ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the twelve months ended 31 March 2013 ("12M2013"). These figures have not been audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

ARMARDA GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2013
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2013	**Fifteen Months Ended** 31.3.2012
Revenue	14,438	48,184
Other income	560	1,166
Personnel expenses	(8,116)	(9,128)
Depreciation	(665)	(686)
Amortisation of intangible assets	(744)	(6,563)
Impairment of other receivable	-	(3,487)
Impairment of other investment	(2,831)	(4,110)
Cost of goods sold	(9,875)	(21,477)
Subcontracting fees	(2,073)	(19,404)
Other expenses	(30,524)	(38,405)
Finance costs	(639)	(165)
Share of profit of associate	1,211	1,250
Loss before taxation	(39,258)	(52,825)
Income tax (expense) / credit	(729)	2,522
Loss for the period	**(39,987)**	**(50,303)**
Attributable to:		
Equity shareholders of the Company	(39,987)	(49,388)
Non-controlling interest	-	(915)
Loss for the period	**(39,987)**	**(50,303)**

1(a)(ii) A consolidated statement (for the group) of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year

ARMARDA GROUP LIMITED
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2013
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2013	Fifteen Months Ended 31.3.2012
Loss for the period	**(39,987)**	**(50,303)**
Other comprehensive income		
Currency translation difference arising from consolidation	(15)	2,830
Share of translation reserve of associate	207	993
Revaluation gain on property, plant and equipment	-	1,463
Total comprehensive loss for the period	**(39,795)**	**(45,017)**
Total comprehensive loss attributable to		
Equity shareholders of the Company	(39,795)	(44,102)
Non-controlling interest	-	(915)
Total comprehensive loss for the period	**(39,795)**	**(45,017)**

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

ARMARDA GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Non-current assets		.		
Interest in an associate - CSMCG	155,129	-	155,129	-
Interest in an associate - Fesco E-HR	29,636	27,496	-	-
Subsidiaries	-	-	-	-
Property, plant and equipment	575	4,250	-	-
Investment properties	-	5,765	-	-
Intangible assets	3,534	4,278	-	-
Due from subsidiaries (non-trade)	-	-	92,736	60,486
Other investments	-	2,837	-	-
Other assets	17,511	973	-	-
	206,385	45,599	247,865	60,486
Current assets				
Trade and other receivables	17,588	66,820	198	211
Cash and cash equivalents	30,008	13,089	4	4
Due from associate	1,704	-	-	-
	49,300	79,909	202	215
Non-current assets held for sale	8,474	-	-	-
Total assets	264,159	125,508	248,067	60,701
Current liabilities				
Obligations under finance lease	251	436	-	-
Short term loan	-	5,519	-	-
Trade and other payables	27,329	17,401	8,054	3,008
Due to a subsidiary (non-trade)	-	-	30,441	-
Income tax payable	472	469	-	-
	28,052	23,825	38,495	3,008
Non-current liabilities				
Deferred tax liabilities	2,037	1,291	-	-
Total liabilities	30,089	25,116	38,495	3,008
Net assets	**234,070**	**100,392**	**209,572**	**57,693**
Equity				
Capital and reserves attributable to equity shareholders of the Company				
Share capital	126,191	56,432	126,191	56,432
Reserves	107,879	43,960	83,381	1,261
Total equity	**234,070**	**100,392**	**209,572**	**57,693**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 31.3.2013 In HK$'000		As at 31.3.2012 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	251	-	436	-
Bank Loans	-	-	5,519	-

Amount repayable after one year

	As at 31.3.2013 In HK$'000		As at 31.3.2012 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	-	-	-	-
Bank Loans	-	-	-	-

Details of any collateral

In the pior year, the bank loans are secured by the Group's leasehold property in PRC.

The hire purchase loans are secured by the Group's motor vehicles.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

