

ARMARDA GROUP LIMITED
(Incorporated in Bermuda on 13 August 2003)
(Company Registration No: 34050)

PROPOSED PLACEMENT OF 577,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ARMARDA GROUP LIMITED (THE “COMPANY”) AT AN ISSUE PRICE OF S\$0.01145 FOR EACH NEW ORDINARY SHARE OF HK\$0.05 EACH IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of the Company wishes to announce the proposed placement (the “**Proposed Placement**”) of 577,000,000 new ordinary shares of HK\$0.05 each in the capital of the Company (the “**Placement Shares**” and each a “**Placement Share**”) at an issue price of S\$0.01145 (the “**Issue Price**”) for each Placement Share.

The Issue Price of S\$0.01145 for each Placement Share represents a discount of 0.048 cents per Share or approximately a 4.05% discount to the volume weighted average price for trades done in respect of the Shares on the Catalist on 7 January 2014, being the full market day preceding 8 January 2014 (being the date of signing of the Placement Agreement).

Details on the Proposed Placement are provided herein.

2. PROPOSED PLACEMENT

The Company has on 8 January 2014 entered into a placement agreement (the “**Placement Agreement**”) with the placees listed in the table below (collectively, the “**Placees**” and each a “**Placee**”), where the Placees have agreed to subscribe for the Placement Shares, in the proportion as set out against their respective names below, at the Issue Price for each Placement Share, on the terms and subject to the conditions set out in the Placement Agreement.

Placees	Number of Placement Shares	Number of Placement Shares as a percentage of existing issued share capital ⁽¹⁾₍₃₎	Number of Placement Shares as a percentage of enlarged issued share capital ⁽²⁾₍₃₎
Man Wai Ming	108,000,000	3.32%	2.82%
Wong Chun Chong	72,000,000	2.21%	1.88%
Cou Tzi Meng	155,000,000	4.77%	4.05%
Lam Cho Ying Terence Joe	72,000,000	2.21%	1.88%
Yeo Siew Luan	60,000,000	1.84%	1.57%
Pek Seck Wei	50,000,000	1.54%	1.31%
Ye Shu Guang	60,000,000	1.84%	1.57%
TOTAL	577,000,000	17.74%	15.07%

Notes:

(1) Based on the Company’s existing issued share capital (“**Existing Issued Share Capital**”) comprising 3,252,523,474 ordinary shares of HK\$0.05 each (“**Shares**”).

(2) Based on the Company’s enlarged issued share capital (“**Enlarged Issued Share Capital**”) comprising 3,829,523,474 Shares after taking into account the Existing Issued Share Capital of 3,252,523,474 Shares and the proposed issuance of the Placement Shares.

(3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

Background on Placees

Of the Placees, Mr. Man Wai Ming, Mr. Wong Chun Chong, Mr. Cou Tzi Meng and Mr. Lam Cho Ying Terence Joe are the existing Shareholders of the Company and have prior to this announcement expressed interest in further subscribing or participating in placement exercises to be undertaken by the Company.

Mr. Man Wai Ming is an entrepreneur currently residing in the PRC and has been running technology related business in Shenzhen for around 8 years. Prior to residing in Shenzhen, he had assumed senior management position in a couple of IT related private enterprises in Changsha (长沙) of the Hunan province (湖南省) and in Fuzhou (福州) of the Fujian province (福建省) for almost 15 years. Mr. Man Wai Ming had subscribed for 7,200,000 and 36,300,000 Shares in the Company's previous share subscription/placement exercise as announced on 22 January 2013 and 30 April 2013 respectively. Mr. Man Wai Ming currently holds 78,250,000 Shares, representing approximately 2.41% of the Existing Issued Share Capital. Upon the completion of the Proposed Placement ("**Placement Completion**"), he will hold 186,250,000 Shares, representing approximately 4.86% of the Enlarged Issued Share Capital.

