for purchase of financial assets at fair value through profit or loss	—	(42)
Increase in development costs	(4,072)	(2,833)
Increase in pledged bank balance	(80)	—
NET CASH USED IN INVESTING ACTIVITIES	(5,200)	(3,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital element of finance lease rentals paid	(72)	(28)
(Decrease)/increase in bank loans	(1,078)	1,065
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(1,150)	1,037
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(711)	534
CASH AND CASH EQUIVALENTS AT 1 APRIL	(7,448)	(8,206)
EFFECT OF EXCHANGE RATE CHANGES	121	224
CASH AND CASH EQUIVALENTS AT 31 MARCH	(8,038)	(7,448)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,777	2,920
Bank overdrafts, secured	(11,815)	(10,368)
	(8,038)	(7,448)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. GENERAL INFORMATION

Armitage Technologies Holding Limited (the "Company") was incorporated in the Cayman Islands on 13 November 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The principal place of its business is 10/F., Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The Company and its subsidiaries (collectively the "Group") is engaged in the provision of information solutions and design, development, sales of application software packages and magazine publication and provision of advertising services.

The Company is listed on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

(a) **Compliance with Hong Kong Financial Reporting Standards**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

(b) **Initial application of Hong Kong Financial Reporting Standards**

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:

HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets — Effective Date and Transition

The initial application of these Hong Kong Financial Reporting Standards does not necessitate material changes in the Group accounting policies or retrospective adjustments of the comparatives presented.

(c) **Hong Kong Financial Reporting Standards in issue but not yet effective**

The following Hong Kong Financial Reporting Standards in issue at 31 March 2009 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 April 2008:

HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [3]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards [3]
HKFRS 3 (Revised)	Business Combinations [3]
HKFRS 8	Operating Segments [1]

HK(IFRIC)-Int 13	Customer Loyalty Programmes [1]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate [1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation [1]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners [3]
HK(IFRIC)-Int 18	Transfers of Assets from Customers [2]
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
Amendments to HKAS 39	Eligible Hedged Items [3]
Amendments to HKFRS 1 and HKAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [1]
Amendments to HKFRS 2	Share-based Payment - Vesting Conditions and Cancellations [1]
Amendments to HKFRS 7	Improving Disclosures about Financial Instruments [1]
Amendments to HK(IFRIC)-Int 9 and HKAS 39	Embedded Derivatives [1]
Improvements to HKFRSs [4]	

1 Effective for annual periods beginning on or after 1 April 2009

2 Effective for annual periods beginning on or after 1 July 2009

3 Effective for annual periods beginning on or after 1 April 2010

4 Except for the amendments to paragraphs 8A, 36A and 44C of HKFRS 5 and paragraphs 34C and 47L of HKFRS 1 effective for annual period beginning on or after 1 April 2010, others effective for annual period beginning on or after 1 April 2009.

The directors of the Company anticipate that the adoption of following standards will affect the Group's accounting policies and presentation of the consolidated financial statements as follows:

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKFRS 8, which will replace HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers.

The directors of the Company anticipate that the application of other standards or interpretations will not have material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis as modified by revaluation of financial assets at fair value through profit or loss.

(b) **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2009. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income statement from the dates of acquisition or to the dates of disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

Minority interests represent the results and net assets of the subsidiary attributable to equity interests not owned, directly or indirectly, by the Company.

On acquisition of additional interests in subsidiaries, goodwill was calculated as the difference between the consideration paid for the additional interests and the carrying amount of the net assets attributable to the additional interests acquired. If the additional interests in the net assets of the subsidiaries exceeds the consideration paid for the additional interests, the excess is recognised immediately in the consolidated income statement.

(c) **Revenue recognition**

Revenue from provision of system development services is recognised when the services are provided.

Revenue from provision of system integration services is recognised in the consolidated income statement by reference to the percentage of services performed to date bear to the total services to be performed.

Revenue from maintenance service contracts, which is received or receivable from customers once the maintenance service contracts are signed, is amortised and credited to the consolidated income statement on a straight-line basis over the terms of the maintenance service contracts.

Revenue from system enhancement is recognised upon acceptance by the customer.

Revenue from sale of application software packages is recognised when the goods are delivered at the customers' premises, which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership.

Advertising income is recognised when the advertisements are published in the magazine.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the Company's right to receive payment is established.

(d) **Plant and equipment**

Plant and equipment are stated at cost less aggregate depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance, is charged to the consolidated income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated to write down the cost of plant and equipment to their estimated residual values on a straight-line basis over their estimated useful lives at following annual rates and bases:

Furniture, fixtures and equipment	10% to 50% or over the lease term whichever is shorter
Motor vehicles	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated income statement on the date of retirement or disposal.

(e) **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition.

Goodwill is carried at cost less accumulated impairment losses.

On disposal of a subsidiary, any attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal recognised in the consolidated income statement.

(f) **Intangible assets (Other than goodwill)**

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

Development costs are capitalised only when it can be demonstrated that completing the development is technically and financially feasible, the product under development will generate probable future economic benefits through sale or use, and the development expenditure can be measured reliably. Development costs which do not meet these criteria are expensed when incurred.

Amortisation is calculated to write off the costs of intangible assets over their estimated useful lives on a straight-line basis as follows:

Development costs	5 years
Software acquired	5 years
Trade mark acquired	20 years

(g) **Interests in subsidiaries**

A subsidiary is an entity that is controlled by the Company.

Interests in subsidiaries are stated in the Company's balance sheet at cost less any identified impairment loss. Income from subsidiaries is recognised in the Company's financial statements on the basis of dividends declared by the subsidiaries.

(h) **Investments**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date-the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the consolidated income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the consolidated income statement as gains or losses from investment securities.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement — is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

(i) **Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(j) **Borrowings and payables**

Borrowings and payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would be immaterial in which case they are stated at cost.

(k) **Employee benefits**

Salaries, annual bonuses and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the consolidated income statement as incurred.

The fair value of share options granted to employees measured at the grant date and adjusted for the estimated number of shares that will eventually be vested is recognised as an employee cost on a straight-line basis over the vesting period, with a corresponding increase in an employee share-based compensation reserve.

For the purposes of diluted earnings per share, the exercise price of the options is adjusted for the cost of employee services to render in the remaining vesting period.

(l) **Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(m) **Borrowing costs**

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds and are expensed as incurred.

(n) **Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes consolidated income statement items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable when the Group recovers or settles the carrying amounts of assets or liabilities recognised in the consolidated financial statements.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or asset is realised.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(o) **Cash equivalents**

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) **Leases**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligation under finance lease. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 3(d). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 3(l). Finance charges implicit in the lease payments are charged to the consolidated income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to the consolidated income statement in the accounting period in which they are incurred.

(iii) *Operating lease charges*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the consolidated income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated income statement in the accounting period in which they are incurred.

(q) **Related parties**

An individual is related to the Group if the individual (i) has, directly or indirectly, control or joint control or significant influence over the Group, or (ii) is a member of the key management personnel of the Group, or (iii) if the individual is a close member of the family of the individuals in (i) or (ii).

An entity is related to the Group if the entity (i) has, directly or indirectly, control or joint control or significant influence over the Group, or (ii) is controlled by or under common control with the Group, or (iii) is an associate or jointly controlled entity of the Group, or (iv) is controlled, jointly-controlled or significantly influenced by an individual related to the Group.

(r) **Foreign currency translation**

The consolidated financial statements are presented in Hong Kong dollar, which is also the Company's functional currency. The functional currency of the Company or its subsidiaries is the currency of the primary economic environment in which the Company or its subsidiaries operates.

Foreign currency transactions of the Company or its subsidiaries are initially recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date and the exchange differences arising are recognised in the consolidated income statement. Non-monetary items carried at fair value denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined and the exchange differences arising are recognised in the consolidated income statement, except for the exchange component of a gain or loss that is recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into the presentation currency of the Company at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising are recognised as a separate component of equity. Such translation differences are recognised in the consolidated income statement for the year in which the foreign operation is disposed of.

(s) **Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is based on similar terms as those available to other external parties.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Segment assets consist primarily of fixed assets, receivables and operating cash, income tax recoverable and deferred tax assets. Segment liabilities comprise operating liabilities, income tax payable and deferred tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items may comprise financial and corporate assets, interest-bearing loans, corporate and financing expenses and minority interests.

(t) **Significant judgements**

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the consolidated financial statements are made in determining:

(i) whether there is an indication of impairment of assets;

(ii) the expected manner of recovery of the carrying amount of assets;

(iii) whether the discount rates used to calculate the recoverable amount of goodwill and other assets are appropriate for the purposes of impairment review; and

(iv) the valuation method used to calculate the fair value of share options at the measurement date.

4. TURNOVER

Turnover represents revenue recognised in respect of the provision of information solutions and application software packages sold and publishing and advertising income, net of discounts and business tax, during the year. An analysis of the turnover recorded for the year is set out below:

	2009	**2008**
	HK$'000	*HK$'000*
Provision of information solutions		
— System development and integration	30,572	27,495
— Maintenance and enhancement income	1,248	1,165
Sales of application software packages and related maintenance income	30,011	29,590
Publishing and advertising income	1,243	1,117
	63,074	59,367

5. OTHER INCOME

	2009	**2008**
	HK$'000	*HK$'000*
Dividend income from listed investments	12	11
Interest income	141	375
Management fee income	31	29
Net realised and unrealised gains on financial assets at fair value through profit or loss	—	110
Exchange gain	—	596
Miscellaneous items	68	71
	252	1,192

6. LOSS BEFORE INCOME TAX

	2009	2008
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):		
(a) Finance costs:		
Interests on bank loans, factoring loans and overdrafts repayable with 5 years	921	1,142
Finance charge on obligation under finance lease	12	7
Other bank charges	68	69
	1,001	1,218
(b) Other items:		
Amortisation of development costs	3,670	4,352
Amortisation of trade mark	6	6
Depreciation	889	796
Less: Amounts capitalised as development costs	(78)	(54)
	811	742
Auditor's remuneration	300	307
Operating lease rentals for properties	2,320	1,915
Less: Amounts capitalised as development costs	(145)	(110)
	2,175	1,805
Directors' remuneration — Note 7(a)	2,640	2,907
Other staff salaries and benefits	38,746	34,999
Retirement scheme contributions	2,986	2,868
Equity-settled share-based payment expenses — Note 26	68	—
	41,800	37,867
Less: Amounts capitalised as development costs	(3,443)	(2,256)
Other staff costs	38,357	35,611
Impairment loss on trade debtors	21	66
Impairment loss on development costs	157	—
Unrealised loss on financial assets at fair value through profit or loss	450	—
Loss on disposal of plant and equipment	25	37
Exchange loss	5	—

7. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(a) **Details of emoluments paid by the Group to the directors during the year are as follows:**

	Fees	Basic salaries, allowances and other benefits	Retirement scheme contributions	Equity-settled share-based payment expenses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008					
Executive directors:					
Mr. Lee Shun Hon, Felix	—	1,494	—	—	1,494
Mr. To Yung Yui, Steve	—	487	5	—	492
Ms. Jim Sui Fun	—	642	12	—	654
	—	2,623	17	—	2,640
Non-executive director:					
Dr. Liao, York	70	—	—	—	70
	70	—	—	—	70
Independent non-executive directors:					
Mr. Anthony Francis Martin Conway	80	—	—	—	80
Mr. Chan Hang	70	—	—	—	70
Mr. Li Pak Ki	47	—	—	—	47
	197	—	—	—	197
	267	2,623	17	—	2,907

	Fees	Basic salaries, allowances and other benefits	Retirement scheme contributions	Equity-settled share-based payment expenses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2009					
Executive directors:					
Mr. Lee Shun Hon, Felix	—	1,497	—	—	1,497
Mr. Lee Wai Yip, Alvin	—	48	2	48	98
Ms. Jim Sui Fun	—	678	12	65	755
	—	2,223	14	113	2,350
Non-executive director:					
Dr. Liao, York	70	—	—	—	70
	70	—	—	—	70
Independent non-executive directors:					
Mr. Anthony Francis Martin Conway	80	—	—	—	80
Mr. Chan Hang	70	—	—	—	70
Mr. Li Pak Ki	70	—	—	—	70
	220	—	—	—	220
	290	2,223	14	113	2,640

No directors waived any emoluments during the year.

(b) **Five highest paid individuals**

The remuneration of employees who were not directors during the year and who were amongst the five highest paid individuals of the Group are as follows:

	2009	2008
	HK$'000	*HK$'000*
Basic salaries, allowances and benefits in kind	1,829	1,288
Equity-settled share-based payment expenses	20	—
Retirement scheme contributions	36	24
	1,885	1,312

The number of employees whose remuneration fell within the following band is as follow:

	2009	**2008**
Nil - HK$1,000,000	3	2

8. INCOME TAX EXPENSE

(a) Taxation in the consolidated income statement represents:

	2009	**2008**
	HK$'000	*HK$'000*
Current tax	—	—
Deferred tax — Note 18		
— current year	208	(219)
— attributable to change in tax rates	63	231
	271	12
Income tax expense	271	12

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) The Company's subsidiaries incorporated/established in Hong Kong and PRC are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") at the rates of 16.5% and 25% respectively (2008: 17.5% and 33% respectively). No provision for Hong Kong Profits Tax and EIT has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax and EIT for each of two years ended 31 March 2008 and 2009.

(iii) On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in the Hong Kong Profits Tax rate by 1% from 17.5% to 16.5% effective for the year of assessment 2008/09. The change in the carrying amount of the deferred assets and liabilities, as a result of the change in tax rate, is recognised in the consolidated income statement of the Group for the year ended 31 March 2009.

(iv) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which was effective on 1 January 2008. As a result of the New Tax Law, the statutory income tax rate adopted by the PRC entities, other than the aforesaid subsidiaries below, changed from 33% to 25% with effect from 1 January 2008.

(a) As approved by the relevant PRC tax authority, Guangzhou Armitage Technologies Limited ("GZATL") was entitled to a two-year exemption from EIT followed by 50% tax exemption for the next three years, commencing from the first cumulative profit-making year in 2007. Therefore, GZATL was exempted from EIT for the fiscal years 2007 and 2008. For the following three fiscal years from 2009 to 2011, GZATL is subject to EIT at the rate of 15%. Starting from the fiscal year 2012, GZATL will be subject to EIT at the unified rate of 25% under the transitional arrangement of the New Tax Law.

(b) Armitage Technologies (Shenzhen) Limited ("ATL(SZ)") being engaged in the research and development of IT solutions and provision of customers services was granted a preferential EIT rate of 15%. ATL(SZ) enjoyed preferential policy in the form of reduced tax rate shall have five years from the time when the New Tax Law takes effect to transit progressively to the new statutory tax rate. During this period, ATL(SZ) enjoyed the EIT rate of 15% shall be subject to the 18% tax rate for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011 and 25% for the year 2012.

The change in the carrying amount of the deferred tax assets and liabilities, as a result of the change in tax rate, is recognised in the consolidated income statement of the Group for the year ended 31 March 2008.

(b) The income tax expense for the year can be reconciled to the loss before income tax per consolidated income statement as follow:

	2009	**2008**
	HK$'000	*HK$'000*
Loss before income tax	(2,957)	(2,698)
Tax effect at the Hong Kong profits tax rate of 16.5% (2008: 17.5%)	(488)	(472)
Hong Kong and PRC tax rates differential	187	112
Tax effect of income that is not taxable	(916)	(1,333)
Tax effect of expenses that are not deductible	1,515	1,312
Effect on opening deferred tax balances resulting from change in applicable tax rates	63	231
Effect on tax losses and decelerated depreciation allowances not recognised	467	441
Tax holiday	(557)	(279)
Income tax expense	271	12

(c) The components of unrecognised deductible temporary differences in certain subsidiaries of the Company are as follows:

	2009	2008
	HK$'000	*HK$'000*
Deductible temporary differences (Note 8(c)(i))		
Unutilised tax losses (Note 8(c)(ii))	10,484	12,740
Decelerated depreciation allowances	—	16
	10,484	12,756

(i) Deductible temporary differences have not been recognised owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

(ii) The unutilised tax losses accumulated in the PRC subsidiaries amounted to approximately HK$160,000 (2008: approximately HK$5,164,000) would expire in five years from the respective year of loss. The unutilised tax losses accumulated in the Hong Kong subsidiaries amounted to approximately HK$10,324,000 (2008: approximately HK$7,576,000) can be carried forward indefinitely.

9. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Loss attributable to equity holders of the Company includes a loss of approximately HK$1,272,000 (2008: approximately HK$1,365,000) which has been dealt with in the financial statements of the Company.

10. DIVIDEND

No dividend has been paid or declared by the Company since the date of its incorporation.

11. LOSS PER SHARE

The calculation of basic loss per share for each of the two years ended 31 March 2008 and 2009 is based on the Group's loss attributable to equity holders of the Company and 750,000,000 ordinary shares in issue during the year.

Diluted loss per share has not been disclosed as no dilutive potential equity shares in existence as at 31 March 2008 and 2009.

12. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$000*	Total *HK$'000*
Cost:			
At 1.4.2007	9,755	220	9,975
Exchange adjustment	296	—	296
Additions	1,006	500	1,506
Disposals	(14)	(220)	(234)
At 31.3.2008	11,043	500	11,543
Accumulated depreciation:			
At 1.4.2007	6,759	182	6,941
Exchange adjustment	217	—	217
Charge for the year	761	35	796
Written back on disposals	(6)	(187)	(193)
At 31.3.2008	7,731	30	7,761
Net book value:			
At 31.3.2008	3,312	470	3,782
Cost:			
At 1.4.2008	11,043	500	11,543
Exchange adjustment	143	10	153
Additions	882	166	1,048
Disposals	(760)	—	(760)
At 31.3.2009	11,308	676	11,984
Accumulated depreciation:			
At 1.4.2008	7,731	30	7,761
Exchange adjustment	88	1	89
Charge for the year	841	48	889
Written back on disposals	(735)	—	(735)
At 31.3.2009	7,925	79	8,004
Net book value:			
At 31.3.2009	3,383	597	3,980

13. SOFTWARE

	HK$'000
Cost:	
At 1.4.2007, 31.3.2008 and 31.3.2009	3,880
Accumulated amortisation:	
At 1.4.2007, 31.3.2008 and 31.3.2009	3,880
Net book value:	
At 31.3.2008 and 31.3.2009	—

14. TRADE MARK

	HK$'000
Cost:	
At 1.4.2007 and 31.3.2008	110
Accumulated amortisation:	
At 1.4.2007	22
Charge for the year	6
At 31.3.2008	28
Net book value:	
At 31.3.2008	82
Cost:	
At 1.4.2008 and 31.3.2009	110
Accumulated amortisation:	
At 1.4.2008	28
Charge for the year	6
At 31.3.2009	34
Net book value:	
At 31.3.2009	76

15. INTERESTS IN SUBSIDIARIES

	2009	2008
	HK$'000	*HK$'000*
Unlisted shares	11,187	11,006
Amounts due from subsidiaries — Note 15(b)	40,656	41,911
	51,843	52,917
Less: Impairment loss on amount due from a subsidiary	(509)	(509)
	51,334	52,408

The carrying value of the Company's interests in the subsidiaries is determined by the directors on the basis of the underlying assets of the subsidiaries at the time they were acquired by the Company pursuant to the reorganisation which took place on 6 December 2001.

(a) Details of the subsidiaries are as follows:

Name of company	Place of incorporation/ establishment	Attributable proportion of equity interest held by the Company — Directly	Indirectly	Issued/ registered capital	Principal activities
Armitage Technologies Holding (BVI) Limited	British Virgin Islands	100	—	HK$1,020,130	Investment holding
Armitage Holdings Limited	Hong Kong	—	100	HK$1,020,130	Investment holding
Armitage Technologies Limited	Hong Kong	—	100	HK$996,000	Provision of information solutions and sales of application software packages and investment holding
Armitage Technologies (Shenzhen) Limited	PRC	—	100	RMB5,000,000	Research and development of IT solutions and provision provision of customer services
Guangzhou Armitage Technologies Limited	PRC	—	100	RMB6,800,000	Design, development and sales of application software packages and provision of information solutions

Name of company	Place of incorporation/ establishment	Attributable proportion of equity interest held by the Company		Issued/ registered capital	Principal activities
		Directly	Indirectly		
Eastern Express Solutions Limited	Hong Kong	—	100	HK$100	Investment holding and provision of advertising services and publication of magazine
Guangzhou Eastern Express Solutions Limited	PRC	—	100	RMB3,000,000	Investment holding (liquidated on 12 May 2009)
廣州東驛廣告有限公司	PRC	—	100	RMB1,500,000	Provision of advertising services and publication of magazine

(b) The amounts are interest-free, unsecured and have no fixed repayment term. The directors consider that the carrying amounts of amounts due from subsidiaries approximate their fair values.