ARMARDA GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2013
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2013	Fifteen Months Ended 31.3.2012
Cash flows from operating activities		
Loss before taxation	(39,258)	(52,825)
Adjustment for :		
Interest income	(15)	(17)
Share of profit of an associate	(1,211)	(1,250)
Loss on disposal of property, plant and equipment	85	-
Interest expenses	639	165
Fair value adjustment of investment property	268	(242)
Depreciation of property, plant and equipment	665	686
Amortisation of intangible assets	744	6,563
Impairment loss of other investment	2,831	4,110
Share based payment on professional expenses	1,118	7,841
Operating loss before working capital changes	(34,134)	(34,969)
Decrease in trade and other receivables	2,303	5,852
Increase in other payables and accruals	9,626	5,982
Advance to an associate	(1,704)	-
Cash used in operations	(23,909)	(23,135)
Interest income received	15	17
Interest paid	(639)	(165)
Net cash used in operating activities	(24,533)	(23,283)
Cash flows from investing activities		
Purchase of property, plant and equipment	(22)	(231)
Proceeds from disposal of property, plant and equipment	33	5
Proceeds from disposal of other investment	-	35
Acquisition of non-controlling interest	-	(5,000)
Acquisition of an associate	(14,573)	-
Net cash used in investing activities	(14,562)	(5,191)
Cash flows from financing activities		
Repayment of finance lease obligations	(185)	(254)
Proceeds of bank term loans	-	5,434
Repayment of loan	(5,507)	-
Net proceeds from issuance of new shares, net of issue costs	61,506	23,217
Net cash from financing activities	55,814	28,397
Net increase / (decrease) in cash and cash equivalents	**16,719**	**(77)**
Cash and cash equivalents at beginning of the period	13,089	12,676
Effect of exchange rate fluctuations in cash and cash equivalent	200	490
Cash and cash equivalents at end of the period	**30,008**	**13,089**
An analysis of cash and cash equivalents as follows :		
Cash at bank and in hand	**30,008**	**13,089**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share-Based Capital Reserve	PRC Statutory Reserve	Re-Valuation Reserve	Other Deficit	Contributed Surplus	Non-Controlling Interest	Retained Earnings / (Accum. Losses)	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2012	**56,432**	**159,991**	**31,806**	**20,174**	**5,863**	**1,561**	**(49,466)**	**43,348**	**-**	**(169,317)**	**100,392**
Issuance of 166,000,000 new ordinary shares for placement	8,300	23,272	-	-	-	-	-	-	-	-	31,572
Issuance of 10,683,000 new professional fees shares	534	584	-	-	-	-	-	-	-	-	1,118
Issuance of 263,500,000 new ordinary shares for placement	13,175	22,495	-	-	-	-	-	-	-	-	35,670
Issuance of 35,000,000 new professional fees shares	1,750	6,093	-	(7,843)	-	-	-	-	-	-	-
Issuance of 920,000,000 new ordinary shares for 45% CSMCG	46,000	64,849	-	-	-	-	-	-	-	-	110,849
Share issue expense	-	(5,736)	-	-	-	-	-	-	-	-	(5,736)
Other comprehensive income, net of tax	-	-	192	-	-	-	-	-	-	-	192
Lapse of employee share options				(12,331)						12,331	-
Net loss for the period from 1.4.2012 to 31.3.2013	-	-	-	-	-	-	-	-	-	(39,987)	(39,987)
At 31 March 2013	**126,191**	**271,548**	**31,998**	**-**	**5,863**	**1,561**	**(49,466)**	**43,348**	**-**	**(196,973)**	**234,070**

The Group	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share-Based Capital Reserve	PRC Statutory Reserve	Re-Valuation Reserve	Other Deficit	Contributed Surplus	Non-Controlling Interest	Accum. Losses	Total Equity
At 1 January 2011	**48,232**	**131,542**	**27,983**	**12,544**	**5,863**	**98**	**(19,027)**	**43,348**	**1,408**	**(120,140)**	**131,851**
Issuance of 114,000,000 new ordinary shares	5,700	18,835	-	-	-	-	-	-	-	-	24,535
Expenses of new shares issue	-	(1,318)	-	-	-	-	-	-	-	-	(1,318)
Issuance of 50,000,000 new ordinary shares for acquisition of non-controlling interest without a change in control	2,500	10,932	-	-	-	-	(30,439)	-	(493)	-	(17,500)
Other comprehensive income, net of tax	-	-	3,823	-	-	1,463	-	-	-	-	5,286
Lapse of employee share options	-	-	-	(211)	-	-	-	-	-	211	-
Equity settled share-based payment	-	-	-	7,841	-	-	-	-	-	-	7,841
Net loss for the period from 1.1.2011 to 31.3.2012	-	-	-	-	-	-	-	-	(915)	(49,388)	(50,303)
At 31 March 2012	**56,432**	**159,991**	**31,806**	**20,174**	**5,863**	**1,561**	**(49,466)**	**43,348**	**-**	**(169,317)**	**100,392**

The Company	Share Capital HK$'000	Share Premium HK$'000	Share-Based Capital Reserve HK$'000	Contributed Surplus HK$'000	Retained Earnings / (Accum. Losses) HK$'000	Total Equity HK$'000
At 1 April 2012	**56,432**	**159,991**	**20,174**	**43,348**	**(222,252)**	**57,693**
Issuance of 166,000,000 new ordinary shares for placement	8,300	23,272	-	-	-	31,572
Issuance of 10,683,000 new professional fees shares	534	584	-	-	-	1,118
Issuance of 263,500,000 new ordinary shares for placement	13,175	22,495	-	-	-	35,670
Issuance of 35,000,000 new professional fees shares	1,750	6,093	(7,843)	-	-	-
Issuance of 920,000,000 new ordinary shares for 45% CSMCG	46,000	64,849	-	-	-	110,849
Share issue expense	-	(5,736)	-	-	-	(5,736)
Lapse of employee share options			(12,331)		12,331	-
Net loss for the period from 1.4.2012 to 31.3.2013	-	-	-	-	(21,594)	(21,594)
At 31 March 2013	**126,191**	**271,548**	**-**	**43,348**	**(231,515)**	**209,572**

The Company	Share Capital HK$'000	Share Premium HK$'000	Share-Based Capital Reserve HK$'000	Contributed Surplus HK$'000	Retained Earnings / (Accum. Losses) HK$'000	Total Equity HK$'000
At 1 January 2011	**48,232**	**131,542**	**12,544**	**43,348**	**(105,223)**	**130,443**
Issuance of 114,000,000 new ordinary shares	5,700	18,835	-	-	-	24,535
Expenses of new shares issue	-	(1,318)	-	-	-	(1,318)
Issuance of 50,000,000 new ordinary shares for acquisition of non-controlling interest without a change in control	2,500	10,932	-	-	-	13,432
Lapse of employee share options	-	-	(211)	-	211	-
Equity settled share-based payment	-	-	7,841	-	-	7,841
Net loss for the period from 1.1.2011 to 31.3.2012	-	-	-	-	(117,240) .	(117,240)
At 31 March 2012	**56,432**	**159,991**	**20,174**	**43,348**	**(222,252)**	**57,693**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company entered into a sales and purchase agreement on 28 March 2011 to acquire 45% equity interest in China Satellite Mobile Communications Group Limited (the "45% CSMCG Acquisition"), the purchase consideration in combination of loan notes of HK$45 million and 920,000,000 fully paid-up ordinary shares of HK$0.05 each (the "Consideration Shares") in the capital of the Company representing HK$409.5 million at an issue price of S$0.075 (equivalent to HK$0.445). The Consideration Shares have been alloted on 28 November 2012, details of which can be referred under the section Interest in an Associate – CSMCG.