Mr. Wong Chun Chong is currently residing in the PRC and has been running a partnership company principally engaged in the catering service industry in Guangzhou for over 10 years. He has also been actively making private investments in the stock market in the PRC, Hong Kong and selected overseas market in the past 20 years. Mr Wong Chun Chong had subscribed for 14,400,000 and 100,000,000 Shares in the Company's previous share subscription/placement exercise as announced on 22 January 2013 and 30 April 2013 respectively. Mr. Wong Chun Chong currently holds 101,000,000 Shares, representing approximately 3.11% of the Existing Issued Share Capital. Upon the Placement Completion, he will hold 173,000,000 Shares, representing approximately 4.52% of the Enlarged Issued Share Capital.

Mr. Cou Tzi Meng is a retiree currently residing in Hong Kong. Mr Cou Tzi Meng had subscribed for 25,000,000 and 25,000,000 Shares in the Company's previous share subscription/placement exercise as announced on 2 May 2009 and 26 August 2010 respectively. Mr. Cou Tzi Meng currently holds 3,021,000 Shares, representing approximately 0.09% of the Existing Issued Share Capital. Upon the Placement Completion, he will hold 158,021,000 Shares, representing approximately 4.13% of the Enlarged Issued Share Capital.

Mr. Lam Cho Ying Terence Joe is the director of a Hong Kong financial institution, with more than 20 years of experience in financial investments. Mr. Lam Cho Ying Terence Joe had subscribed for 72,900,000 and 51,200,000 Shares in the Company's previous share subscription/placement exercise as announced on 22 January 2013 and 30 April 2013 respectively. Mr. Lam Cho Ying Terence Joe currently holds 41,200,000 Shares, representing approximately 1.27% of the Existing Issued Share Capital. Upon the Placement Completion, he will hold 113,200,000 Shares, representing approximately 2.96% of the Enlarged Issued Share Capital.

Ms Yeow Siew Luan, Mr Pek Seck Wei and Mr Ye Shu Guang were previously introduced to the Company by professionals who had worked with the Company, long term business partners of the Company, and the Directors. The introductions were however not made in contemplation of the Proposed Placement. Subsequent to the introduction, these three placees had continued to express an interest in investing in the Company and were accordingly approached by the management of the Company for the Proposed Placement.

Ms Yeow Siew Luan had subscribed for 14,000,000 Shares in the Company's previous share subscription/placement exercise as announced on 30 April 2013. Ms. Yeow Siew Luan currently does not hold any Share. Upon the Placement Completion, she will hold 60,000,000 Shares, representing approximately 1.57% of the Enlarged Issued Share Capital. Mr Pek Seck Wei had subscribed for 9,000,000 and 10,000,000 Shares in the Company's previous share subscription/placement exercises as announced on 22 January 2013 and 30 April 2013 respectively. Mr. Pek Seck Wei currently does not hold any Share. Upon the Placement Completion, he will hold 50,000,000 Shares, representing approximately 1.31% of the Enlarged Issued Share Capital. Mr. Ye Shu Guang has not participated in any previous share placement by the Company. Upon the Placement Completion, he will hold 60,000,000 Shares, representing approximately 1.57% of the Enlarged Issued Share Capital.

No placement agent has been appointed by the Company.

Pursuant to the Placement Agreement, each Placee has represented, warranted and undertaken to and for the benefit of the Company, *inter alia*, that:-

(a) (only in the case of a Placee who is a natural person) he is not related to any of the Directors or substantial shareholders of the Company, and specifically that he is not an immediate family of any of the Directors or substantial shareholders of the Company;

(b) (only in the case of a Placee which is a corporation) its directors and shareholders are not related to any of the Directors or substantial shareholders of the Company;

(c) he/it is not any of the persons set out in Rule 812(1) of the Catalist Rules;

(d) he/it is not acting in concert with any other Placee, or any of the Directors or substantial shareholders of the Company or Vendors as described in the Circular dated 5 December 2011 issued by the Company as well as the New Vendor as described in the Company's announcement dated 6 December 2013;

(e) he/it is not acting in accordance with the instructions of any other Placee, or any of the Directors or substantial shareholders of the Company or Vendors as described in the Circular dated 5 December 2011 issued by the Company as well as the New Vendor as described in the Company's announcement dated 6 December 2013; and

(f) no commission nor discount in connection with the placement of the Placement Shares other than as disclosed in the Placement Agreement will be received, directly or indirectly by him/it.

Upon completion of the Proposed Placement, none of the Placees will, individually, be interested in more than 5% of the Company's enlarged issued Share capital.