16. GOODWILL ON CONSOLIDATION

	HK$'000
Cost:	
At 1.4.2007	1,584
Arising from acquisition of minority interests in a subsidiary	137
At 31.3.2008 and 31.3.2009	1,721

Impairment test for goodwill

The recoverable amount has been determined based on a value in use calculation using cash flow projection which is based on financial budget approved by management covering a period of five years. The discounted rate applied to cash flow projection is 5.25%.

Based on the impairment testing of goodwill, in the opinion of the directors, no impairment provision is considered necessary for the Group's goodwill on consolidation.

Key assumptions used in value in use calculations

The followings describe each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

— *Budgeted turnover*

The basis used to determine the budgeted turnover is with reference to the expected growth rate of the market in which the assessed entity operates.

— *Budgeted gross margins*

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the first budgeted year, increased for expected efficiency improvements.

— *Business environment*

There will be no major changes in the existing political, legal and economic conditions in the PRC in which the assessed entity carries on its business.

17. DEVELOPMENT COSTS

	HK$'000
Cost:	
At 1.4.2007	37,533
Exchange adjustment	1,593
Additions	2,887
At 31.3.2008	42,013
Accumulated amortisation:	
At 1.4.2007	11,662
Exchange adjustment	576
Charge for the year	4,352
At 31.3.2008	16,590
Accumulated impairment losses:	
At 1.4.2007	12,093
Exchange adjustment	283
At 31.3.2008	12,376
Net book value:	
At 31.3.2008	13,047

	HK$'000
Cost:	
At 1.4.2008	42,013
Exchange adjustment	559
Additions	4,150
At 31.3.2009	46,722
Accumulated amortisation:	
At 1.4.2008	16,590
Exchange adjustment	255
Charge for the year	3,670
At 31.3.2009	20,515
Accumulated impairment losses:	
At 1.4.2008	12,376
Exchange adjustment	5
Impairment for the year	157
At 31.3.2009	12,538
Net book value:	
At 31.3.2009	13,669

18. DEFERRED TAX

The following is deferred tax (assets)/liabilities recognised by the Group and movements thereon during the year are as follows:

	Tax losses	Accelerated depreciation allowances	Impairment losses on trade debtors	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1.4.2007	(1,179)	231	(395)	(1,343)
Exchange adjustment	(1)	—	(28)	(29)
(Credit)/charge for the year — Note 8(a)	(183)	(40)	4	(219)
Effect of change in tax rate — Note 8(a)	5	—	226	231
At 31.3.2008 and 1.4.2008	(1,358)	191	(193)	(1,360)
Exchange adjustment	—	—	(7)	(7)
Charge/(credit) for the year — Note 8(a)	276	(36)	(32)	208
Effect of change in tax rate — Note 8(a)	74	(11)	—	63
At 31.3.2009	(1,008)	144	(232)	(1,096)

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009	2008
	HK$'000	*HK$'000*
Listed shares in Hong Kong, at market value	412	862

20. DEBTORS, DEPOSITS AND PREPAYMENTS

Debtors, deposits and prepayments comprise:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade debtors	16,139	18,970	—	—
Less: Accumulated impairment losses — Note 20(c)	(1,448)	(1,380)	—	—
	14,691	17,590	—	—
Rental and utility deposits	506	354	—	—
Prepayments	825	762	134	137
Other debtors	1,088	1,955	—	—
	17,110	20,661	134	137

(a) **Aging analysis**

The Group allows its customers credit period of 30 days to 60 days depending on their creditworthiness. The following is an aging analysis of trade debtors (net of accumulated impairment losses) at the balance sheet date:

	2009	**2008**
	HK$'000	*HK$'000*
0 - 30 days	11,126	13,814
31 - 60 days	228	275
61 - 90 days	732	1,718
91 - 180 days	716	289
181 - 365 days	793	845
Over 1 year	1,096	649
	14,691	17,590

(b) As at 31 March 2009, accounts receivable of approximately HK$1,779,000 (2008: HK$1,654,000) has been assigned to a bank with recourse as collateral under factoring arrangement (Note 28).

(c) Movements of the accumulated impairment losses during the year are as follows:

	2009	2008
	HK$'000	*HK$'000*
At 1 April	1,380	1,195
Impairment loss for the year	21	66
Exchange adjustment	47	119
At 31 March	1,448	1,380

(d) **Trade debtors that are not impaired**

The aging analysis of trade debtors that are not considered to be impaired is as follow:

	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	10,857	12,487
Past due but not impaired:		
0 - 30 days	269	1,327
31 - 60 days	228	275
61 - 90 days	732	1,718
91 - 180 days	716	289
181 - 365 days	793	845
Over 1 year	1,096	649
	3,834	5,103
	14,691	17,590

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

21. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received comprise:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	1,449	1,559	—	—
Deferred enhancement and maintenance income — Note	1,843	1,876	—	—
Accruals and provisions	5,157	5,505	562	546
Deposits received	—	7	—	—
Other creditors	269	150	—	—
	8,718	9,097	562	546

Note: Deferred maintenance income represents after-sales maintenance service income from customers in respect of system development and integration projects and sales of application software packages. After the completion of the system development project or sales of application software packages, the Group charged its customers the maintenance service fee in advance.

The following is an aging analysis of trade creditors:

	2009	**2008**
	HK$'000	*HK$'000*
0 - 30 days	548	372
31 - 60 days	76	27
61 - 90 days	—	33
91 - 180 days	97	700
Over 180 days	728	427
	1,449	1,559

22. CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

(a) Share capital

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 1.4.2007, 31.3.2008 and 31.3.2009	2,000,000,000	20,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 1.4.2007, 31.3.2008 and 31.3.2009	750,000,000	7,500

(b) Capital management

The Group's equity capital management objectives are to safeguard the Group's ability to continue as a going concern and to provide an adequate return to shareholders commensurately with the level of risk. To meet these objectives, the Group manages the equity capital structure and makes adjustments to it in the light of changes in economic conditions by paying dividends to shareholders, issuing new equity shares, and raising or repaying debts as appropriate.

The Group's equity capital management strategy, which was unchanged from the previous periods, was to maintain a reasonable proportion in total debts and equity capital. The Group monitors equity capital on the basis of the debt-to-equity capital ratio, which is calculated as net debt over equity capital. Net debt is calculated as total debt less pledged time deposits, pledged bank balance and cash and bank balances. Equity capital comprises all components of equity (i.e. share capital, share premium, accumulated losses and other reserves). The debt-to-equity capital ratios at 31 March 2008 and at 31 March 2009 are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Total debt	25,043	25,125
Less: Pledged time deposits	(9,000)	(9,000)
Pledged bank balance	(80)	—
Cash and bank balances	(3,777)	(2,920)
Net debt	12,186	13,205
Total equity	26,078	28,510
Debt-to-equity capital ratio	0.47	0.46

23. RESERVES

	Share premium	Accumulated losses	Employee share-based compensation reserve	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The Company				
At 1.4.2007	52,822	(6,957)	—	45,865
Loss for the year	—	(1,365)	—	(1,365)
At 31.3.2008 and 1.4.2008	52,822	(8,322)	—	44,500
Recognition of equity-settled share-based payment expenses — Note 26	—	—	181	181
Loss for the year	—	(1,272)	—	(1,272)
At 31.3.2009	52,822	(9,594)	181	43,409

(a) The share premium of the Company includes (i) shares issued at premium and (ii) the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Armitage Technologies Holding (BVI) Limited and the value of the underlying net assets of Armitage Technologies Holding (BVI) Limited and its subsidiaries at the date they were acquired by the Company. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) As at 31 March 2009, in the opinion of the directors, the reserves of the Company available for distribution to the shareholders amounted to approximately HK$43,409,000 (2008: approximately HK$44,500,000), subject to the restrictions stated in Note 23(a) above.

24. BANK LOANS — SECURED

	2009	2008
	HK$'000	*HK$'000*
Amounts repayable		
— within one year	671	1,297
— one year to two years	692	1,333
— two years to five years	1,447	1,370
	2,810	4,000
Less: Amounts repayable within twelve months (shown under current liabilities)	671	1,297
Non-current portion of bank loans	2,139	2,703

25. OBLIGATION UNDER FINANCE LEASE

As at 31 March 2009, the Group had obligation under finance lease repayable as follow:

	Minimum lease payments		Present value of minimum lease payments	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts payable:				
Within one year	84	84	78	72
In the second to fifth years	21	105	21	99
	105	189	99	171
Less: Future finance charges	6	18	—	—
Present value of lease obligation	99	171	99	171

The average lease term is about three years. No arrangements have been entered into for contingent rental payments.

26. SHARE OPTIONS

The Company operates a share option scheme, namely the Share Option Scheme, adopted on 26 February 2003.

The committee (the "Committee") which was authorised and charged by the board of directors (the "Board") with the administration of the Share Option Scheme, are authorised, at their discretion, to invite employees of the Group, including any executive director or non-executive director of the Company or other eligible employees to take up options to subscribe for the shares of the Company.

A sum of HK$1 is payable by the participant on acceptance of the option offer.

The exercise price of the shares (the "Exercise Price") in relation to options to be granted under the Share Option Scheme shall be determined by the Committee and notified to a participant and shall be at least the higher of:

(i) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date an option is offered (the "Offer Date"); and

(ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date (where the Company has been listed on the GEM of the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing).

provide that the Exercise Price shall not be lower than the nominal value of the shares.

During the year ended 31 March 2009, 21,100,000 options were granted on 10 October 2008. The estimated fair values of the options granted at the grant date are at an average of approximately HK$0.019.

The closing price of the Company's shares immediately before 10 October 2008, being the grant date of the share options was HK$0.03.