In relation to the 45% CSMCG Acquisition, the Company issued 35,000,000 fully paid-up ordinary shares ("First Tranche Professional Fee Shares") on 17 July 2012 as in kind payment of profesional fees in relation to the Proposed Acquisition. The SGX-ST had on 24 May 2012 issued a notice for the listing and quotation of the First Tranche Professional Fee Shares and such shares had been listed and quoted on Catalist on 18 July 2012.

The Company has on 28 April 2012 entered into a placement agreement with seven independent investors for the issuance of 166,000,000 new ordinary shares ("Placement Shares") of HK$0.05 each in the capital at an issue price of S$0.031 (equivalent of approximately HK$0.19375) for a total gross proceeds of S$5,146,000 (equivalent of approximately HK$32,162,500) (the "Proposed Placement"). The SGX-ST had on 24 May 2012 issued a notice for the listing and quotation of 166,000,000 Placement Shares, 96,000,000 and 70,000,000 new ordinary shares have been allotted on 21 June 2012 and 28 August 2012 respectively. It was mutually agreed by both the Company and UOB Kay Hian Private Limited ("UOBKH") that the outstanding fees due to UOBKH for the placement fees in respect of the provision of services of S$178,412.47 will be settled via the issuance of 10,683,000 new shares at an issue price of S$0.0167 for each new share. Subsequently, the new shares have been allotted on 1 October 2012.

The Company has on 21 January 2013 entered into a placement agreement with UOBKH (the "Placement Agent") and a subscription agreement with four independent investors for the issuance of 147,400,000 and 116,100,000 new ordinary shares respectively of HK$0.05 each in the capital at an issue price of S$0.0216 (equivalent of approximately HK$0.13679). The SGX-ST had on 28 January 2013 issued a notice for the listing and quotation of 263,500,000 placement shares, and such shares have been alloted on 31 January 2013.

Subsequent to the financial year ended 31 March 2013, the Company has on 30 April 2013 entered into a placement agreement with UOBKH (the "Placement Agent") and a subscription agreement with nine independent investors for the issuance of 410,000,000 and 305,700,000 new ordinary shares respectively of HK$0.05 each in the capital at an issue price of S$0.0217 (equivalent of approximately HK$0.136276). The SGX-ST had on 6 May 2013 issued a notice for the listing and quotation of 715,700,000 placement shares, and such shares have been alloted on 13 May 2013.

There is no outstanding convertibles for the shares to be issued on conversion as at 31 March 2013 (31 March 2012 : 23,300,000). The Company has established an employee share option scheme on 12 April 2004. The scheme became operative upon the Company granting options to subscribe for 25,000,000 ordinary shares of the Company on 2 November 2007. All outstanding options are expired on 2 November 2012.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 March 2013 was 2,523,823,474 (31 March 2012 : 1,128,640,474).

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation, and/or use of treasury shares as at the end of the current financial period reported on.

For financial year ended 31 March 2013, the Company does not have any sales, transfers, disposals, cancellation, and/or use of treasury shares.

There are no treasury shares as at 31 March 2013.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including an qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the prior period ended 31 March 2012. The adoption of the new and revised International Financial Reporting Standards (IFRS) and Interpretations of IFRS (INT IFRS) that are mandatory for financial year beginning on or after 1 April 2012 has no significant impact on the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

The Group

Loss per ordinary share for the year after deducting any provision for preference dividends:				
		12 Months Ended 31.3.2013		**15 Months Ended 31.3.2012**
Based on weighted average number of Ordinary shares in Issue (Please see note below)		**(2.45) HK cents**		**(4.49) HK cents**
On a fully diluted basis (Please see note below)		**(2.45) HK cents**		**(4.41) HK cents**

Note 6a : Basic loss per share

The calculation of basic loss per share is based on the Group's loss attributable to ordinary shareholders of approximately HK$39,987,000 for the 12M2013 (for 15M2012 : loss of approximately HK$49,388,000 and the weighted average number of ordinary shares of 1,630,691,000 for the 12M2013 (for the 15M2012 : 1,099,863,000 in issue during the period.

Note 6b : Diluted loss per share

The outstanding 23,300,000 share options of the Company which will have dilutive potential in prior period was lapsed as at 2 November 2012. The placement shares of 715,700,000 which are alloted on 13 May 2013 has no dilutive effect which both the placement and subscription agreement have been entered into subsequent to the financial year ended 31 March 2013. As a result, the diluted loss per share in current year will be identical to the basic loss per share as aforesaid illustration.

For 15M2012, the loss attributable to ordinary shareholders of approximately HK$49,388,000 and the weighted average number of ordinary shares in issue plus the potential ordinary shares issuable as professional fees during the period being 1,120,917,000 are used as the basis of the calculation of diluted loss per share.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	At 31.3.2013	At 31.3.2012
Net asset value of the Company per ordinary share based on existing issue share capital	**HK$ 0.083 per share**	**HK$ 0.051 per share**
Net asset value of the Group per ordinary share based on existing issue share capital	**HK$ 0.093 per share**	**HK$ 0.089 per share**

The calculation of net asset value per share of the Company as at 31 March 2013 is based on the Company's net asset value of HK$209,572,000 (31 March 2012 : HK$57,693,000) and 2,523,823,474 ordinary shares in issue as at 31 March 2013 (1,128,640,474 ordinary shares in issue as at 31 March 2012).

