
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ARMITAGE TECHNOLOGIES HOLDING LIMITED, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular sets out the information with respect to the issuance of a convertible bond and is for information only and does not constitute an invitation or offer to acquire, purchase or subscription for any securities.



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)

ISSUANCE OF ARMITAGE CONVERTIBLE BOND AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Financial Adviser to
Armitage Technologies Holding Limited**



Karl Thomson Financial Advisory Limited

A notice convening an extraordinary general meeting (the "EGM") of Armitage Technologies Holding Limited (the "Company") which will be held at 10/F., Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 9 February 2010, at 4:00 pm is set out on pages 15 to 17 of this circular. A form of proxy for use at the EGM is enclosed. If you intend to appoint a proxy to attend and vote at the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the meeting or any adjourned meeting should you so wish. A proxy need not be a member of the Company.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material respects and is not misleading, (ii) there are no other facts the omission of which would make any statement in this circular misleading, and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

* For identification purpose only

22 January 2010

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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
“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
“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”	an extraordinary general meeting of the Company to be convened and held on Tuesday, 9 February 2010 to consider, and if thought fit, approve the issuance of the Armitage Convertible Bond and the allotment and issuance of the Conversion Shares upon the exercise of the conversion rights attaching to the Armitage Convertible Bond
“First Glory” or “Offeror”	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

DEFINITIONS

“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 Shareholders”	Shareholders, other than the Vendors and their respective associates
“Joint Announcement”	the joint announcement issued by the Company and the Offeror dated 7 January 2010 in relation to, amongst other things, issuance of the Armitage Convertible Bond
“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”	21 January 2010, being the latest practicable date prior to the printing of this circular 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. Tang”	Mr. Tang Sing Ming Sherman, the ultimate beneficial owner of First Glory
“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
“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

DEFINITIONS

“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”	Codes 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United State of America
“%”	per cent

LETTER FROM THE BOARD



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

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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

22 January 2010

To the Shareholders

Dear Sir or Madam,

**ISSUANCE OF ARMITAGE CONVERTIBLE BOND
AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 7 January 2010, the Company announced, amongst other things, that 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.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the Armitage Subscription Agreement and the notice of the EGM despatch to the Shareholders and other information in compliance with the GEM Listing Rules.

BACKGROUND

Possible change in control in the Company

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.

PJ Subscription Agreement

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. Completion of the PJ Subscription Agreement is conditional on the completion of the Armitage Subscription Agreement.

Details on the Sale and Purchase Agreement and the PJ Subscription Agreement have been disclosed in the Joint Announcement.

ARMITAGE CONVERTIBLE BOND

The Armitage Subscription Agreement

The principal terms and conditions are summarized as follows:

Date	:	22 December 2009.
Parties	:	issuer: the Company. subscriber: First Glory Holdings Limited.
Total principal amount	:	HK\$52 million.
Issue price	:	at the full face value of the Armitage Convertible Bond.
Interest rate	:	3% per annum, payable monthly on the principal amount of the Armitage Convertible Bond outstanding from time to time.
Maturity date	:	the third anniversary of the date of issue of the Armitage Convertible Bond.

LETTER FROM THE BOARD

- Early repayment : the Company may upon mutual agreement with the holder of the Armitage Convertible Bond request for early repayment of all or part of the outstanding sums under the Armitage Convertible Bond.
- Conversion rights : holder of the Armitage Convertible Bond will have the right to convert the Armitage Convertible Bond in whole or in part into the Conversion Shares during the conversion period referred to below provided that any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirement as stipulated by the GEM Listing Rules at the time of such conversion.
- Pursuant to the terms and conditions of the Armitage Subscription Agreement, conversion of the Armitage Convertible Bond by the bondholder is subject to the compliance with the requirements under the GEM Listing Rules and Takeovers Code.
- Conversion Shares : a total of 800,000,000 Shares to be issued upon conversion of the Armitage Convertible Bond, subject to adjustments to the Conversion Price.
- Conversion Period : the period commencing from the tenth Business Day after the issue date of the Armitage Convertible Bond and ending on the tenth Business Day immediately prior to the maturity date of the Armitage Convertible Bond (both days inclusive).
- Conversion Price : HK\$0.065 per Conversion Share, subject to adjustments for, among other things, customary anti-dilution provisions summarized below.
- Redemption : unless previously converted, the Company shall repay the Armitage Convertible Bond in full with all interest accrued thereon up to and including the maturity date.
- Anti-dilution adjustments : the Conversion Price shall from time to time be adjusted upon the occurrence of certain events including but not limited to the followings:
- (i) consolidation, sub-division or reclassification of the Shares;
 - (ii) capitalization of profits or reserves;
 - (iii) capital distribution of Shares; and
 - (iv) the issue of Shares or other securities convertible into Shares in cash or otherwise by the Company at a price per Share of less than 92% of the market price of a Share as the date of the announcement of such proposal.

