

ARMARDA GROUP LIMITED

(Incorporated in Bermuda on 13 August 2003)

(Company Registration No: 34050)

PROPOSED PLACEMENT OF 166,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ARMARDA GROUP LIMITED (THE "COMPANY"), AT AN ISSUE PRICE OF HK\$0.19375 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 166,000,000 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 HK\$0.19375 (the "Issue Price") for each Placement Share (or approximately S\$0.0310 based on an exchange rate of HK\$6.25/S\$ as at 27 April 2012) for each Placement Share.

Details on the Proposed Placement are provided herein.

2. PROPOSED PLACEMENT

The Directors wish to announce that the Company has on 28 April 2012 entered into a placement agreement (the "Placement Agreement") with the placees listed in the table below (collectively, the "Placees"), pursuant to which the Placees have agreed to subscribe for a total of 166,000,000 Placement Shares at HK\$0.19375 (or approximately S\$0.0310) for each Placement Share, in the proportion as set out against their perspective names below.

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)}
Mr. Nie Guo Qing 聂国庆	25,000,000	2.22%	1.93%
Ms. Wang Yan Jun 王艳君	45,000,000	3.99%	3.48%
Ms. Cho Wong Yuet Lai, Lisa 黄月丽	50,000,000	4.43%	3.86%
Mr. Man Wai Yip, (万伟业) ⁽⁴⁾	25,000,000	2.22%	1.93%
Mr. Teo Yong Ping	11,000,000	0.97%	0.85%
Mr. Tan Thiam Chye	8,000,000	0.71%	0.62%
Mr. Ho Kok Fi	2,000,000	0.18%	0.15%
TOTAL	166,000,000	14.71%	12.82%

Notes:

(1) Based on the Company's existing issued share capital of 1,128,640,474 shares.

(2) Based on the Company's enlarged issued share capital of 1,294,640,474 shares after taking into account the existing Share capital of 1,128,640,474 Shares and the Proposed Placement of 166,000,000 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.

(4). Mr. Man Wai Yip had participated in the Company's previous placement exercise as announced by the Company on 26 August 2010. Mr. Man Wai Yip currently hold 5,751,000 Shares, representing approximately 0.51% of the existing issued share capital of the Company.

The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued ordinary shares (“**Shares**”) of HK\$0.05 each in the capital of the Company, except for any dividends, distributions or entitlements the record date of which falls before the date of issue of the Placement Shares.

Pursuant to the Proposed Placement, the number of Shares held by the shareholders of the Company (“**Shareholders**”), comprising the Directors, the Placees and other Shareholders as well as their percentage of shareholdings are as follows:-

Substantial Shareholder⁽⁵⁾ & Other Shareholders	Number of Shares Held Before Proposed Placement	% of existing issued Share capital^{(1) (3)}	Number of Shares Held After Proposed Placement	% of enlarged issued Share capital^{(2) (3)}
Luk Chung Po ⁽⁴⁾	53,257,532	4.72%	53,257,532	4.11%
Gao Xiangjun, Richard	1,506,000	0.13%	1,506,000	0.12%
Chou Tao-Hsiung, Joseph	887,626	0.08%	887,626	0.07%
Phuah Lian Heng	Nil	Nil	Nil	Nil
Lee Joo Hai	Nil	Nil	Nil	Nil
Placees	5,751,000⁽⁶⁾	0.51%⁽⁶⁾	171,751,000⁽⁶⁾	13.27%⁽⁶⁾
Other Shareholders	1,067,238,316	94.56%	1,067,238,316	82.44%
Total	1,128,640,474	100.00%	1,294,640,474	100.00%

Notes:

(1) Based on the Company's existing issued share capital of 1,128,640,474 shares.

(2) Based on the Company's enlarged issued share capital of 1,294,640,474 shares after taking into account the existing Share capital of 1,128,640,474 Shares and the Proposed Placement of 166,000,000 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.

(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) As at the latest practicable date, there is no substantial shareholder in the Company.

(6) The figure takes into account the current shareholding of Mr. Man Wai Yip and he had participated in the Company's previous placement exercise as announced by the Company on 26 August 2010. Mr. Man Wai Yip currently hold 5,751,000 Shares, representing approximately 0.51% of the existing issued share capital of the Company. The number of Shares to be issued pursuant to the Proposed Placement of 166,000,000 Shares represents approximately 12.82% of the enlarged issued Share capital.