The calculation of net asset value per share of the Group as at 31 March 2013 is based on the Group's net asset value of HK$234,070,000 (31 March 2012 : HK$100,392,000) and 2,523,823,474 ordinary shares in issue as at 31 March 2013 (1,128,640,474 ordinary shares in issue as at 31 March 2012).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

An announcement was released on 28 December 2011 in respect of the change of financial year end date for prior year from 31 December 2011 to 31 March 2012. The figures presented in this announcement for the financial year ended 31 March 2013 covered twelve months from 1 April 2012 to 31 March 2013 (hereinafter referred as "12M2013"), whereas, the comparative figures for prior financial period ended 31 March 2012 (hereinafter referred as "15M2012") covered fifteen months from 1 January 2011 to 31 March 2012.

Revenue

The Group's revenue generated in the twelve months of 12M2013 decreased by approximately HK$33.7 million to approximately HK$14.4 million from approximately HK$48.2 million in the fifteen months of 15M2012. The decrease in revenue was mainly caused by lower demand from provision of IT services as well as IT equipment for the period.

The following is a breakdown of the Group's revenue generated for the twelve months of 12M2013 and the fifteen months of 15M2012 respectively :

	12M2013 HK$'000	15M2012 HK$'000
Revenue from provision of IT services	2,872	22,913
Revenue from trading of IT equipment	11,566	25,271
	14,438	**48,184**

Cost of goods sold

Cost of goods sold decreased by approximately HK$11.6 million from approximately HK$21.5 million in the fifteen months of 15M2012 to approximately HK$9.9 million in the twelve months of 12M2013. It was primarily due to lower revenue from trading of IT equipment for the period.

Subcontracting fees

Subcontracting fees decreased by approximately HK$17.3 million from approximately HK$19.4 million in the fifteen months of 15M2012 to approximately HK$2.1 million in the twelve months of 12M2013 which is mainly caused by the lower revenue and activities from provision of IT services for the period.

Other income

Other income in the twelve months of 12M2013 consists mainly of (i) the rental income of approximately HK$172 thousand generated from the lease of PRC property which has been classified from investment property to non-current assets held for sale, (ii) interest income of approximately HK$15 thousand which is the interest income earned from cash and cash equivalents for the period, and (iii) the foreign exchange gain of approximately HK$373 thousand arise mainly from HK$ and S$ fluctuation of the Company's Placement Shares.

Other income in the fifteen months of 15M2012 consists mainly of (i) the Group's authorisation to use a software system and capital advance to Shanghai Yi Wei Advertising Company Limited in return share of revenue of approximately HK$0.57 million in the fifteen months of 15M2012, (ii) rental income of approximately HK$0.31 million generated for the lease of PRC property, (iii) the gain on revaluation of investment property of approximately HK$0.24 million, (iv) interest income of approximately HK$17 thousand in the fifteen months of 15M2012 which is the deposit interest income earned, and (v) the foreign exchange gain of approximately HK$25 thousand.

Operating expenses

The Group's total operating expenses (including personnel expenses, depreciation and other expenses but excluding cost of goods sold, subcontracting fees, amortisation and impairment) decreased by approximately HK$8.9 million from approximately HK$48.2 million in the fifteen months of 15M2012 to approximately HK$39.3 million in the twelve months of 12M2013.

The personnel expenses decreased by approximately HK$1.0 million from approximately HK$9.1 million in the fifteen months of 15M2012 to approximately HK$8.1 million in the twelve months of 12M2013 which was mainly caused by the figures representing twelve months only while compare to last reporting period which covers fifteen months.

Depreciation charges remains closely the same of approximately HK0.7 million during both periods in the twelve months of 12M2013 and the fifteen months of 15M2012.

Other expenses decreased by approximately HK$7.9 million to approximately HK$30.5 million in the twelve months of 12M2013 from approximately HK$38.4 million in the fifteen months of 15M2012 due to the effect of twelve months' expenses versus fifteen months' expenses and please find below the breakdown for details.

	12M2013 HK$'000	15M2012 HK$'000
Entertainment	2,987	3,743
Legal & Professional expenses	16,005	23,851
Loss on fair value adjustment of investment property	268	-
Marketing Expenses	1,712	-
Operating lease expenses	1,267	1,453
Others	3,401	3,330
Software development cost	1,046	-
Travelling expenses	3,838	6,028
	30,524	**38,405**

Amortisation of intangible assets in relation to customer relationship (which represents the value of the customer base for a subsidiary) of approximately HK$0.7 million was provided in the twelve months of 12M2013 resulting from business combination.

Amortisation of intangible assets of customer relationship and exclusive distributorship rights of approximately HK$0.9 million and approximately HK$5.6 million respectively were provided in the fifteen months of 15M2012. The exclusive distributorship rights was fully amortised in the fifteen months of 15M2012.

Finance costs increased by approximately HK$474 thousand to approximately HK$639 thousand in the twelve months of 12M2013 from approximately HK$165 thousand in the fifteen months of 15M2012 which is the interest expenses derived from a short term bank loan from PRC and obligation under finance lease. The increase in finance cost which is primarily due to the period of interests incurred in 12M2013 and 15M2012 for approximately ten months and three months respectively with the short term bank loan of approximately RMB4.5 million.