(a) Detailed movements of share options granted under the Share Option Scheme during the year are as follows:-

				Number of share options				
Name of director	**Date of grant**	**Exercisable period**	**Exercise price per share**	**Outstanding at 31.3.2008**	**Granted during the year**	**Reclassification**	**Lapsed during the year**	**Outstanding at 31.3.2009**
			HK$					
Category 1:								
Director								
Ms. Jim Sui Fun	10.10.2008	10.10.2009 -25.2.2013	0.055	—	7,400,000	—	—	7,400,000
Mr. Lee Wai Yip, Alvin	10.10.2008	10.10.2009 -25.2.2013	0.055	—	—	5,500,000	—	5,500,000
Category 2:								
Employees	10.10.2008	10.10.2009 -25.2.2013	0.055	—	13,700,000	(5,500,000)	(400,000)	7,800,000
Total of all categories				—	21,100,000	—	(400,000)	20,700,000

Note:

Mr. Lee Wai Yip, Alvin was appointed as an executive director on 2 February 2009.

(b) Fair value of share options granted during the year

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes option pricing model. The inputs into the model were as follows:

	At 10.10.2008
Share price	HK$0.036
Exercise price	HK$0.055
Expected volatility	105.7%
Expected dividend	Nil
Risk-free interest rate	1.552%

The expected volatility is based on the historical volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. Expected dividends are based on historical dividends. Changes in subjective input assumptions could materially affect the fair value estimate. Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants. However, the management has taken into consideration of historical staff turnover pattern for the estimation of expected option life.

The estimated fair value at measurement date was HK$398,000. For the year ended 31 March 2009, total equity-settled share-based payment expenses recognised are as follows:

	2009
	HK$000
Total equity-settled share-based payment expenses	398
Amortisation for the year	(181)
Options lapsed during the year	(8)
At 31 March 2009	209

27. CONTINGENT LIABILITIES

As at 31 March 2009, the Group had contingent liabilities in respect of performance bonds amounted to approximately HK$33,000 (2008: approximately HK$159,000) issued by a bank in favour of a customer for the due performance of contract works undertaken by the Group.

Under the Employment Ordinance, the Group is obliged to make lump sum payments upon cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The Group has contingent liabilities in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$1,483,000 at 31 March 2009 (2008: approximately HK$1,377,000). The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. No provision has been recognised for employees in respect of such possible payments, as it is not considered probable that the situation will result in material future outflow of resources from the Group.

28. BANKING FACILITIES

As at 31 March 2009, the Group had banking facilities to the extent of HK$24,033,000 (2008: HK$26,033,000) which were secured by the Group's time deposits of HK$9,000,000 (2008: HK$9,000,000), a bank balance of approximately HK$80,000 (2008: Nil) designated for the settlement of factored accounts receivable as mentioned below, properties of Supercom Investments Limited ("Supercom") in which a director, Mr. Lee Shun Hon, Felix has controlling interest and corporate guarantees executed by the Company.

Included in the above, the Group obtained accounts receivable factoring facility of HK$6,000,000 (2008: HK$8,000,000). Under the facility, the Group will receive with recourse from the bank advances representing 90% of the Group's trade accounts receivable due from selected customers within the factoring limit of HK$6,000,000 (2008: HK$8,000,000) (less service and monthly discounting charges). As at 31 March 2009, the Group utilised the factoring facility amounted to approximately HK$1,601,000 (2008: HK$1,489,000).

29. OPERATING LEASE ARRANGEMENTS

As at 31 March 2009, the Group had outstanding commitments for future minimum leases payments under non-cancellable operating leases, which fall due as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Within one year	1,897	1,928
After one year but within five years	1,005	1,075
	2,902	3,003

Operating lease payments represent rentals payable by the Group for the use of office premises, staff quarters and a carpark. Leases are negotiated for terms of half year to two years with fixed monthly rentals.

30. RELATED PARTY AND CONNECTED TRANSACTIONS

The Group had the following material transactions with its related parties in which a director, Mr. Lee Shun Hon, Felix has controlling interest under the GEM Listing Rules during the year:

			2009	**2008**
		Note	*HK$'000*	*HK$'000*
(i)	Rentals paid to Supercom	(a)	512	512
(ii)	Management fee income from Supercom	(b)	16	14
(iii)	Management fee income from Kingspecial	(b)	16	14

(iv) Pledge of properties of Supercom to secure banking facilities of the Group as detailed in note 28 to the financial statements.

Notes:

(a) The transaction was entered into with reference to market rate as appraised by independent professional valuers.

(b) The amounts were predetermined by both parties.

The directors have reviewed the above related party and connected transactions and are of the opinion that these transactions were effected on normal commercial terms (or better to the Group) and in the ordinary course of the business of the Group.

Key management compensation	**2009**	**2008**
	HK$'000	*HK$'000*
Fees for key management personnel	—	—
Salaries, allowances and other benefits in kind	6,419	6,577
Retirement scheme contributions	175	167
Equity-settled share-based payment expenses	149	—
	6,743	6,744

31. RETIREMENT BENEFIT COSTS

Two Hong Kong operating subsidiaries of the Company had participated in the Mandatory Provident Fund Scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately in an independently managed and administered fund. Contributions to the MPF Scheme are made by both the employer and employees at 5% on the employees' salaries or HK$1,000 whichever is the lower.

The Company's subsidiaries in the PRC had participated in the state-sponsored retirement plan, contributions are made by the subsidiaries to the plan based on 11% to 21% of the applicable payroll costs. The Group has no other obligation other than the above-mentioned contributions.

32. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS

(a) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group has a credit policy in place and exposure to the credit risk is monitored on an ongoing basis.

The carrying amounts of financial assets as at 31 March 2009, which represented the Group's significant exposure to credit risks, are as follows:

	2009	2008
	HK$'000	*HK$'000*
Debtors and deposits	15,232	18,070
Pledged time deposits	9,000	9,000
Pledged bank balance	80	—
Cash and bank balances	3,777	2,920
	28,089	29,990

In respect of trade debtors, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors are due within 30 - 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The directors consider that the credit risk from pledged bank deposits and cash and bank balances is minimal as the balances are placed with financial institutions with high credit ratings.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has certain concentration of credit risk as 27% (2008: 8%) and 48% (2008: 19%) of the total trade debtors was due from the largest customer and five largest customers respectively.

The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

(b) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the debt-to-equity capital ratio.

Maturities of the financial liabilities of the Group as at 31 March 2009 are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Total amounts of contractual undiscounted obligations:		
Bank overdrafts, secured	11,815	10,368
Bank loans, secured	2,810	4,000
Bank loans - factoring arrangement	1,601	1,489
Obligation under finance lease	105	189
Creditors and accruals	6,877	7,214
	23,208	23,260
Due for payment:		
Within one year	21,048	20,452
In the second to fifth years	2,160	2,808
	23,208	23,260

(c) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The exposure arising from the current accounts among the Company and its subsidiaries which are form part of net investment in foreign operations is excluded.

	2009		**2008**	
	United States Dollars	**Renminbi**	**United States Dollars**	**Renminbi**
	'000	*'000*	*'000*	*'000*
Debtors, deposits and prepayments	44	—	—	—
Cash and bank balances	82	—	6	—
Creditors, accruals and deposits received	(45)	(620)	(11)	(1,699)
Net exposure arising from recognised assets and liabilities	81	(620)	(5)	(1,699)

The Group operates in Hong Kong and PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Since Hong Kong dollars is pegged to United States dollars, material fluctuations in the exchange rates of Hong Kong dollars against United States dollars are remote.

The following table indicates the approximate change in the Group's loss after tax and accumulated losses in response to reasonably possible changes in foreign exchange rates, except for the exchange rate of Hong Kong dollars against United States dollars, to which the Group has significant exposure at the balance sheet date.

	2009		2008	
	Increase/ (decrease) in foreign exchange rates	**Increase/ (decrease) in loss after tax and accumulated losses**	**Increase/ (decrease) in foreign exchange rates**	**Increase/ (decrease) in loss after tax and accumulated losses**
		HK$'000		*HK$'000*
Renminbi	5%	34	10%	170
	(5%)	(34)	(10%)	(170)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, with all other variables remain constant.

The Group does not use financial derivatives to hedge against the currency risk. However, the currency risk of the Group is closely monitored by the management to ensure that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

(d) **Interest rate risk**

The Group's interest rate risk arises primarily from bank loans, bank overdraft, obligation under finance lease and pledged time deposits. Except for the obligation under finance lease and pledged time deposits which are held at fixed interest rates, all the bank loans and bank overdraft are held at variable rates. The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group is closely monitored by the management and may enter into appropriate swap contracts, when it is considered significant and cost-effective, to manage the interest rate risk.

(i) **Effective interest profile**

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date.

	2009		**2008**	
	Weighted average effective interest rate per annum		**Weighted average effective interest rate per annum**	
	%	*HK$'000*	*%*	*HK$'000*
Fixed rate financial assets				
— Pledged time deposits	0.70	9,000	1.33	9,000
Fixed rate financial liabilities				
— Obligation under finance lease	8.99	(99)	8.99	(171)
Variable rate financial liabilities				
— Bank loans, secured	3.00	(2,810)	2.75	(4,000)
— Bank overdrafts, secured	5.26	(11,815)	6.00	(10,368)
— Bank loan — factoring arrangement	5.00	(1,601)	5.25	(1,489)
Net financial liabilities		(7,325)		(7,028)

(ii) It is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would increase the Group's loss for the year ended 31 March 2009 and accumulated losses by approximately HK$73,000 (2008: HK$70,000).

The sensitivity analysis above has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis is prepared assuming the amount of asset and liability outstanding at the balance sheet date was outstanding for the whole year. 100 basis points increase are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rates.

(e) **Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices. As at 31 March 2009, the Group is exposed to market price risk arising from listed equity investments classified as financial assets at fair value through profit or loss.

The Group's listed equity investments are listed on the Stock Exchange of Hong Kong. The decisions to buy or sell listed equity investments are based on monitoring of the performance of individual securities compared to that of the Hang Seng Index, other listed equity investments within the same industry and other industry indicators, as well as the Group's liquidity needs.

Should the market prices of the financial assets at fair value through profit or loss as at 31 March 2009 decreased by 10%, the carrying amount of financial assets at fair value through profit or loss would be decreased, the equity as at 31 March 2009 would be decreased and the loss for the year would be increased by HK$41,000 (2008: HK$86,000).

The sensitivity analysis has been determined assuming that the change in market price had occurred at the balance sheet date and had been applied to the exposure to market price risk for the financial assets at fair value in existence at that date with all other variables remain constant.

33. SEGMENT REPORTING

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by geographical segment; and (b) on a secondary segment reporting basis, by business segment.

