

ARMARDA GROUP LIMITED

(Incorporated in Bermuda)

USE OF PLACEMENT PROCEEDS

The Board of Directors (the "Board") of Armarda Group Limited (the "Company") refers to the issue of 57,200,000 new ordinary shares of HK\$0.02 each ("New Shares") in the capital of the Company pursuant to the placement exercise in April 2006.

Further to the Company's announcement on 15 February 2007 in relation to the use of approximately HK\$8.3 million (equivalent to approximately S\$1.63 million at the conversion rate of HK\$5.1 to S\$1.0), representing 60% of the net proceeds of approximately S\$2.7 million received for the placement of New Shares has been used by the Company for financing the Phase 1 investment in new joint venture with the Fesco Group in China, the Board wishes to inform that approximately HK\$5.5 million (equivalent to approximately S\$1.07 million at the conversion rate of HK\$5.14 to S\$1.0), representing the remaining 40% of the net proceeds has been used by the Company for financing the Phase 2 investment in new joint venture with the Fesco Group in China. As a result, the net proceeds of approximately S\$2.7 million received by the Company for the placement of New Shares pursuant to the placement exercise in April 2006 has been fully used up for the purpose as specified.

As further information to the shareholders, in accordance with the agreed capital injection schedule stipulated in the joint venture agreement with the Fesco Group, the Company has actually paid a total amount of approximately HK\$7.8 million for financing the Phase 2 investment in new joint venture with the Fesco Group in China, the remaining amount of approximately HK\$2.3 million has been financed by the normal working capital of the Company.

By order of the Board

August 15, 2007

Mak Tin Sang

Company Secretary

Armarda Group Limited