Share of profit of associates of approximately HK$1.2 million representing the share of profit of associate Fesco E-HR of approximately HK$1.9 million and the share of loss of associate CSMCG of approximately HK$0.7 million. Please refer details per below section of interest in an associate.

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Group in the 12M2013 is approximately HK$39.987 million or a decrease of approximately HK$10.3 million as compared to the 15M2012. The loss was mainly attributable by the decrease in revenue of approximately HK$33.7 million. This was partially offset by (i) in the absence of impairment in other receivable of approximately HK$3.5 million, (ii) the decrease in other expenses of approximately HK$7.8 million, (iii) decrease in subcontracting fees of approximately HK$17.3 million, (iv) the decrease in cost of goods sold of approximately HK$11.6 million, and (v) the decrease in amortisation of intangible assets of approximately HK$5.8 million and the decrease in impairment of other investment of approximately HK$1.3 million.

Income tax

The Company was incorporated under the laws of Bermuda and has received an undertaking from the Ministry of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 1996, which exempts the Company and its shareholders, other than shareholders ordinarily residing in Bermuda, from any Bermuda taxes computed on profit, income or any capital asset gain or appreciation, or any tax in the nature of estate duty or inheritance tax, until the year of 2016.

The Group's profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2012: 16.5%). No provision for Hong Kong profits tax was made, as there was no assessable profit derived in Hong Kong for the twelve months ended 31 March 2013.

As a foreign invested enterprise with a paid-up capital of over US$5 million and engaging in the provision of high technology business services in the Zhuhai Special Economic Zone, the Group's operating subsidiary in the PRC, Armarda Technology (Zhuhai) Limited ("ATZH") was fully exempted from PRC income tax for the first two profitable years in FY2004 and FY2005 and it would be entitled to 50% exemption from the applicable standard income tax rate for the another three years in FY2006, FY2007 and FY2008 provided that its production-oriented revenue exceeded 50% of its total revenue in each year (the "50% Criteria").

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the new Corporate Income Tax Law of the People's Republic of China ("new tax law") which has taken effect on 1 January 2008. Pursuant to the notice on the Implementation Rules of the Grandfather Relief under the new tax law, Guofa (2007) No. 39, issued on 26 December 2007 by the State Council, the income tax rate applicable to the subsidiary of the Company in the PRC which had enjoyed preferential tax rates before 1 January 2008 will be gradually increased from the ex-preferential income tax rates to 25% over a five-year transition period commencing from 1 January 2008. The applicable income tax rate is 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011 and 2012, respectively. ATZH was subject to PRC income tax at 25% for both 2013 and 2012 respectively.

Pursuant to the new tax law passed on 16 March 2007, a 10% withholding tax is levied on dividends declared to foreign investors from a PRC entity effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investors. Since ATZH is wholly owned by Armarda Technology (Hong Kong) Limited, a Hong Kong registered company, the applicable withholding tax rate is 5%. On 22 February 2008, Caishui (2008) No.1 was promulgated by the tax authorities specifying that dividends from the retained earnings as at 31 December 2007 are exempted from the withholding tax. ATZH has been recording accumulated losses for the financial year ended 31 December 2008 onwards and there are no deferred withholding tax as at 31 March 2013.

No Singapore income tax was payable in respect of the Group's operations in Singapore, as such operations sustained losses for tax purposes in 2013 and 2012.

Subsidiaries incorporated under the laws of BVI are exempted from income tax.

The Group reported an income tax expenses of approximately HK$0.7 million in the twelve months of 12M2013 resulting from an increase in deferred tax liabilities attributable mainly to the taxable temporary differences arising from the premises in PRC classified as non-current asset held for sale as at 31 March 2013. Whereas a tax credit reported of approximately HK$2.5 million in the fifteen months of 15M2012 resulted from the over provision of deferred tax in prior years.

Interest in an associate – Fesco E-HR

The Group entered into a joint venture agreement with the Fesco Group to subscribe 90% of the newly issued share capital to the amount of RMB20 million of Fesco E-HR Service (Beijing) Co., Ltd. (Fesco E-HR) at a total capital contribution amount of RMB18 million with effect from 1 April 2007, and the whole contribution process was completed in 2008.

The 45% share of profit from Fesco E-HR amounting to approximately HK$1.9 million and HK$1.3 million in the twelve months of 12M2013 and fifteen months of 15M2012 respectively, which represents the Group's total share of the net profit after tax of this associate. The increase in share of profits is mainly caused by more revenue being generated during the current financial year. The increase of HK$2.1 million in interest in Fesco E-HR is due *inter alia* to increase in profits attributable to the associate.

Interest in an associate – CSMCG

The Company entered into a sale and purchase agreement on 28 March 2011 to acquire 45% equity interest ("Acquisition") in China Satellite Mobile Communications Group Limited ("CSMCG") at a purchase consideration, determined on a willing-buyer, willing-seller basis, comprising of the following:

a) loan notes of HK$45 million ("Loan Notes"); and

b) 920,000,000 fully paid-up ordinary shares at the prevailing market price ("Consideration Shares").

The Acquisition was approved by shareholders in a general meeting held on 21 December 2011. Accordingly, the aggregate purchase consideration is estimated to be approximately HK$454.5 million, representing Loan Notes of HK$45 million and HK$409.5 million at an issue price of S$0.075 (equivalent to HK$0.445).