The Placement Shares, which will be priced at HK\$0.19375 (or equivalent to approximately S\$0.0310) each, represents a discount of approximately 9.9% to the weighted average price of approximately S\$0.0344 for trades done on the Catalist for the full market day on 27 April 2012, being the market day preceding the date for which the Placement Agreement was entered into.

In addition, pursuant to the Placement Agreement, each of the Placees 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 or any of the Vendors as named and defined in the circular dated 5 December 2011 issued by the Company ("**Named Vendors**");
- (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 or any of the Named Vendors;
- (c) he/it is not any of the persons set out in Rule 812(1) Section B: Rules of Catalist of the SGX-ST Listing Manual ("**Catalist Rules**");
- (d) he/it is not acting in concert with any other Placee(s), Director(s) and/or substantial Shareholder(s) or any of the Named Vendors; and
- (e) he/it is not acting in accordance with the instructions of any other Placee(s), Director(s) and/or substantial Shareholder(s) or any of the Named Vendors;

Upon the 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 of the Placees have represented to the Company that they are subscribing for the Placement Shares purely for the purposes of investment.

Background of the Placees

No placement agent has been appointed in view of the size of the transaction and the rationale for placing the shares to the placees is to meet the funding requirements of the Company and its subsidiaries ("**Group**") pursuant to the Proposed Placement. The above mentioned placees were identified as described in the ensuing paragraphs.

The placees, namely Mr. Nie Guo Qing, Ms. Wang Yan Jun, Ms. Wong Yuet Lai and Mr. Wan Wai Yip were referred to the Company by AC Partners Corporate Advisory Limited, a Hong Kong based independent consulting company specializes in structuring and managing M&A and fund raising transactions as well as providing advisory services on corporate restructuring, business analysis, market development and investor relations with a focus at the Pan Asia and the Greater China markets, which had in the past provided consultancy services to the Company.

Mr. Nie Guo Qing is an entrepreneur currently residing in the PRC and has been running technology related business in Zhuhai for around 10 years. Prior to residing in Zhuhai, Mr. Nie had worked at both local governmental and private enterprises in Harbin (哈尔滨市) of the Hei Long Jiang province (黑龙江省) for almost 20 years.

Ms. Wang Yan Jun is currently residing in the PRC and holding senior management position in a property development group based in Zhuhai. Apart from her job, Ms. Wang has been actively making private investments both in the stock as well as property market in the PRC and selected overseas market in the past 10 years.

Ms. Wong Yuet Lai is a New Zealand national currently residing in Hong Kong. Ms. Wong has been running her family business in Hong Kong for over 30 years and is actively investing in both property and stock markets during the past 10 years.

Mr. Man Wai Yip is an entrepreneur running a freight forwarding business in Hong Kong and he had subscribed for 45,000,000 Shares during the Company's previous placement exercise as announced on 26 August 2010. Mr. Man Wai Yip currently holds 5,751,000 Shares, representing approximately

0.51% of the Company's existing issued share capital. Upon completion of the Proposed Placement, he will hold 30,751,000 Shares, representing approximately 2.38% of the enlarged issued share capital of the Company.

The other placees from Singapore, namely Mr. Teo Yong Ping, Mr. Tan Thiam Chye and Mr. Ho Kok Fi are businessmen and financial investors who invest in companies with growth potential. These placees were referred to the Company by Asian Corporate Advisors Pte. Ltd. ("**ACA**"), who has been appointed to assist in the Placement.

No directions and restrictions were imposed on the identities and the number of Shares to be placed to each of the placees named above or on AC Partners Corporate Advisory Limited or ACA.

Save for Mr. Man Wai Yip, none of the other Placees has participated in any previous share placement exercise by the Company.

No placement commission will be payable for the Proposed Placement but success fees being 5% on the amount of the proceeds raised by ACA will be payable to ACA. AC Partners Corporate Advisory Limited will be paid for consultancy and professional services of approximately HK\$1.4m.