LETTER FROM THE BOARD

Transferability : the Armitage Convertible Bond is freely transferable (whether in whole or in part) except provided that: (i) it may not, without the prior written consent of the Company, be transferred to any person who is at the time of such transfer a connected person of the Company; and (ii) the principal amount to be transferred is at least HK\$1,000,000 and in integral multiples of HK\$1,000,000.

First Glory has confirmed that First Glory and parties acting in concert with it will not transfer the Armitage Convertible Bond during the offer period and will comply with Rule 21.2 of the Takeovers Code.

Voting : holder of the Armitage Convertible Bond will not be entitled to attend or vote at any meetings of the Company by reason only of its being a bondholder.

Listing : no application will be made for the listing of, or permission to deal in the Armitage Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares that may be issued upon the conversion of the Armitage Convertible Bond.

Ranking of Conversion Shares : the Conversion Shares will rank *pari passu* in all respects among themselves and with other Shares in issue on the date of allotment and issue of such Conversion Shares.

Events of default : customary events of default including:

- (i) the Company defaults in performance or observance or compliance with its obligation under the terms of the Armitage Convertible Bond; or
- (ii) a receiver, administrator, liquidator or similar officer is appointed in respect of or an encumbrancer takes possession of the property, assets or revenue of the Company or any of its principal operating subsidiaries; or
- (iii) the Company or any of its principal operating subsidiaries becomes insolvent; or
- (iv) winding-up, insolvency, administration or dissolution or any similar events of the Company or any of its principal operating subsidiaries; or

LETTER FROM THE BOARD

- (v) listing of Shares on the Stock Exchange ceases or trading of Shares on the Stock Exchange is suspended for a continuous period of 20 Business Days or more; or
- (vi) the Company or any of its principal operating subsidiaries amalgamates or merges with any other corporation; or
- (vii) the Company fails to pay the principal amount or any interest on the Armitage Convertible Bond when due; or
- (viii) breach of any warranties given by the Company in the Armitage Subscription Agreement; or
- (ix) any principal repayment or interest payment in relation to bank borrowings or guarantees of the Company or its subsidiaries are not paid when due.

Upon the occurrence of an event of default, the Armitage Convertible Bond becomes immediately repayable at the option of its holder.

Conditions precedent : Completion of the subscription of the Armitage Convertible Bond is subject to the following conditions precedent being satisfied:

- (1) the Independent Shareholders shall have duly passed at the EGM all necessary resolutions to approve the Armitage Subscription Agreement and the transactions contemplated thereunder, including, without limitation, the issue of the Armitage Convertible Bond and the issue of Conversion Shares which fall to be allotted and issued on exercise of conversion rights attaching to the Armitage Convertible Bond;
- (2) the Listing Committee of the Stock Exchange shall have granted the listing of, and permission to deal in, all Conversion Shares that may be issued upon the exercise of the conversion rights attaching to the Armitage Convertible Bond;
- (3) all other applicable legal requirements, rules and regulations, including but not limited to the GEM Listing Rules and the Takeovers Code, for implementing all the transactions contemplated under the Armitage Subscription Agreement shall have been duly complied with by the Company;
- (4) the Company delivering to First Glory an opinion from its counsel as to the laws of the Cayman Islands on such matters relating to the transactions contemplated under the Armitage Subscription Agreement and in such form and content as reasonably acceptable to First Glory;