It was originally a condition of the Whitewash Resolution that the issue and allotment of the Consideration Shares be completed within three months upon the approval of the Whitewash Resolution, which is 21 March 2012. Due to a delay in the fulfillment of all the interim milestone events, the Company has on 24 August 2012 obtained the approval of the Securities Industry Council for an extension of the issue of the Consideration Shares, subject to approval from the majority of Independent Shareholders present and voting in the general meeting on a poll for the extension of time for the issue and allotment of the consideration shares pursuant to the terms of the whitewash resolution. Subsequently, the shareholders' meeting has been conducted on 16 November 2012 and the consideration shares have been alloted on 28 November 2012.

a) Loan Notes of HK$45 million

On 23 July 2012, the Company issued the Loan Notes to the vendors, which was due and payable as the execution and delivery of the required interim milestone events have been fulfilled. Subsequently, the Company and the vendors agreed mutually that the Loan Notes are to be repaid in two different currencies in the following manner:

(i) Contra arrangement of HK$30,427,500 (equivalent to RMB25 million) whereby the vendors agree to take over receivables due and payable to the Group of the said value, in relation to advances made by the Group to its long term business partners who are not related to the vendors, and

(ii) Cash settlement on the remaining HK$14,572,500 to be settled in cash (HKD currency).

As at 31 March 2013, HK$45 million loan notes have been fully disbursed through the aforesaid contra arrangement as well as cash settlement in HKD.

b) Consideration Shares

Subsequently, the shareholders approved the allotment of Consideration Shares during the shareholders' meeting held on 16 November 2012 and the Consideration Shares were allotted on 28 November 2012 at the prevailing market price of S$0.019 (equivalent to HK$0.120), amounting to approximately HK$110.8 million.

As the 55% call option (which is the right residing with the Company) is contingent upon the completion of certain target milestone events, the Company has no intention to exercise this 55% call option at this juncture. Accordingly, the Board of Directors has assessed that the Company has significant influence over CMSCG upon the issuance of the Consideration Shares on 28 November 2012. The Board of Directors has concluded to account for the investment in CMSCG amounting to approximately HK$155.8 million (comprising Loan Notes of HK$45 million and Consideration Shares of HK$110.8 million based on market price) as an associate using the equity method. The share of loss of this associate is amounting to approximately HK$0.7 million for the post-acquisition period from 28 November 2012 to 31 March 2013 which is the operating expenses incurred during the period.

Property, plant and equipment

The total net book value of the Group's property, plant and equipment of approximately HK$575 thousand as at 31 March 2013 is mainly comprised of furniture, fixtures, computer and other equipment of approximately HK$233 thousand, and motor vehicles of approximately HK$342 thousand. The net book value is decreased by HK$3.7 million from approximately HK$4.3 million as at 31 March 2012 to approximately HK$575 thousand as at 31 March 2013, which is mainly due to the transfer of the leasehold property in PRC to non-current assets held for sale and the depreciation charge provided for the period.

Investment property

A subsidiary has on 25 March 2013 entered into a sale and purchase agreement in relation to the disposal of its leasehold property in PRC which was classified as investment property. As a result, the investment property was reclassified as non-current assets held for sale as at 31 March 2013. The official legal title has been transferred to the buyer in April 2013. The fair value of the investment property is of approximately HK$5.8 million as at 31 March 2012 which is arisen from the change of usage from self occupied leasehold property to leased property for the purpose of generation of rental income.

Intangible assets

	31.3.2013 HK$'000	31.3.2012 HK$'000
Intangible assets - customer relationship	3,534	4,278
	3,534	**4,278**

The intangible assets of approximately HK$3.5 million as at 31 March 2013 (as at 31 March 2012 : HK$4.3 million) is arisen from the acquisition of Brilliant Time Limited ("BTL"). The difference in the carrying amount is the amortisation expenses provided in the twelve months of 12M2013 of approximately HK$0.19 million provided in each of the quarter of 3M 30 June 2012, 3M 30 September 2012, 3M 31 December 2012 and 3M 31 March 2013 respectively.

Pursuant to an announcement made on 6 February 2006 and a subsequent shareholders' resolution passed on the 22 April 2006 at the Company's annual general meeting held in Singapore, the Company had completed the acquisition of 250 shares from Mr. Lee Man Lung, Vincent (the "Vendor"), representing 25% of the total issued capital of BTL on 18 June 2006. BTL was considered an associate of the Group and the share of its profit after tax had been equity accounted for since 18 June 2006.

Subsequently on 21 November 2007, one of our subsidiaries, Armarda Holdings Limited, entered into a sales and purchase agreement with the Vendor, to acquire from the Vendor an additional 55% equity interests in BTL for a net consideration of HK$72.9 million ("Proposed Acquisition").

The above transaction was subsequently approved by the shareholders of the Company in a special general meeting held on 19 January 2008 in Singapore. Upon completion of the transaction, BTL had become an 80% owned subsidiary of the Group and full consolidation of BTL's financial statements into the Group's financial statements was commenced from the first quarter of 2008. Accordingly, with effect from 19 January 2008, BTL no longer exists as an associate of the Group.

Subsequently on 23 December 2008, one of our subsidiaries, Armarda Holdings Limited, entered into a sales and purchase agreement with the Vendor, to acquire from the Vendor the remaining 20% equity interests in BTL for a net consideration of HK$27.2 million. The transaction was completed on 8 January 2009 and BTL had become an 100% owned subsidiary of the Group. Since the Group early adopted IFRS3 Business Combinations (2008) and IAS27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009, acquistions of non-controlling interests (20% of BTL) was accounted for as transactions with equity holders and therefore no goodwill nor intangible assets was recognised. The carrying amount of BTL's net assets in the consolidated financial statements on the date of acquisition was approximately HK$40.9 million. The Group recognised a decrease in non-controlling interest of approximately HK$8.2 million and the excess of the consideration over the carrying amount of the interest in the net assets acquired was recognised directly in equity as other reserves of approximately HK$19.0 million in FY2009. Considering the slow down of IT spending in PRC market, the management conducted an impairment review in FY2009 by comparing the recoverable amount and the carrying amount, as a result, HK$9.0 million impairment loss was provided in 2009.