Each Placee has represented to the Company that he/it is subscribing for the Placement Shares purely for the purposes of investment.

In addition, pursuant to engagement letter dated 8 November 2013 and the supplemental mandate letter dated 7 January 2014 (collectively, the "**UOBKH Mandate Letters**") entered into by the Company and UOBKH, wherein UOBKH has been appointed on an exclusive basis to raise funds of up to S\$10 million on a best effort basis, fees of 1.5% on the aggregate amount of the proceeds raised from the Proposed Placement is payable to UOBKH.

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with existing issued Shares, except for any dividends, distributions or entitlements the record date of which falls on or before their respective date(s) of issue.

The completion of the Proposed Placement is conditional, *inter alia*, upon the listing and quotation notice (the "**Listing Approval**") being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist are required to be fulfilled on or before relevant completion date, they are so fulfilled.

3. USE OF NET PROCEEDS

The proceeds from the Proposed Placement, after deducting estimated expenses (including the commission payable to UOBKH and other estimated fees and expenses), (the "**Net Proceeds**") will amount to approximately S\$6.34 million.

The Company intends to utilise:-

- (a) up to approximately HK\$20 million or 51.6% of the Net Proceeds to finance or fund the Group's corporate actions and/or business opportunities or developments, including any acquisitions, purchases or investments that the Group may make or embark upon. Such corporate actions and/or business opportunities or developments, including acquisitions, purchases or investments, may either be in respect of existing investments or projects where the Group is committed, and/or new projects or investment opportunities.

The Net Proceeds may be used to fund, *inter alia*, (i) fees and expenses incurred or to be incurred in connection with investigating, evaluating (including commissioning of business valuations on) and/or undertaking potential corporate actions, business opportunities or developments for the Group; (ii) project development and marketing expenses; (iii) the purchase price or consideration payable for any acquisitions, purchases or investments made or to be made by the Group; and (iv) the payment of any professional fees or expenses or any other transaction costs or expenses to be incurred in connection with any of the foregoing; and

- (b) the balance of the Net Proceeds for the Group's general corporate and working capital purposes.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit in the interest of the Company.

As and when any material amount of the Net Proceeds is disbursed or deployed, the Company will make the necessary announcements on the SGXNET corporate announcement system (the "SGXNET") and subsequently provide a status report on the use of such Net Proceeds in its annual report.

4. OTHER SALIENT TERMS OF PLACEMENT

Conditions Precedent

Completion of the Proposed Placement are subject to certain conditions precedent more particularly set out in the Placement Agreement, including but not limited to the Listing Approval being obtained from the SGX-ST. Such conditions have to be satisfied on or before such date falling four (4) weeks from the date of the Placement Agreement (as the case may be) or such other date as the Company and the Placees (as the case may be) may mutually agree.

An application for the listing and quotation for the Placement Shares will be made to the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist.

Completion

The Placement Agreement provides that each of the Placees shall pay to the Company the aggregate Issue Price for the relevant number of Placement Shares to be issued to such Placee (the "**Consideration**") by way of a bank transfer to such bank account of the Company or its nominee as the Company may designate in writing to each Placee not later than 10 a.m. on the date being three (3) Business Days prior to the Placement Completion Date (as defined below).

Under the terms of the Placement Agreement, it is provided that the completion of the Proposed Placement shall take place on the date ("**Placement Completion Date**") notified by the Company upon fulfillment of the conditions precedent.

On the Placement Completion Date, the Company shall, against compliance by the Placees with the provisions of Placement Agreement:

- (a) allot and issue to each of the Placees, or, if so notified by a Placee to the Company not later than three (3) Business Days prior to the Placement Completion Date of such Placee's Securities Account, to CDP for the Securities Account of such Placee, the number of Placement Shares as set out against the name of the Placee in schedule 1 of the Placement Agreement;
- (b) deliver or procure to be delivered to each of the Placees or CDP, as the case may be, the Share certificate registered in the name of such Placee or CDP, as the case may be, for the number of Placement Shares as set out against the Placee's name in schedule 1 of the Placement Agreement; and
- (c) in the event that the Share certificates are issued in the name of CDP, instruct CDP to credit the Securities Account of the the Placee (as notified by such Placee to the Company not later than three (3) Business Days prior to the Placement Completion Date of such Placee's Securities Account) with the number of Placement Shares as set out against the name of the Placee in schedule 1 of the Placement Agreement.