LETTER FROM THE BOARD

- (5) the warranties given by the Company in the Armitage Subscription Agreement remaining true and accurate in all material respects and not misleading in any material respect;
- (6) the opening of an account with a licensed bank in Hong Kong in the name of the Company for the purpose of, among other things, depositing the subscription monies for the Armitage Convertible Bond payable by First Glory and the giving of authority to the person nominated by First Glory to solely operate such bank account; and
- (7) all the conditions precedent of the Sale and Purchase Agreement (save for the condition precedent in respect of the satisfaction of all the conditions precedent for the subscription of the Armitage Convertible Bond by First Glory set out in the Armitage Subscription Agreement) having been satisfied or waived in accordance with its terms.

First Glory may waive any of the above conditions precedent (save and except the conditions precedent as stipulated in items (1), (2) and (3) above) at any time prior to 30 April 2010 by notice in writing to the Company.

If any of the above conditions precedent cannot be fulfilled (or is not otherwise waived by First Glory in accordance with the terms of the Armitage Subscription Agreement) by 30 April 2010 (or such later date as the Company and First Glory may agree), the parties thereto agree that the Armitage Subscription Agreement will lapse, and become null and void and the parties thereto will be released from all obligations thereunder, save for the liabilities of any antecedent breaches thereof.

Completion : completion is scheduled to take place at 12:00 noon on the third Business Day following the date on which all the conditions precedent have been fulfilled or waived (or such other date as First Glory and the Company may agree).

The net conversion price is approximately HK\$0.061 per Conversion Share after taking into account fees to professional advisers and printing and administrative expenses.

The Conversion Price was negotiated between the Company and First Glory on an arm's length basis and was determined with reference to the historical prices of the Shares as quoted on the Stock Exchange.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for the interest under the Sale and Purchase Agreement, First Glory and its ultimate beneficial owner are independent third parties not connected with the Company or any of its connected persons.

LETTER FROM THE BOARD

The Conversion Price

The Conversion Price of HK\$0.065 per Conversion Share represents:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) a discount of approximately 61.31% to the closing price of HK\$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) is equal to the Share Offer Price.

Use of proceeds

Out of the gross proceeds of HK\$52 million raised from the issuance of the Armitage Convertible Bond, approximately HK\$16 million will be utilized for the subscription of the PJ Convertible Bond and the balance amount of approximately HK\$36 million will be utilized to finance the operation and development of the Group's existing businesses and for the general working capital of the Group.

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.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there is no adjustment to the Conversion Price and no Shares will be issued from the Latest Practicable Date save and except the Conversion Shares, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date, (ii) immediately after the Share Sale Completion, (iii) upon full conversion of the Armitage Convertible Bond, and (iv) upon partial conversion of the Armitage Convertible Bond to the extent that the minimum public float requirement as stipulated by the GEM Listing Rules is maintained.

	Number of Shares held as at the Latest Practicable Date <i>(Note 1)</i>	Approximate percentage of shareholding <i>(%)</i>	Number of Shares to be held upon completion of the Sale and Purchase Agreement	Approximate percentage of shareholding <i>(%)</i>	Number of Shares to be held assuming full conversion of the Armitage Convertible Bond <i>(Note 2)</i>	Approximate percentage of shareholding <i>(%)</i>	Number of Shares to be held, assuming conversion of the Armitage Convertible Bond shall not result in public Shareholders holdings less than 25% of the issued share capital of the Company <i>(Note 2)</i>	Approximate percentage of shareholding <i>(%)</i>
Vendors								
Lee Shun Hon, Felix	206,858,740	27.58	0	0	0	0	0	0
Lee Wai Yip, Alvin	29,190,595	3.89	0	0	0	0	0	0
Leung Mee Chun, Stella	32,797,651	4.37	0	0	0	0	0	0
Lee Sze Yee, Joyce	21,810,000	2.91	0	0	0	0	0	0
Lee Shun Kwong	22,212,000	2.96	0	0	0	0	0	0
Kingspecial Investments Limited	114,578,176	15.28	0	0	0	0	0	0
Jim Sui Fun	3,034,786	0.40	0	0	0	0	0	0
So Cheong	720,000	0.10	0	0	0	0	0	0
Wong Ping Kuen, Ambrose	599,760	0.08	0	0	0	0	0	0
Yeung Chun Lam	521,791	0.07	0	0	0	0	0	0
Lau Che Kin, Stephen	521,791	0.07	0	0	0	0	0	0
Subtotal	432,845,290	57.71	0	0	0	0	0	0
First Glory and its concert parties	0	0	432,845,290	57.71	1,232,845,290	79.54	951,464,130	75.00
Public Shareholders	317,154,710	42.29	317,154,710	42.29	317,154,710	20.46	317,154,710	25.00
Total	<u>750,000,000</u>	<u>100.00</u>	<u>750,000,000</u>	<u>100.00</u>	<u>1,550,000,000</u>	<u>100.00</u>	<u>1,268,618,840</u>	<u>100.00</u>