Due to the continuous decline of the sales and loss of some major customers which will affect BTL's revenue, contract award and profit margin, the management seeking advice from professional parties and reassessed its revenue, operating cash flow forecast and customer retention rate under a prudent approach, with an after-tax discount rate of 18.34%, resulting in an impairment where the amounts which exceeds will be reflected as a loss from impairment. As such, an impairment of goodwill and customer relationship of approximately HK$52.0 million and approximately HK$25.1 million respectively were provided in FY2010.

Other investments

Other investments represent the Group's authorisation to use a software system for 5 years, which is the estimated useful life of the system and the working capital advancement made to a third party, amounting to approximately HK$2.6 million and approximately HK$2.5 million is classified as non-interest bearing available-for-sale financial assets under IAS32 Financial Instruments : Presentation and IAS39 Financial Instruments : Recognition and Measurement in return, a 25% share of the advertising revenue net with business tax from the YWACL (details of which can be referred under other receivables) for a period from 1 April 2010 to 31 March 2015. During the year of 2010, the share of revenue amounting to approximately HK$0.5 million which was credited in other investment based on its value in use under amortised cost method of IAS32 Financial Instruments.

A carrying amount of other investment was reported of approximately HK$5.7 million as at 30 September 2010 was reinstated to the amount reported as at 31 December 2009 of approximately HK$5.1 million due to the reversal of the overaccrued expenses for the software system.

During the year of 2010, approximately HK$7.7 million was reclassified from other receivables to other investment as capital advance and in return the share of advertising revenue increase from 25% to 28% for a period of 15 years commencing 1 January 2011. An exchange gain was reported of approximately HK$0.1 million which was caused by the appreciation of RMB from the share of advertising revenue denominated in RMB. An interest income amounting to approximately HK$0.5 million was recognised using effective interest method by applying an interest rate of 10.6% as other income.

Notwithstanding that a 28% revenue will be shared commencing from 1 January 2011 for 15 years, taking into account the recoverability of the investment, the management conduct a reassessment exercise in respect of its revenue forecast and cash flow under a prudent approach, with a pre-tax discount rate of 16%, resulting in an impairment amounting to approximately HK$6.1 million where the amounts which exceeds will be reflected as a loss from impairment.

The management considered the growth of business is not foreseeable in the near future and reassessed the present value of future cashflow forecast with a pre-tax discount rate of 16% which result in the recoverable amount below the carrying amount. An impairment on other investment was reported of approximately HK$4.1 million during the year of FY2012, thus reducing the carrying amount of the available-for-sale financial assets to approximately HK$2.8 million for the year ended 31 March 2012.

After the financial year ended 31 March 2013, due to the necessity of the LCD panel replacement for the continuation of the advertising business which require further capital injection to finance the business moving forward, the company decided no longer invest into this business by further capital injection or any type of advance, considering the recoverability being not probable, the management decided the carrying amount of approximately HK$2.8 million to be fully impaired and the share of revenue in 2012 not being recognised for the year ended 31 March 2013.

Other assets

The following is a breakdown of the other assets of the Group as at 31 March 2013 and 31 March 2012 :

	31.3.2013 HK$'000	31.3.2012 HK$'000
Golf club membership	981	973
Deposit for acquisition of equipment	8,565	-
Prepayment for software development	7,965	-
	17,511	**973**

Other assets – golf club membership remains closely the same of approximately HK$1.0 million as at 31 March 2013 and 31 March 2012 respectively, representing the costs of transferable life membership of a golf club.

Other assets – deposit for acquisition of equipment, which is the equipment to be procured for the establishment of a customer service calling support centre in the PRC to provide services to third parties amounting to approximately HK$8.6 million as at 31 March 2013.

Other assets – prepayment for software development, which is the software for the development of a prepaid card top-up and client account management system amounting to approximately HK$8.0 million as at 31 March 2013.

<u>Trade and other receivables</u>

The following is a breakdown of the total trade and other receivables of the Group as at 31 March 2013 and 31 March 2012 :

	31.3.2013 HK$'000	31.3.2012 HK$'000
Trade receivables	7,199	8,052
Other receivables, deposits and prepayments	10,389	58,768
	17,588	**66,820**

Trade receivables

The Group's trade receivables decreased by approximately HK$0.9 million to approximately HK$7.2 million as at 31 March 2013 from approximately HK$8.1 million as at 31 March 2012. The balance as at 31 March 2012 is mainly due to the sales generated in the last two quarters has yet settled, which are current and the substantial portion is within the credit period.

Based on historical default rates, the management believes that no impairment allowance is necessary in respect of trade receivables. All the trade and other receivables are expected to be recovered. Currently, all receivables are all within the normal credit terms.

Other receivables, deposits and prepayments

The following is a breakdown of other prepayments and receivables of the Group as at 31 March 2012 and 31 March 2013 :

	31.3.2013 HK$'000	31.3.2012 HK$'000
Short term project advance	-	57,375
Prepayment of purchase of RFID chips	9,500	-
Other deposits and receivables	889	1,393
	10,389	**58,768**

Short term project advance

Short term project advance to business partners decreased by approximately HK$57.4 million from approximately HK$57.4 million as at 31 March 2012 to HK$0 as at 31 March 2013. The amounts were settled via inter-alia contra agreement as announced on 23 July 2012.