(a) Geographical segments by the location of customers and by the location of assets

The Group's business can be subdivided into the Hong Kong and PRC markets.

The Group's geographical segments are classified according to the location of the customers. No separate disclosure of the Group's geographical segments according to the location of assets has been made as there is no material difference between the Group's geographical segments classified by location of customers or by location of assets.

Management considers that all items in the consolidated income statement and assets included in the consolidated balance sheet can be reasonably allocated to each geographical segment.

(a) **Geographical segments by the location of customers and by the location of assets**

	Hong Kong		**PRC**		**Inter-segment**		**Consolidated**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	41,963	38,392	21,111	20,975	—	—	63,074	59,367
Cost of sales and services rendered	(23,583)	(20,833)	(4,580)	(5,560)	—	—	(28,163)	(26,393)
Gross profit	18,380	17,559	16,531	15,415	—	—	34,911	32,974
Other income	224	1,126	28	66	—	—	252	1,192
Operating expenses	(20,936)	(21,582)	(16,183)	(14,064)	—	—	(37,119)	(35,646)
Operating (loss)/profit	(2,332)	(2,897)	376	1,417	—	—	(1,956)	(1,480)
Finance costs	(987)	(1,204)	(14)	(14)	—	—	(1,001)	(1,218)
(Loss)/profit before income tax	(3,319)	(4,101)	362	1,403	—	—	(2,957)	(2,698)
Income tax (expense)/credit	(303)	228	32	(240)	—	—	(271)	(12)
(Loss)/profit for the year	(3,622)	(3,873)	394	1,163	—	—	(3,228)	(2,710)
Attributable to equity holders of the Company	(3,622)	(3,873)	394	1,163	—	—	(3,228)	(2,710)
Depreciation and amortisation	3,213	3,674	1,274	1,426	—	—	4,487	5,100
Capital expenditure incurred during the year	2,730	1,943	2,468	2,450	—	—	5,198	4,393
Segment assets and total assets	50,218	57,091	17,880	19,356	(16,977)	(22,812)	51,121	53,635
Segment liabilities and total liabilities	(39,830)	(23,439)	(3,910)	(33,114)	18,697	31,428	(25,043)	(25,125)

(b) **Business segments**

The Group principally operates in two business segments, (i) provision of information solutions and design, development and sales of application software packages and (ii) magazine publication and provision of advertising services.

	Provision of information solutions and design, development and sales of application software packages		Magazine publication and provision of advertising services		Unallocated		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	61,830	58,250	1,244	1,117	—	—	63,074	59,367
Segment assets	50,122	52,784	630	688	369	163	51,121	53,635
Capital expenditure incurred during the year	5,134	4,289	64	104	—	—	5,198	4,393

Unallocated assets consist of assets of the Company and certain non-operating subsidiaries.

FINANCIAL SUMMARY

Results

	Years ended 31 March				
	2005	**2006**	**2007**	**2008**	**2009**
	HK$'000	*HK$000*	*HK$'000*	*HK$000*	*HK$000*
Turnover	50,594	57,406	53,782	59,367	63,074
Loss for the year	(13,039)	(3,427)	(4,849)	(2,710)	(3,228)

Assets and Liabilities

	At 31 March				
	2005	**2006**	**2007**	**2008**	**2009**
	HK$'000	*HK$000*	*HK$'000*	*HK$000*	*HK$000*
NON-CURRENT ASSETS	25,014	22,497	20,027	20,192	20,742
CURRENT ASSETS	39,501	32,111	33,999	33,443	30,379
DEDUCT:					
CURRENT LIABILITIES	24,929	19,007	22,353	22,323	22,883
NET CURRENT ASSETS	14,572	13,104	11,646	11,120	7,496
TOTAL ASSETS LESS CURRENT LIABILITIES	39,586	35,601	31,673	31,312	28,238
NON-CURRENT LIABILITIES	(2,032)	(1,055)	(1,368)	(2,802)	(2,160)
NET ASSETS	37,554	34,546	30,305	28,510	26,078

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is the full text of the unaudited financial statement of the Group for the period ended 30 September 2009 extracted from the interim report of the Company for the period ended 30 September 2009:

Consolidated Statement of Comprehensive Income (Unaudited)
For the six months ended 30 September 2009

		For the six months ended 30 September		For the three months ended 30 September	
		2009	**2008**	**2009**	**2008**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations					
Turnover	2	28,212	31,247	15,419	16,403
Cost of sales and services rendered		(12,126)	(13,468)	(6,501)	(6,745)
Gross profit		16,086	17,779	8,918	9,658
Other net income/(expense)		375	173	(12)	109
Operating expenses		(16,424)	(17,916)	(8,811)	(9,360)
Operating profit		37	36	95	407
Finance costs	3(a)	(486)	(488)	(241)	(247)
(Loss)/profit before income tax	3	(449)	(452)	(146)	160
Income tax credit/(expense)	4	44	(29)	74	2
(Loss)/profit for the period from continuing operations		(405)	(481)	(72)	162
Discontinued operations	8				
Loss for the period from discontinued operations		(1,310)	(1,160)	(699)	(678)
Loss for the period and attributable to equity holders of the Company		(1,715)	(1,641)	(771)	(516)
Other comprehensive income					
Exchange (loss)/gain arising from translation of foreign operations		(4)	763	(4)	149
Total comprehensive income for the period and attributable to equity holders of the Company		(1,719)	(878)	(775)	(367)
Dividend	4	—	—	—	—

		For the six months ended 30 September		For the three months ended 30 September	
		2009	**2008**	**2009**	**2008**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Loss)/earnings per share (HK cents)	5				
From continuing and discontinued operations					
— Basic		(0.2287)	(0.2188)	(0.1028)	(0.0688)
— Diluted		N/A	N/A	N/A	N/A
From continuing operations					
— Basic		(0.0540)	(0.0641)	(0.0096)	0.0216
— Diluted		N/A	N/A	N/A	N/A

Condensed Consolidated Balance Sheet
As at 30 September 2009

	Note	**At 30 September 2009** *(Unaudited)* *HK$'000*	**At 31 March 2009** *(Audited)* *HK$'000*
NON-CURRENT ASSETS			
Plant and equipment		3,409	3,980
Trade mark		74	76
Goodwill on consolidation		1,721	1,721
Development costs		14,225	13,669
Club debenture, at cost		200	200
Deferred tax		1,140	1,096
		20,769	20,742
CURRENT ASSETS			
Financial assets at fair value through profit or loss		731	412
Debtors, deposits and prepayments	6	16,483	17,110
Pledged time deposits		9,000	9,000
Pledged bank balance		—	80
Cash and bank balances		3,767	3,777
		29,981	30,379
DEDUCT :			
CURRENT LIABILITIES			
Bank overdrafts, secured		8,931	11,815
Bank loans, secured		3,144	671
Bank loan — factoring arrangement		1,985	1,601
Obligation under finance lease		61	78
Creditors, accruals and deposits received	7	8,635	8,718
		22,756	22,883
NET CURRENT ASSETS		7,225	7,496
TOTAL ASSETS LESS CURRENT LIABILITIES		27,994	28,238
NON-CURRENT LIABILITIES			
Obligation under finance lease		—	21
Bank loans, secured		3,443	2,139
NET ASSETS		24,551	26,078

	Note	At 30 September 2009 (Unaudited) HK$'000	At 31 March 2009 (Audited) HK$'000
REPRESENTING:			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		7,500	7,500
Reserves		17,051	18,578
TOTAL EQUITY		24,551	26,078

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital	**Accumulated losses**	**Share premium**	**Special reserve**	**Exchange reserve**	**Employee share-based compensation reserve**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2008 (Audited)	7,500	(27,248)	42,836	3,801	1,621	—	28,510
Total comprehensive income for the period	—	(1,641)	—	—	763	—	(878)
At 30 September 2008 (Unaudited)	7,500	(28,889)	42,836	3,801	2,384	—	27,632
At 1 April 2009 (Audited)	7,500	(30,476)	42,836	3,801	2,236	181	26,078
Recognition of equity-settled share-based payment expenses	—	—	—	—	—	192	192
Total comprehensive income for the period	—	(1,715)	—	—	(4)	—	(1,719)
At 30 September 2009 (Unaudited)	7,500	(32,191)	42,836	3,801	2,232	373	24,551

Condensed Consolidated Cash Flow Statement

	For the six months ended 30 September 2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
NET CASH FROM OPERATING ACTIVITIES	386	1,283
NET CASH USED IN INVESTING ACTIVITIES	(1,637)	(2,730)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	4,125	(158)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,874	(1,605)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(8,038)	(7,448)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	—	140
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(5,164)	(8,913)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 30 September 2009 (Unaudited) HK$'000	At 30 September 2008 (Unaudited) HK$'000
Cash and bank balances	3,767	3,509
Bank overdraft	(8,931)	(12,422)
	(5,164)	(8,913)

Notes:

1. **Basis of preparation**

These unaudited consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and are prepared under historical cost convention as modified by revaluation of financial assets at fair value through profit or loss and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The HKICPA has issued some new HKFRSs, amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Except for the HKAS 1 (revised 2007) - Presentation of financial statements and HKFRS 8-Operating segments, the application of other standards or interpretations did not have material impact on the results and the financial position of the Group.

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income , if they are recognised as part of profit or loss for the period, or otherwise in the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see Note 10).

Except for the above mentioned, the accounting policies and basis of preparation used in preparing the unaudited consolidated results are consistent with those used in the audited financial statements for the year ended 31 March 2009.

