

**ARMARDA GROUP LIMITED**  
**(the “Company”)**  
(Incorporated in Bermuda on 13 August 2003)  
(Registration No.: 34050)

---

**LETTER OF INTENT IN RELATION TO THE PROPOSED ACQUISITION OF GUIYANG ZHONGDIAN GAOXIN DIGITAL TECHNOLOGIES LIMITED (“GUIYANG TECH”)**

---

## **1. Introduction**

The Board of Directors (the “**Board**”) of Armarda Group Limited (“**Armarda**” or the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce that it had on 15 October 2014 entered into a non-binding letter of intent (“**LOI**”) with certain vendors (the “**Vendors**”) for the proposed acquisition of Guiyang Tech (the “**Proposed Acquisition**”). Due to confidentiality undertaking, the Company is precluded from disclosing the names of the Vendors at this juncture.

Based on the preliminary negotiation, the initially discussed consideration amount for the entire issued and paid up capital of Guiyang Tech is between RMB160 million to RMB200 million. The final purchase consideration shall be subject to further discussion and negotiation between the Company and the Vendors. Upon execution of the definitive sales and purchase agreement, the Company will commission an independent valuer to conduct valuation for Guiyang Tech,

The LOI is non-binding and has been executed to demonstrate the sincerity and the agreement by both parties to commence discussions. The LOI is subject to, *inter alia*, due diligence, agreement by all parties for terms of the Proposed Acquisition, execution of definitive sales and purchase agreement with terms and conditions (including but not limited to pricing, number of Guiyang Tech shares to be acquired, and terms of payment) to be agreed by the Company and the Vendors. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will materialize or whether parties to the transaction will agree on mutually acceptable terms and conditions.

## **2. Information on Guiyang Tech**

The Vendors are currently holding 100% of Guiyang Tech. Guiyang Tech is principally engaged in provision of a high performance internet data centre (“**IDC**”), cloud computing and big data services with a first-of-its-kind, robust tier four<sup>1</sup> standard data storage facility in the Guiyang region, Guizhou province, the People Republic of China (“**PRC**”), which commenced full operation in October 2014, comprising 660 cabinets and hosting up to approximately 6,600 data servers.

Having signed a strategic cooperation framework agreement with China Telecom, Guiyang Tech’s target client list includes one of the largest food manufacturer and retailer in China, as well as Guiyang-based enterprises and various Guiyang municipal government bodies.

## **3. Rationale for the Proposed Acquisition**

The Board is of the view that the Proposed Acquisition is in the best interest of the Group as it will enable the Group to extract synergies from Guiyang Tech to integrate and enhance its own platforms of enterprise cloud solutions, mobile satellite communications cloud applications for marine users, and

---

<sup>1</sup> Tier 1 to 4 data center is a standardized methodology used to define uptime of data center. This is useful for measuring data centre performance, investment and return on investment. Tier 4 data center considered as most robust and less prone to failures. Tier 4 is designed to host mission critical servers and computer systems, with fully redundant subsystems (cooling, power, network links, storage etc) and compartmentalized security zones controlled by biometric access controls methods. Naturally, the simplest is a Tier 1 data center used by small business or shops. Specification of the different tiers:

- Tier 1 = Non-redundant capacity components (single uplink and servers).
- Tier 2 = Tier 1 + Redundant capacity components.
- Tier 3 = Tier 1 + Tier 2 + Dual-powered equipment and multiple uplinks.
- Tier 4 = Tier 1 + Tier 2 + Tier 3 + all components are fully fault-tolerant including uplinks, storage, chillers, HVAC systems, servers etc. Everything is dual-powered.

mobile enterprise retail planning application as a solution for the mobile virtual network operator (MVNO) business, IDC and its MSS customers. In addition, the Group will be able to leverage on Guiyang Tech's high performance data centre and growing customer base to strengthen its reach in the China market.

#### **4. Conditions Precedent**

The LOI sets out the preliminary intentions of the parties with regard to the Proposed Acquisition and is subject to certain conditions precedent, including but not limited to, due diligence, agreement by all parties for terms of the Proposed Acquisition, the execution of definitive sale and purchase agreement relating to the Proposed Acquisition, the approval of the Board and shareholders of the Company ("**Shareholders**") being obtained in relation to the Proposed Acquisition (where applicable), as well as such other approvals or consents as may be required and applicable from such other regulatory authorities.

Save as disclosed herein, there are no other material terms and conditions attached to the LOI.

#### **5. Interests of Directors and Controlling Shareholders**

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition other than through their shareholdings in the Company.

#### **6. Further announcements**

The Company will make further announcements, in compliance with requirements of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst ("**Catalist Rules**") where applicable.

The Company undertakes that it will comply with requirements of Chapter 10 of the Catalyst Rules including but not limited to seeking Shareholders' approval for the Proposed Acquisition (where applicable).

#### **7. Cautionary Statement**

Shareholders should note that the LOI is non-binding and is subject to execution of definitive sales and purchase agreement with terms and conditions to be agreed by the Company and the Vendors. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will materialize or whether the Proposed Acquisition, if materialize, will result in Guiyang Tech becoming the wholly-owned subsidiary of the Company. Shareholders should also note that the terms and conditions for the Proposed Acquisition (including but not limited to pricing, number of Guiyang Tech shares to be acquired, and terms of payment) are currently being negotiated and that no definitive terms has been agreed upon and that it is not certain that parties to the transaction will agree on mutually acceptable terms and conditions. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

#### **8. Responsibility Statement**

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) 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**

Luk Chung Po, Terence  
Executive Director

15 October 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The 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. Liao H.K.  
Telephone number: 6221 0271*