Notes:

- To the best knowledge, information and belief of the Directors, having made reasonable enquiries, as at the Latest Practicable Date, other than the interest of First Glory in the Sale Shares pursuant to the Sale and Purchase Agreement and in the Armitage Convertible Bond pursuant to the Armitage Subscription Agreement, none of First Glory, its ultimate beneficial owner nor parties acting in concert with any one of them owns any Shares, outstanding options, derivatives, warrants in the Company, other securities convertible into Shares or any other "relevant securities" (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

LETTER FROM THE BOARD

2. According to the terms and conditions of the Armitage Subscription Agreement, conversion of the Armitage Convertible Bond is subject to compliance with the GEM Listing Rules and the Takeovers Code and any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirement as stipulated by the GEM Listing Rules at the time of such conversion.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ARMITAGE SUBSCRIPTION AGREEMENT

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

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. Under the terms of the PJ Subscription Agreement, an exit option is available to the Company and it may request the PJ Convertible Bond to be redeemed if the redemption conditions described in the PJ Subscription Agreement are not met or upon its maturity date. On the other hand, the Company, through exercising the conversion rights attaching to the PJ Convertible Bond, will be able to participate in the business of PJ Partners and share its profits by holding 25% to 75% of its shareholding depending on the net asset value per share and price earning multiple of PJ Partners at the time of conversion pursuant to the terms and conditions of the PJ Subscription Agreement.

As disclosed in the interim report of the Company for the period ended 30 September 2009, the total cash and bank balances of the Group amounted to HK\$3,767,000, which is not sufficient for the subscription of the PJ Convertible Bond. Issuance of the Armitage Convertible Bond will provide 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 without delay. It is expected that the new business will be able to generate alternative sources of income and cash flow into the Company. Therefore, the future prospects of the new business will potentially enhance the Share price and attract more investors.

The Company has posted losses for 7 consecutive financial years which in turn, caused a prolonged decline in the Share price and thin trading volume. As a result, fund raising opportunities available to the Company are very limited. The Directors are aware of the possible dilution effects arising from the issuance of the Armitage Convertible Bond upon exercise of the conversion rights attached to it; thus, alternative fund raising exercises including pro-rata fund raising from existing Shareholders and bank borrowings have been considered. However, given the Company's unfavorable financial performance over the last 7 financial years, fund raising comparable in size to the proceeds of the Armitage Convertible Bonds by means of equity, straight bonds issuance, bank borrowings or combination of any of these methods would be difficult and would probably incur significant expenses to the Company. In light of the fact that issuance of the Armitage Convertible Bond to a committed subscriber at a predetermined amount is more cost effective and time efficient, the Directors are in the view that the Armitage Subscription Agreement is in the benefit of the Company and Shareholders as a whole despite of the possible dilution effect on the shareholding of the existing Shareholders.

LETTER FROM THE BOARD

Pursuant to the terms and conditions of the PJ Subscription Agreement, completion of which is conditional on the completion of the Armitage Subscription Agreement. Without the Independent Shareholders passing the relevant resolutions to approve the Armitage Subscription Agreement, the subscription of PJ Convertible Bond cannot proceed.