2. **Turnover**

The Group is engaged in the provision of information solutions and design, development and sales of application software packages. Turnover, for both continuing and discontinued operations, represents revenue recognised in respect of the provision of information solutions and application software packages sold and publishing and advertising income, net of discounts and business tax, during the period. An analysis of the turnover recorded for the period is set out below:

	Continuing operations For the six months ended 30 September		**Discontinued operations For the six months ended 30 September**		**Consolidated total For the six months ended 30 September**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Provision of information solutions						
— System development and integration	12,283	14,625	—	—	12,283	14,625
— Maintenance and enhancement income	408	586	—	—	408	586
Sales of application software packages and related maintenance income	15,521	16,036	—	—	15,521	16,036
Publishing and advertising income	—	—	107	835	107	835
	28,212	31,247	107	835	28,319	32,082

3. **(Loss)/profit before income tax**

(Loss)/profit before income tax is arrived at after charging:

	Continuing operations For the six months ended 30 September		**Discontinued operations For the six months ended 30 September**		**Consolidated total For the six months ended 30 September**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(a) Finance costs:						
Interests on bank loans, factoring loans and overdraft repayable within five years	452	463	—	—	452	463
Finance charge on obligation under finance lease	4	7	—	—	4	7
Other bank charge	30	18	1	2	31	20
	486	488	1	2	487	490
(b) Other items:						
Amortisation of development costs	1,144	2,128	—	—	1,144	2,128
Amortisation of trade mark	2	2	—	—	2	2
Depreciation	431	427	12	12	443	439
Less: Amounts capitalised as development costs	40	36	—	—	40	36
	391	391	12	12	403	403

4. **Income tax credit/(expense)**

Income tax credit/(expense) in the unaudited consolidated statement of comprehensive income represents:

	Continuing operations For the six months ended 30 September		**Discontinued operations For the six months ended 30 September**		**Consolidated total For the six months ended 30 September**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current tax	—	—	—	—	—	—
Deferred tax	44	(29)	—	—	44	(29)
Income tax credit/(expense)	44	(29)	—	—	44	(29)

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The Company's subsidiaries incorporated/established in Hong Kong and the People's Republic of China ("PRC") are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") at the rates of 16.5% and 25% respectively. No provision for Hong Kong Profits Tax and EIT has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax and EIT for each of the two periods ended 30 September 2008 and 2009.

(iii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which was effective on 1 January 2008. As a result of the New Tax Law, the statutory income tax rate adopted by the PRC entities, other than the aforesaid subsidiaries below, changed from 33% to 25% with effect from 1 January 2008.

(a) As approved by the relevant PRC tax authority, Guangzhou Armitage Technologies Limited ("GZATL") was entitled to a two-year exemption from EIT followed by 50% tax exemption for the next three years, commencing from the first cumulative profit-making year in 2007. Therefore, GZATL was exempted from EIT for the fiscal years 2007 and 2008. For the following three fiscal years from 2009 to 2011, GZATL is subject to EIT at the rate of 12.5%. Starting from the fiscal year 2012, GZATL will be subject to EIT at the unified rate of 25% under the transitional arrangement of the New Tax Law.

(b) Armitage Technologies (Shenzhen) Limited ("ATL(SZ)") being engaged in the research and development of IT solutions and provision of customers services was granted a preferential EIT rate of 15%. ATL(SZ) enjoyed preferential policy in the form of reduced tax rate shall have five years from the time when the New Tax Law takes effect to transit progressively to the new statutory tax rate. During this period, ATL(SZ) enjoyed the EIT rate of 15% shall be subject to the 18% tax rate for the year 2008,20% for the year 2009, 22% for the year 2010, 24% for the year 2011 and 25% for the year 2012.

5. **Loss/(earnings) per share**

The calculation of basic (loss)/earnings per share for all periods presented is based on the Group's (loss)/profit attributable to the equity holders of the Company and 750,000,000 ordinary shares in issue during all periods.

No diluted (loss)/earnings per share has been presented as no dilutive potential ordinary shares outstanding during the six months ended 30 September 2008 and the three months from 1 July 2008 to 30 September 2008. The potential ordinary shares to be issued upon exercise of the outstanding options under share option scheme are anti-dilutive for the six months ended 30 September 2009 and the three months from 1 July 2009 to 30 September 2009.

6. **Debtors, deposits and prepayments**

Debtors, deposits and prepayments comprise:

	At 30 September 2009	**At 31 March 2009**
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Trade debtors	15,201	16,139
Less : Accumulated impairment losses	(1,738)	(1,448)
	13,463	14,691
Rental and utility deposits	362	506
Prepayments	1,078	825
Other debtors	1,580	1,088
	16,483	17,110

(a) Aging analysis

The Group allows its customers credit period of normally 30 days to 60 days depending on their creditworthiness. The following is an aging analysis of trade debtors (net of allowance for doubtful debts) at the balance sheet date:

	At 30 September 2009	**At 31 March 2009**
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
0 - 30 days	10,576	11,126
31 - 60 days	54	228
61 - 90 days	809	732
91 - 180 days	305	716
181 - 365 days	750	793
Over 1 year	969	1,096
	13,463	14,691

(b) As at 30 September 2009, a sum of trade accounts receivables of approximately of HK$2.2 million (at 31 March 2009: HK$1.8 million) has been assigned to a bank with recourse as collateral under factoring arrangement.

(c) The movement of the accumulated impairment losses during the period was as follow:

	At 30 September 2009	At 31 March 2009
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Beginning of the period	1,448	1,380
Impairment loss for the period	290	21
Exchange adjustment	—	47
End of the period	1,738	1,448

(d) Trade debtors that are not impaired

The aging analysis of trade debtors that are not considered to be impaired were as follows:

	At 30 September 2009	At 31 March 2009
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Neither past due nor impaired	9,020	10,857
Past due but not impaired:		
1 - 30 days	1,556	269
31 - 60 days	54	228
61 - 90 days	809	732
91 - 180 days	305	716
181 - 365 days	750	793
Over 1 year	969	1,096
	4,443	3,834
	13,463	14,691

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

7. **Creditors, accruals and deposits received**

Creditors, accruals and deposits received comprise:

	At 30 September 2009	At 31 March 2009
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
Trade creditors	2,113	1,449
Deferred enhancement and maintenance income - *Note*	1,742	1,843
Accruals and provisions	4,550	5,157
Other creditors	230	269
	8,635	8,718

Note :

Deferred maintenance income represents after-sales maintenance service income from customers in respect of system development and integration projects and sales of application software packages. After the completion of the system development project or sales of application software packages, the Group charged its customers the maintenance service fee in advance.

The following is an aging analysis of trade creditors:

	At 30 September 2009	At 31 March 2009
	(Unaudited)	*(Audited)*
	HK$'000	*HK$'000*
0 - 30 days	1,021	548
31 - 60 days	296	76
61 - 90 days	13	—
91 - 180 days	181	97
Over 180 days	602	728
	2,113	1,449

8. **Discontinued operations**

The Company passed an ordinary resolution on 1 August 2009 to discontinue all the businesses of magazine publication and provision of advertising services.

The comparative figures for the six months ended 30 September 2008 have been re-presented for the discontinued operations.

a. Loss for the period for the publishing and advertising income was as follow:

	For the six months ended 30 September 2009	**For the six months ended 30 September 2008**
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Turnover	107	835
Cost of sales and services rendered	(149)	(575)
Gross (loss)/profit	(42)	260
Other income	1	—
Operating expenses	(1,268)	(1,418)
Operating loss	(1,309)	(1,158)
Finance costs	(1)	(2)
Loss before income tax	(1,310)	(1,160)
Income tax expenses	—	—
Loss for the period	(1,310)	(1,160)

b. The net cash flows incurred by publishing and advertising income was as follow:

	For the six months ended 30 September 2009	For the six months ended 30 September 2008
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Operating activities	40	37
Investing activities	—	(55)
Financing activities	—	—
	40	(18)

9. **Related party and connected transactions**

The Group had the following related party and connected transactions under the GEM Listing Rules during the period:

			For the six months ended 30 September	
			2009	**2008**
			(Unaudited)	*(Unaudited)*
		Note	*HK$'000*	*HK$'000*
(i)	Rentals paid to Supercom Investments Limited ("Supercom")	(a)	256	256
(ii)	Management fee income from Supercom	(b)	8	8
(iii)	Management fee income from Kingspecial Investments Limited	(b)	8	8

(iv) Pledge of properties of Supercom to secure banking facilities of the Group.

Note:

(a) The transaction was entered into with reference to market rate as appraised by independent professional valuers.

(b) The amounts were predetermined by both parties.

The directors have reviewed the above related party and connected transactions and are of the opinion that these transactions were effected on normal commercial terms (or better to the Group) and in the ordinary course of the business of the Group.

Key management compensation

	For the six months ended 30 September	
	2009	**2008**
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Fees for key management personnel	—	—
Salaries, allowances and other benefits in kind	2,835	3,178
Retirement scheme contributions	74	87
Equity-settled share-based payment expenses	161	—
	3,070	3,265

10. **Segment information**

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Group's board of directors) in order to allocate resources to segments and to assess its performance. In contrast, the predecessor standard, (HKAS 14 "Segment Reporting"), required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach, with the entity's "system of internal financing reporting to key management personnel" serving only as the starting point for identification of such segments.

In the past, the Group's primary reporting format was geographical segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reporting segments as compared with the primary reportable segments determined in accordance with HKAS 14.

(a) The following is an analysis of the Group's revenue and results by operating segment from continuing operations for the period under review:

	Hong Kong For the six months ended 30 September		**Mainland China For the six months ended 30 September**		**Inter-segment For the six months ended 30 September**		**Consolidated For the six months ended 30 September**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	17,194	20,061	11,018	11,186	—	—	28,212	31,247
Cost of sales and services rendered	(9,884)	(11,185)	(2,242)	(2,283)	—	—	(12,126)	(13,468)
Gross profit	7,310	8,876	8,776	8,903	—	—	16,086	17,779
Other income	360	153	15	4	—	—	375	157
Operating expenses	(8,139)	(9,689)	(8,285)	(8,211)	—	—	(16,424)	(17,900)
Operating (loss)/profit	(469)	(660)	506	696	—	—	37	36
Finance costs	(479)	(481)	(7)	(7)	—	—	(486)	(488)
(Loss)/profit before income tax	(948)	(1,141)	499	689	—	—	(449)	(452)
Income tax (expense)/credit	22	(33)	22	4	—	—	44	(29)
(Loss)/profit for the period from continuing operations	(926)	(1,174)	521	693	—	—	(405)	(481)
Interest income	25	74	2	5	—	—	27	79
Depreciation and amortisation	904	1,889	633	632	—	—	1,537	2,521
Capital expenditure incurred during the period	633	1,506	1,084	1,224	—	—	1,717	2,730
Segment assets and total assets	56,124	68,683	22,106	23,750	(27,819)	(38,636)	50,411	53,797
Segment liabilities and total liabilities	(21,800)	(25,100)	(21,113)	(35,949)	16,762	34,219	(26,151)	(26,830)

(b) The following is the reconciliation of the reportable segments' assets and liabilities to the Group's assets and liabilities:

	Reportable Segments At 30 September		Discontinued Operation At 30 September		Consolidated At 30 September	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	50,411	53,797	339	754	50,750	54,551
Total liabilities	(26,151)	(26,830)	(48)	(89)	(26,199)	(26,919)

(c) The total amount of turnover from a group of companies from Hong Kong segment amounted to 10 per cent or more of the Group's turnover was HK$9.2 million (2008: HK$9.4 million).