For avoidance of doubt, if any of the Placees fails to pay the Consideration (as defined below) pursuant to the Placement Agreement, the Company may proceed with the Placement Completion with the other Placees.

Ranking of Placement Shares

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with existing issued Shares, except for any dividends, distributions or entitlements the record date of which falls on or before their respective date(s) of issue.

Proceeds from Placement

Under the terms of the Proposed Placement, the Company has agreed that the Consideration payable by any Placee may, at the option of the Placee, be settled in HK dollars in lieu of settlement in Singapore dollars at an agreed exchange rate of S\$1:HK\$6.1138.

Fees and Commission

Placement Commission

In connection with the Proposed Placement, the Company has pursuant to the UOBKH Mandate Letters, agreed to pay UOBKH a commission (the "**Placement Commission**") equal to 1.5% of the gross amount of placement proceeds raised by the Company under the Proposed Placement, as further described in paragraph 2 above. The Company shall pay to UOBKH the Placement Commission of approximately S\$99 thousand.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement Commission and the fees payable to UOBKH pursuant to the Proposed Placement.

Authority for the Proposed Placement

The Proposed Placement will be made pursuant to the Share Issue Mandate (as defined below).

The approval of the Shareholders for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, whether on a pro-rata or non pro-rata basis (the "**Share Issue Mandate**"), was obtained at the Annual General Meeting of the Company held on 26 July 2013 (the "**2013 AGM**").

As at the date of the 2013 AGM, the total number of issued Shares was 3,252,523,474 Shares. Since the 2013 AGM, the Company has not issued any Shares. The available number of Shares for issuance under the Share Issue Mandate as at the date of the resolution is 3,252,523,474 Shares.

In addition, the Directors were authorised under the Share Issue Mandate to issue Shares on a non pro rata basis, and in exercising the authority conferred by the Share Issue Mandate the Company will comply, *inter-alia*, with the requirements imposed by the SGX-ST from time to time and the Catalist rules which includes the issuance of Shares at a discount not exceeding 10% of the weighted average price of the Shares for trades done on SGX-ST for the full market day on which the placement agreement in relation to such Shares is executed (or if not available, the weighted average price based on the trades done on the preceding market day up to the time the placement agreement is signed).

The Issue Price of S\$0.01145 for each Placement Share represents a discount of 0.048 cents per Share or approximately a 4.05% discount to the weighted average price for trades done in respect of the Shares on the Catalist on 7 January 2014, being the full market day preceding 8 January 2014 (being the date of signing of the Placement Agreement).

The Placement Shares represent approximately 17.74% of the aggregate existing number of issued Shares as at the date of this announcement. The proposed issue and allotment of the Placement Shares to the Placees at the Issue Price for each Placement Share are within the limits of the Share Issue Mandate obtained at the 2013 AGM.

No prospectus or Offer Information Statement to be issued

The Proposed Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

Shareholdings

The number of Shares held by the Directors, the substantial shareholders, the Placees and other shareholders of the Company before and after the completion of the Placement, as well as their percentage shareholdings are as follows:-

	Number of Shares held before the Proposed Placement	% of Existing Issued Share Capital	Number of Shares held after the Proposed Placement	% of Enlarged Issued Share Capital
<u>Directors</u>				
Luk Chung Po	53,257,532	1.64%	53,257,532	1.39%
Gao Xiangjun, Richard	1,506,000	0.05%	1,506,000	0.04%
Mak Tin Sang	39,502	0.00%	39,502	0.00%
Chou Tao-Hsiung, Joseph	887,626	0.03%	887,626	0.02%
Phuah Lian heng	0	0.00%	0	0.00%
Lee Joo Hai	0	0.00%	0	0.00%
<u>Substantial Shareholder</u>				
Zhang Jian Hua	237,100,000	7.29%	237,100,000	6.19%
<u>Other Shareholders</u>				
<u>Placees</u>				
Man Wai Ming	78,250,000	2.41%	186,250,000	4.86%
Wong Chun Chong	101,000,000	3.11%	173,000,000	4.52%
Cou Tzi Meng	3,021,000	0.09%	158,021,000	4.39%
Lam Cho Ying Terence Joe	41,200,000	1.27%	113,200,000	2.96%
Yeo Siew Luan	0	0.00%	60,000,000	1.57%
Pek Seck Wei	0	0.00%	50,000,000	1.31%
Ye Shu Guang	0	0.00%	60,000,000	1.57%
Other existing Shareholders	2,736,261,814	84.13%	2,736,261,814	71.45%
TOTAL	3,252,523,474	100.00%	3,829,523,474	100.00%