Having considered all the relevant factors, the Directors (including the non-executive Director and the independent non-executive Directors) are of the view that the terms and conditions of the Armitage Subscription Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Assuming that there is no adjustment to the Conversion Price, the Armitage Convertible Bond, upon full conversion based on the Conversion Price, will be convertible into 800,000,000 Conversion Shares representing approximately 106.67% of the issued share capital of the Company or approximately 51.61% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon exercise of the Armitage Convertible Bond in full as at the Latest Practicable Date. The Company will seek approvals from the Shareholders at the EGM for the issuance of the Armitage Convertible Bond and allotment and issuance of the Conversion Shares upon exercise of the conversion rights attaching to the Armitage Convertible Bond.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any other fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

THE EGM

A notice of EGM to be convened and held at 10/F., Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 9 February 2010 at 4:00 pm is set out on pages 15 to 17 of this circular for the purpose of considering and, if thought fit, passing the resolution for, amongst other things, the issuance of the Armitage Convertible Bond and allotment and issuance of the Conversion Shares upon exercise of the conversion rights attaching to the Armitage Convertible Bond pursuant to the terms and conditions of the Armitage Subscription Agreement.

As completion of the Sale and Purchase Agreement is conditional on the satisfaction of the conditions precedent as set out in the Armitage Subscription Agreement, the Vendors and their respective associates will abstain from voting in respect of the resolution approving the issuance of the Armitage Convertible Bond and the allotment and issuance of the Conversion Shares upon exercise of the conversion rights attaching to the Armitage Convertible Bond at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

Having taken into account of the information set out above, the Board considers that the terms of the Armitage Subscription Agreement are normal commercial terms and were negotiated on an arm's length basis between the parties involved and are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole and so recommends the Independent Shareholders to vote in favour of the resolution in respect of the Armitage Subscription Agreement and for the issuance of the Conversion Shares upon the full exercise of the conversion rights attaching to the Armitage Convertible Bond at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the notice of the EGM set out in this circular.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Armitage Technologies Holding Limited (the “**Company**”) will be held at 10/F., Everwin Centre, 72 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 9 February 2010, at 4:00 pm to consider and, if thought fit, pass the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“**That**

- (a) the entry by the Company into the subscription agreement dated 22 December 2009 (the “**Subscription Agreement**”) with First Glory Holdings Limited (the “**Subscriber**”) (a copy of which has been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purposes), the terms and conditions thereof and transactions contemplated thereunder be and are hereby approved, confirmed and ratified in all respects;
- (b) issuance of convertible bonds in the aggregate principal amount of HK\$52 million (the “**Convertible Bond**”) by the Company upon completion of the Subscription Agreement in accordance with the terms and conditions thereof be and is hereby approved;
- (c) subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the listing of and permission to deal in the Conversion Shares (as defined below), the allotment and issue of new shares (the “**Conversion Shares**”) in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bond be and is hereby approved, and the directors of the Company (the “**Directors**”) be and are hereby authorized to allot and issue the Conversion Shares pursuant to and in accordance with the terms and conditions of the instrument constituting the Convertible Bond; and

* For identification purpose only

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- (d) any one director or, if the affixation of the common seal of the Company is necessary, any one director and the company secretary of the Company or any two directors or such other person (including a director) or persons as the board of directors of the Company may appoint be and is/are hereby authorised for and on behalf of the Company to approve and execute all documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in or related to the Subscription Agreement, the issue of the Convertible Bonds, the issue of the Conversion Shares and transactions contemplated thereunder and completion thereof as he/she/they may consider necessary, desirable or expedient.”

By order of the Board
ARMITAGE TECHNOLOGIES HOLDING LIMITED
Lee Shun Hon, Felix
Chairman

Hong Kong, 22 January 2010

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

Notes:

1. A form of proxy for use at the meeting is enclosed with the circular despatched on 22 January 2010 to the members of the Company.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy needs not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

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4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the meeting or any adjourned meeting should you so wish.