4. INDEBTEDNESS

As at the close of business on 30 November 2009, the Group had the following outstanding borrowings:

	HK$'000
Bank borrowings	
Bank overdraft, secured	12,209
Bank loans, secured	4,819
Bank loan — factoring arrangement	1,542
	18,570
Obligation under finance lease	48
	18,618

Notes:

1. As at 30 November 2009, the Group had banking facilities to the extent of HK$30,033,000 which were secured by the Group's time deposits of HK$9,000,000, properties of Supercom Investments Limited in which a director, Mr. Lee Shun Hon, Felix has controlling interest and corporate guarantees executed by the Company.

2. Included in the above, the Group obtained accounts receivable factoring facility of HK$6,000,000. Under the facility, the Group will receive with recourse from the bank advances representing 90% of the Group's trade account receivable due from selected customers within the factoring limit of HK$6,000,000. As at 30 November 2009, the Group utilized the factoring facility amounted to approximately HK$1.5 million.

CONTINGENT LIABILITIES

As at 30 November 2009, the Group had contingent liabilities in respect of performance bonds amounted to approximately HK$33,000 issued by a bank in favour of a customer for the due performance of contract works undertaken by the Group.

Under the Employment Ordinance, the Group is obliged to make lump sum payments upon cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The Group has contingent liabilities in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$1.6 million at 30 November 2009. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. No provision has been recognized for employees in respect of such possible payments, as it is not considered probable that the situation will result in material future outflow of resources from the Group.

Save as aforesaid or otherwise disclosed in the paragraphs below, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at 30 November 2009, the Group had no other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 30 November 2009 and up to the Latest Practicable Date.

MATERIAL CHANGES

Save for the entering of the contracts as disclosed in paragraph 8 (Material Contracts) of Appendix III (General Information), the Directors confirm that there and no material changes in the Group's financial or trading position or outlook since 31 March 2009, the date to which the latest published audited consolidated accounts of the Group were made up, and up to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that in relation to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those in relation to the Group, the Vendors and parties acting in concert with each of them) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

Authorised and issued share capital

The authorised, issued and to be issued share capital of the Company (assuming full conversion of the Armitage Convertible Bond and no adjustments to the Conversion Price) as at the Latest Practicable Date were, as follows:

		HK$
Authorised:		
2,000,000,000	Shares as at the Latest Practicable Date	20,000,000
Issued and to be issued and fully paid up or credited as fully paid up:		
750,000,000	Shares in issue as at the Latest Practicable Date	7,500,000
800,000,000	new Shares to be issued upon full conversion of the Armitage Convertible Bond (assuming no adjustments to the Conversion Price)	8,000,000

All the existing issued Shares are fully paid up and rank pari passu in all respects including all rights as to dividends, voting rights and capital.

Since 31 March 2009, the date to which the latest audited financial statements of the Group were made up, and up to the Latest Practicable Date, no Shares have been issued upon the exercise of the options granted under the share option scheme of the Company adopted on 26 February 2003. Save as disclosed in this section, no Shares have been issued by the Company since 31 March 2009.

As at the Latest Practicable Date, the Company had issued Share Options entitling the Optionholders to subscribe for up to 20,300,000 Shares at an exercise price of HK$0.055 per Share. The Share Options were granted on 10 October 2008 with an exercise period from 10 October 2009 to 25 February 2013.

As at the Latest Practicable Date, 20,300,000 Share Options are issued and outstanding.

Save for the Share Options and the Armitage Convertible Bond disclosed above, there were no outstanding warrants, options, derivatives or securities convertible into Shares as at the Latest Practicable Date.

3. MARKET PRICE

(a) The highest and lowest closing prices of the Shares quoted on the Stock Exchange, during the period commencing six months preceding the date of the First Announcement and ending on the Latest Practicable Date, were HK$0.208 on 8 February 2010, and HK$0.072 on 29 September 2009 respectively.

(b) The table below sets out the closing prices of the Shares quoted on the Stock Exchange on the last trading day of each of the calendar month during the period commencing six months preceding the date of the First Announcement and ending on the Latest Practicable Date:

Month	**Closing price of each Share**
29 May 2009	0.119
30 June 2009	0.089
31 July 2009	0.129
31 August 2009	0.086
30 September 2009	0.080
30 October 2009	0.079
30 November 2009	0.160
22 December 2009 (Last Trading Date)	0.143
29 January 2010	0.161
Latest Practicable Date	0.206

The closing prices of the Shares quoted on the Stock Exchange on 5 November 2009 and 22 December 2009, being the last full trading day immediately preceding the date of the First Announcement and the Last Trading Date were HK$0.132 and HK$0.143 respectively.

4. DISCLOSURE OF INTERESTS AND DEALINGS

(A) Interests of the Offeror, its ultimate beneficial owner and parties acting in concert with them in the Shares

As at the Latest Practicable Date, the Offeror held an aggregate of 432,845,290 Shares representing approximately 57.71% of the issued share capital of the Company and the Armitage Convertible Bond. Save as disclosed, as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, director of the Offeror nor parties acting in concert with any of them owned or controlled any Shares, warrants, options, derivatives, and securities carrying conversion or subscription rights into the Shares.

(B) Directors' and Chief Executive's Interests in the Company

As at the Latest Practicable Date, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, or were required to be disclosed pursuant to the requirements under the Takeovers Code in this Composite Document:

(a) Interests and Short positions in the shares of the Company

Director	Type of interests	Interest in the Company's share capital	Number of shares
Dr. Liao, York	Corporate *(note)*	4.00%	29,988,007

Note: These shares are held by Winbridge Company Limited ("Winbridge") which is owned as to 99% by Dr. Liao, York and therefore Dr. Liao, York is deemed to have an interest in these shares in which Winbridge is interested.

Save as disclosed above, as at Latest Practicable Date, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange or were required to be disclosed pursuant to the requirements under the Takeovers Code in this Composite Document.

(b) **Interests and short positions in underlying shares of equity derivatives of the Company**

A summary of the share option granted to the directors pursuant to the share option scheme adopted on 26 February 2003 was as follows:

Name	Type of interests	Exercisable period	Exercise price	Number of underlying shares
Ms. Jim Sui Fun	Personal	10 October 2009 to 25 February 2013	HK$0.055	7,400,000
Mr. Lee Wai Yip, Alvin	Personal	10 October 2009 to 25 February 2013	HK$0.055	5,500,000
				12,900,000

Save as disclosed above, as at Latest Practicable Date, none of the directors had any interests or short positions in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange or were required to be disclosed pursuant to the requirements under the Takeovers Code in this Composite Document.

(c) **Interests and short positions in the debentures of the Company**

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had interests or short positions in the debentures of the Company as recorded in the register required to be kept by the Company under section 352 of the SFO, or, were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be (within the meaning of Part XI of the SFO) notified to the Company and the Stock Exchange.

(C) **Interests of substantial Shareholders and other persons in the Company**

Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, saved as disclosed in sub-paragraphs (A) and (B), the following persons had an interest or short position on the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Number of shares held (long positions)

Name of shareholder	Type of interests	Approximate percentage of shareholding	Direct/ indirect interest
First Glory *(Note 1)*	Corporate	164.38	1,232,845,290 *(Note 2)*
Mr. Tang *(Note 1)*	Corporate	164.38	1,232,845,290 *(Note 2)*

Notes:

1. First Glory directly held 432,845,290 Shares and the Armitage Convertible Bond. Mr. Tang is the sole beneficial owner of all the issued share capital of First Glory and is therefore deemed to be interested in the 432,845,290 Shares and the Armitage Convertible Bond which First Glory is interested in.

2. Assuming that there is no adjustment to the Conversion Price, a total of 800,000,000 Shares will be issued upon full conversion of the Armitage Convertible Bond.

Save as disclosed in sub-paragraphs (A) and (B) and in this sub-paragraph (C), as at the Latest Practicable Date, so far as is known to the Directors, no other person had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. DEALINGS IN SECURITIES OF THE COMPANY AND THE OFFEROR

(a) **Dealings in securities of the Company by the Offeror and parties acting in concert with it**

Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement and the subscription of the Armitage Convertible Bond under the Armitage Subscription Agreement, none of the Offeror, its director, its ultimate beneficial owner, nor parties acting in concert with any one of them has dealt in any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of the First Announcement and up to the Latest Practicable Date.

(b) **Dealings in securities of the Company by the Directors**

Dealings in securities of the Company by the Directors during the six-month period prior to the date of the First Announcement and up to the Latest Practicable Date were as follows:

Name of Directors	*Note*	**Date**	**Type of transaction**	**Number of Shares**	**Transaction price per Share**
					HK$
Mr. Lee Shun Hon, Felix	1	7 May 2009	bought	200,000	0.0310
	1	8 May 2009	bought	200,000	0.0310
	1	14 May 2009	sold	200,000	0.0430
	1	15 May 2009	sold	200,000	0.0490
	1	25 May 2009	sold	100,000	0.0950
	1	25 May 2009	sold	20,000	0.0980
	1	29 May 2009	sold	100,000	0.1040
	1	29 May 2009	sold	20,000	0.1090
	1	3 June 2009	sold	160,000	0.0990
		3 July 2009	bought	50,000	0.0850
		9 July 2009	bought	30,000	0.0920
	1	28 July 2009	sold	100,000	0.0970
	1	29 July 2009	sold	20,000	0.0960
	1	29 July 2009	sold	10,000	0.0990
	1	30 July 2009	sold	10,000	0.0960
	1	31 July 2009	sold	50,000	0.1190
	1	31 July 2009	sold	100,000	0.1020
	1	31 July 2009	sold	100,000	0.1150
	1	31 July 2009	sold	50,000	0.1340
	1	6 August 2009	sold	10,000	0.0990
	1	6 August 2009	sold	220,000	0.1010
	1	6 August 2009	sold	100,000	0.1020
	1	7 August 2009	sold	90,000	0.0990
	1	7 August 2009	sold	220,000	0.1000
	1	7 August 2009	sold	70,000	0.1010
	1	7 August 2009	sold	280,000	0.0990
	1	10 August 2009	sold	10,000	0.1040
	1	10 August 2009	sold	50,000	0.0970
	1	18 August 2009	sold	80,000	0.0990
	1	18 August 2009	sold	100,000	0.0970
	1	19 August 2009	sold	10,000	0.1040
	1	19 August 2009	sold	100,000	0.1030
	1	19 August 2009	sold	100,000	0.1060
	1	19 August 2009	sold	10,000	0.1190
	1	20 August 2009	sold	10,000	0.1040
	1	20 August 2009	sold	10,000	0.1070
	1	20 August 2009	sold	300,000	0.1030
	1	11 September 2009	bought	300,000	0.0760
	2	22 December 2009	sold	354,234,567	0.0650
Mr. Lee Wai Yip, Alvin		22 December 2009	sold	29,190,595	0.0650
Ms. Jim Sui Fun		22 December 2009	sold	3,034,786	0.0650

Notes:

1. The Company's Shares were transacted by Mr. Lee's spouse, Ms. Leung Mee Chun, Stella ("Mrs. Lee").

2. Out of the 354,234,567 Shares sold by Mr. Lee, 32,797,651 Shares were owned by Mrs. Lee and 114,578,176 Shares were owned by Kingspecial Investments Limited, which was beneficially owned as to 30% by Mr. Lee, as to 30% by Mr. Lee Shun Kwong, as to 30% by Mr. Lee Shun Hung (both of whom are brothers of Mr. Lee) and as to 10% by Mrs. So Li Hang Lin, the sister of Mr. Lee.