In addition, pursuant to engagement letter(s) entered into by the Company, fees of 3.5% on the aggregate amount of the proceeds raised from the Proposed Placement is payable to a financial institution who, *inter-alia* as mentioned in the Company's circular dated 5 December 2011, has indicated its acceptance of appointment as a fund raising agent to raise up to S\$50 million on a best effort basis for the construction of the earth station as described in the said circular.

Financial Effects of the Proposed Placement

As at the date of this announcement, the issued and paid-up Share capital is approximately HK\$56,432,023.70, comprising 1,128,640,474 Shares. Upon completion of the Proposed Placement and assuming that all the 166,000,000 Placement Shares are issued, the Share capital will be increased by approximately 14.71% to approximately HK\$64,732,023 comprising 1,294,640,474 Shares.

Based on the unaudited consolidated balance sheet of the Company and its subsidiaries (the "**Group**") as at 31 December 2011, the issue of the Placement Shares will increase the number of Shares of the Company from 1,128,640,474 Shares to 1,294,640,474 Shares and increase the consolidated net tangible asset ("**NTA**") per Share attributable to equity Shareholders of the Company by 1.12 HK cents or from 8.59 HK cents to 9.71 HK cents (after adjusting for the issue of 166,000,000 Placement Shares and assuming the Proposed Placement had been completed at the end of 12 months ended 31 December 2011).

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. 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.

The Directors are of the opinion, after taking into consideration the cash and cash equivalents, internal resources and available banking facilities of the Company and its subsidiaries ("**Group**") and barring unforeseen circumstances, that the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement. In addition, the Directors are of the opinion that, barring unforeseen circumstances and after taking into account the estimated net proceeds from the Proposed Placement (the "**Net Proceeds**"), the cash and cash equivalents, internal resources, and available banking facilities, the working capital available to the Group are sufficient to meet its present requirements. Notwithstanding the sufficiency of Group's current working capital requirements, the Directors are of the opinion that the Proposed Placement will supplement and augment the Group's working capital where applicable.

Use of Proceeds

The Net Proceeds from the Proposed Placement, after deducting estimated expenses (including professional, consultancy and the success fees), will amount to approximately HK\$28.8 million (or approximately S\$4.6 million).

The Company intends to utilize:-

- a. up to approximately HK\$21.9 million (or approximately S\$3.5 million) or approximately 76% of the Net Proceeds to finance: (i) the Group's existing investment opportunities or investments pursuant to the Proposed Acquisition, including the consideration for the Proposed Acquisition and payment of any professional fees or expenses; or in the event such has been paid or are payable from the Group's existing financial resources, operating cash flows and bank facilities to supplement and augment the Group's cash and financial resources; and (ii) any new proposed investment opportunities or investments that Group may embark upon (and which has yet to be identified) including, but not limited to, the professional's the cost and expenses that may be incurred for such investments; and
- b. the balance of the Net Proceeds for the Group's general corporate and working capital purposes and to further supplement the working capital available to the Group during this period of uncertain and volatile economic/financial conditions.

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

Conditions Precedent

The Proposed Placement is subject to certain conditions precedent more particularly set out in the Placement Agreement, including the confirmation in-principle of the continuing sponsor of the Company, the submission of the confirmation for an additional listing to the SGX-ST in connection with the listing and quotation of the Placement Shares on the Catalist and the listing and quotation notice for the Placement Shares being obtained from the SGX-ST.

An application for the listing of and quotation for the Placement Shares will be made to the SGX-ST.

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 23 April 2011 (the "2011 AGM"). On 28 December 2011, the Company announced the change of its financial year end from 31 December to 31 March. In accordance with the SGX-ST listing rules and Companies Act, the Company will hold its next Annual General Meeting on or before 31 July 2012.

In addition, the Directors were authorized 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% from the weighted average price of the Shares for trades done on SGX-ST for the full market day on which the placement or subscription 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 of subscription agreement is signed).

The aggregate number of Placement Shares represents approximately 14.71% of the aggregate 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 are within the limits of the Share Issue Mandate obtained at the 2011 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.

3. INTEREST OF THE DIRECTORS, CONTROLLING SHAREHOLDERS 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, or any other person falling within the categories set out in Rule 812(1) of Rules of Catalist of the SGX-ST Listing Manual.

Save as disclosed above, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

4. 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

29 April 2012

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.

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