Notes:

(1) Based on the Company's Existing Issued Share Capital of 3,252,523,474 Shares.

(2) Based on the Company's Enlarged Issued Share Capital of 3,829,523,474 Shares after taking into account the Existing Issued Share Capital of 3,252,523,474 Shares and the Proposed Placement.

(3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

(4) Mr. Luk Chung Po holds 8,876,255 Shares through nominee company(ies). Mr. Luk Chung Po is deemed interested in the Shares held by Compelling Vision Technology Limited by virtue of Mr. Luk Chung Po's 100% shareholding in Compelling Vision Technology Limited.

(5) The shareholdings of Directors and substantial shareholder are based on the Register of Directors and substantial Shareholders as at 8 January 2014. As at 8 January 2014, Zhang Jian Hua is the only substantial Shareholders of the Company.

Upon the completion of the Proposed Placement, none of the Placees will each, individually, be interested in more than 5% of the Company's Enlarged Issued Share Capital.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

Effects of the Proposed Placement on the Group's issued and paid-up Share Capital

As at the date of this announcement, the issued and paid-up Share capital is approximately HK\$162,626,174 comprising 3,252,523,474 Shares. Upon completion of the Proposed Placement and assuming that all the 577,000,000 Placement Shares are issued, the Share capital will be increased by approximately 17.74% to approximately HK\$191,476,174 comprising 3,829,523,474 Shares.

Effects of the Proposed Placement on consolidated net tangible assets ("NTA") per share

For illustrative purposes only, the following is an analysis of the effects of the Proposed Placement on the NTA per share before and after adjustment to reflect the Placement Shares based on the Group's unaudited consolidated balance sheet as at 30 September 2013 are as follows:

NTA as at 30 September 2013 (HK\$'000)	299,010
Add: Net Proceeds from the Proposed Placement (HK\$'000)	38,773
NTA after the Proposed Placement (HK\$'000)	337,783
Number of Shares in issue as at 7 January 2014	3,252,523,474
NTA per share as at 30 September 2013 (HK\$ cents)	9.19
Number of Shares in issue after the Proposed Placement	3,829,523,474
NTA per share after the Proposed Placement (HK\$ cents)	8.82

Notes:

- Assuming exchange rate of S\$1:HK\$6.1138 as at 7 January 2014

Effects of the Proposed Placement on consolidated earnings per Share

As at the date of this announcement, the Directors are of the opinion that the Proposed Placement will not have any material effect on the earnings per Share of the Company. As and when the net proceeds from the Proposed Placement are deployed, the effect on the earnings per Share will depend on the then prevailing earnings per Share and the returns or earnings generated from such deployment.

Having regard to the existing banking facilities available to the Company and the Group, and taking into account the cash resources available to the Group, cash used in operating activities for the Group and barring unforeseen circumstances, the Directors are of the opinion, that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements.

As disclosed in section 3 of this announcement, the balance of the Net Proceeds will be used for the Group's general corporate and working capital purposes, including to further supplement and augment the working capital available to the Group in view of the current uncertain and volatile economic conditions faced by the Group.

Having regard to the existing banking facilities available to the Company and the Group, and taking into account the Net Proceeds, the cash resources available to the Group, cash used in operating activities for the Group and barring unforeseen circumstances, the Directors are of the opinion, that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements.

6. INTEREST OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Placement Shares will be placed by the Company to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of Rules of Catalist of the SGX-ST Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement and/or the Proposed Placement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

By Order of the Board of Armarda Group Limited

Luk Chung Po, Terence

Executive Director

8 January 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Mr. Liau H. K.
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