Save as disclosed above, none of the Directors had dealt in any Shares, options, warrants, derivatives or securities convertible into the Shares (including the Share Options) during the six-month period prior to the date of the First Announcement and up to the Latest Practicable Date.

(c) **Dealings in securities of the Offeror by the Company and the Directors**

None of the Company and the Directors had dealt for value in any shares or any convertible securities, warrants, options or derivatives in respect of the Offeror during the period commencing six months preceding the date of the First Announcement and ending on the Latest Practicable Date.

(d) **Other dealings required to be disclosed under Schedule II of the Takeovers Code**

Dealing in the securities of the Company by others

Save as disclosed in sub-paragraph (a), as at the Latest Practicable Date, there was no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code, or was a fund manager connected with the Company who managed shareholdings in the Company on a discretionary basis.

None of the subsidiaries of the Company, pension funds of the Company or of any of its subsidiaries, or any adviser to the Company as specified in class (2) of the definition of associate under the Takeovers Code but excluding any exempted principal traders had dealt for value in any Shares, options, warrants, derivatives or convertible securities of the Company during the six-month period prior to the date of the First Announcement and up to the Latest Practicable Date.

6. INTEREST IN THE OFFEROR

(a) As at the Latest Practicable Date, the Company did not have any beneficial interest in any shares of the Offeror, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(b) As at the Latest Practicable Date, none of the Directors had any beneficial interest in any shares of the Offeror, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

7. OTHER ARRANGEMENTS RELATING TO THE OFFERS

Save as disclosed, as at the Latest Practicable Date,

(i) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or reject the Offers;

(ii) so far as the Directors are aware no Shareholder or Optionholder had irrevocably committed to the Offeror to accept or reject the Offers;

(iii) no agreements, arrangements or understandings (including any compensation arrangement) existed between the Offeror and any party acting in concert with it and any of the Directors, any recent Directors, and any Shareholders or recent Shareholders and Optionholders which were conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;

(iv) none of the securities acquired in pursuant to the Offers will be transferred, charged or pledged to any other person;

(v) there was no agreement or arrangement to which the Offeror and parties acting in concert with it was a party which relate to circumstances in which it might or might not invoke or seek to invoke a precondition or a condition to the Offers;

(vi) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;

(vii) none of the Directors, the Company, the Offeror and parties acting in concert with it have borrowed or lent any relevant securities (as defined under note 4 to Rule 22 of the Takeovers Code) of the Company;

(viii) save for the Sale and Purchase Agreement in which Mr. Lee, Mr. Lee Wai Yip, Alvin and Ms. Jim Sui Fun are Vendors of 239,084,121 Shares, no material contract had been entered into by the Offeror in which any Director had a material personal interest;

(ix) as at the Latest Practicable Date, there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;

(x) no Shares or Share Options were owned or controlled by a subsidiary of the Company, or by a pension fund of any member of the Group, or by any advisers to the Company as specified in class (2) of the definition of associate in the Takeovers Code as at the Latest Practicable Date;

(xi) no Shares or Share Options were managed on a discretionary basis by fund managers connected with the Company as at the Latest Practicable Date;

(xii) Mr. Lee Wai Yip, Alvin and Ms. Jim Sui Fun were interested in 12,900,000 Share Options as at the Latest Practicable Date as set out in paragraph 4 above in this appendix. Each of Mr. Lee Wai Yip, Alvin and Ms. Jim Sui Fun has confirmed that it is his/her intention not to accept the Option Offer; and

(xiii) Dr. Liao, York was interested in 29,988,007 Shares as at the Latest Practicable Date as set out in paragraph 4 in this appendix. Dr. Liao, York has confirmed that it is his intention not to accept the Share Offer.

(xiv) none of the Offeror or any person acting in concert with it have had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code.

Save as disclosed in paragraph 4 above in this appendix, none of the Directors was interested in any Shares or Share Options as at the Latest Practicable Date and none of them is expected to participate in the Offers.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into the ordinary course of business, which were entered into by the Group on or after 6 November 2007, being two years immediately preceding the date of the First Announcement, and up to the Latest Practicable Date and are or may be material:

(a) the subscription agreement dated 22 December 2009 entered into between Marvel Success, a wholly owned subsidiary of the Company, and PJ Partners, pursuant to which, Marvel Success conditionally agreed to subscribe for and PJ Partners conditionally agreed to issue the PJ Convertible Bond at a principal amount of US$2 million; and

(b) the subscription agreement dated 22 December 2009 entered into between the Company and First Glory, pursuant to which, the Company conditionally agreed to issue and First Glroy conditionally agreed to subscribe for the Armitage Convertible Bond at a principal amount of HK$52 million.

9. GENERAL

(a) The registered office of the Offeror is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands and its principal office in Hong Kong is 8/F, Pedder Building, 12 Pedder Street, Central, Hong Kong. The sole director of the Offeror is Mr. Tang Sing Ming Sherman.

(b) The registered office of the Company is at Ugland House, P.O. Box 309GT, South Church Street, George Town, Grand Cayman, Cayman Islands.

(c) The head office and principal place of business of the Company in Hong Kong is 10th Floor, Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

(d) The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) As at the Latest Practicable Date, the Company's executive Directors are Mr. Lee Shun Hon, Felix, Ms. Jim Sui Fun and Mr. Lee Wai Yip, Alvin; the non-executive Director is Dr. Liao, York; the independent non-executive Directors are Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki.

(f) The head office of CIMB is at 25/F, Central Tower, 28 Queen's Road, Central, Hong Kong.

(g) The head office of Karl Thomson Financial Advisory Limited, the financial adviser to the Company, is at Room 701, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

(h) The head office of Cinda is at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong.

(i) The English text of this Composite Document, and the Forms of Acceptance shall prevail over the Chinese text in the event of inconsistency.

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance were pending or threatened against the Company or any of its subsidiaries.

11. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing service contract entered into between any company comprising the Group or any associated companies of the Company and any Director, which are continuous contracts with a notice period of twelve months or more, or which are fixed term contracts with more than twelve months to run irrespective of the notice period. In addition, save as disclosed below, no service contract (including both continuous and fixed term contracts) between any company comprising the Group or any associated companies of the Company and any Director had been entered into or amended within the six-month period prior to the date of the First Announcement and up to the Latest Practicable Date.

Mr. Lee's previous service contract was replaced on 14 December 2009 and particulars of which are set out below:

Name of Director	Particulars of remuneration prior to the replacement service contract	Particulars of remuneration stated under the replacement service contract	Term
Mr. Lee Shun Hon, Felix	Fixed: HK$1,380,000 per annum Variable: Discretionary bonus of such amounts (if any) at such times and subject to such conditions as the Board may in its absolute discretion decide. *(Note)*	Fixed: HK$1,380,000 per annum Variable: Discretionary bonus of such amounts (if any) at such times and subject to such conditions as the Board may in its absolute discretion decide.	Initial term of one year from 14 December 2009, subject to removal and re-election pursuant to the articles of association of the Company and early termination as under the previous service contract save for the reduction of the required notice period for early termination from six months to two months to match the terms of the service contracts of the other executive Directors.

Note:

Normal adjustments have been made to Mr Lee's remuneration from time to time since the listing date. The last adjustment was effective from 1 April 2008 whereby Mr. Lee's remuneration was adjusted from HK$1,368,000 per annum to HK$1,380,000 per annum.

12. EXPERTS AND CONSENTS

Name	Qualification
CIMB	CIMB Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
Cinda	Cinda International Capital Limited, a corporation licensed to carry on business type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offers
Karl Thomson	Karl Thomson Financial Advisory Limited ("Karl Thomson"), a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Company

Each of CIMB, Cinda and Karl Thomson has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of the opinion or letter (as the case may be) and references to its name, in the form and context in which they are respectively included.

As at the Latest Practicable Date, neither CIMB, Cinda nor Karl Thomson have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. from Monday to Friday (except for public holidays) at (i) the head office and principal place of business of the Company at 10th Floor, Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong (ii) on the website of the SFC (www.sfc.hk) and (iii) on the website of the Company (www.armitage com.hk) during the period from the date of this Composite Document up to and including 5 March 2010:

(1) the memorandum and articles of association of First Glory;

(2) the memorandum and articles of association of the Company;

(3) the annual reports of the Company for the two years ended 31 March 2008 and 31 March 2009;

(4) interim report of the Company for the period ended 30 September 2009;

(5) a copy of the letter from CIMB, the text of which is set out on pages 10 to 16 of this Composite Document;

(6) a copy of the letter from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this Composite Document;

(7) a copy of the letter from Cinda, the text of which is set out on pages 19 to 40 of this Composite Document;

(8) the letters of consent from CIMB, Cinda and Karl Thomson referred to in the paragraph headed "Experts and Consents" in this Appendix III;

(9) the Armitage Subscription Agreement;

(10) the PJ Subscription Agreement;

(11) service contract of Mr. Lee dated 14 December 2009; and

(12) this Composite Document.