Prepayment of purchase of RFID chips

Further to the announcement dated 5 December 2011, China RFID Limited ("**CRL**"), a wholly owned subsidiary of the Company, had entered into an exclusive distributor agreement ("**Exclusive Distributor's Agreement**") with Smart Asia Technology Limited ("**SMART**") on 18 January 2013 to renew the orginal distributorship of RFID chips business which was expired on 8 September 2012 and whereby, *inter alia,* it was agreed that CRL shall have the exclusive right to distribute NXP RFID Chips on the terms and subject to conditions set out in the Exclusive Distributor's Agreement. On the same date, CRL also entered into an exclusive supply agreement ("**Exclusive Supply Agreement**") with China Vision Intelligent Card Reader Co., Ltd. ("**China Vision**") to renew the exclusive supply agreement with China Vision which was expired on 8 September 2012 and whereby, *inter alia,* it was agreed that CRL shall supply NXP RFID Chips to China Vision on the terms and subject to the conditions set out in the Exclusive Supply Agreement. The entering into the Exclusive Distributor's Agreement and the Exclusive Supply Agreement are in the Group's normal course of business.

The salient terms of the Exclusive Distributor's Agreement and Exclusive Supply Agreement are summarised below:

<u>Exclusive Distributor's Agreement:</u>

Selling Price	:	Selling prices have been agreed as per the applicable price list (which shall vary based on the delivered quantity) or other applicable written price quotations issued from time to time by SMART.
Terms of Payment	:	CRL shall effect an immediate payment of US$256,500 for the initial order of 285,000 units of NXP products placed upon signing of the Exclusive Distributor's Agreement which is scheduled to be delivered within 3 months from the date of order. CRL agreed to effect a prepayment for the future procurement of the NXP Products of HK$7,500,000 within 2 weeks from the date of the Exclusive Distributor's Agreement. The amount of prepayment shall be used to offset all amount payable to SMART for all future orders to be placed and delivered within the term of the Exclusive Distributor's Agreement.
Duration	:	This agreement is valid for a term commencing from 18 January 2013 and expiring on 31 December 2015.
Exclusive Rights	:	CRL has been granted the exclusive right to distribute NXP RFID Chip modules in the PRC (excluding Taiwan, Hong Kong SAR and Macau SAR).
Other salient terms	:	CRL has undertaken that it will only distribute NXP's products supplied by SMART in the PRC.

<u>Exclusive Supply Agreement</u>:

Selling Price	:	Selling prices have been agreed as per the applicable price list (which shall vary based on the delivered quantity) or other applicable written price quotations issued from time to time by CRL.
Terms of Payment	:	Term of payment is net 30 days upon delivery unless otherwise agreed upon in writing between CRL and China Vision.
Duration	:	This agreement is valid for a term commencing from 18 January 2013

		and expiring on the same date when the Distributor's Agreement expires.
Exclusive Rights	:	China Vision has been granted the exclusive right to distribute NXP RFID Chip modules in the PRC (excluding Taiwan, Hong Kong SAR and Macau SAR).
Other salient terms	:	China Vision has undertaken that it will only distribute NXP's product supplied by CRL in the PRC.

Pursuant to the Distributor's Agreement above, CRL has made a deposit of HK$2 million for the initial order of RFID chips which are expected to be delivered in the 3M June 2013. On the other hand, China Vision has also placed an order to CRL for same amount of RFID chips. In addition, pursuant to the Distributor's Agreement, CRL has made a prepayment of HK$7.5 million, which is the refundable deposit for future orders from SMART and sufficient for the procurement at the best possible price per unit from SMART. CRL will be able to utilise the refundable deposit for any future order within the duration of Exclusive Distributor's Agreement without making further payment. Such arrangement allows CRL to enjoy a better discount in procuring the RFID chips. If at the expiry of the term of the agreement, such refundable deposit is not used for orders places, SMART is committed to refund the available balance to CRL.

Other deposits and receivables

Other deposits and receivables decreased by approximately HK$0.5 million from approximately HK$1.4 million as at 31 March 2012 to approximately HK$0.9 million as at 31 March 2013. The balance of approximately HK$0.9 million as at 31 March 2013 primarily consists of the deposit for the office utilities and office rental in both Hong Kong and PRC.

Due from associate

Pursuant to an agreement between the Company and CSMCG dated 1 December 2012, CSMCG has appointed the Company as a procurement agent for inter-alia the purchase of the satellite phones, airtime, and other professional service which is deemed necessary and appropriate. As at 31 March 2013, the amount due from CSMCG in relation to the procurement of satellite phones, airtime and arrangement of marketing activities amounted to approximately HK$1.7 million. This amount is trade related in nature and does not constitute an interested person transaction under Chapter 9 of the Catalist Rules.

Cash and cash equivalents

The following is a breakdown of cash and cash equivalents of the Group as at 31 March 2013 and 31 March 2012 :

	31.12.2012 **HK$'000**	**31.3.2012** **HK$'000**
Cash at banks and in hand	30,008	13,089
Total cash and cash equivalents	**30,008**	**13,089**

Please refer to page 21 on "Cashflows" on the increase in cash and cash equivalents.

Non-current assets held for sale

The leasehold properties in PRC which is classified in accordance with their different nature under both property, plant and equipment, and investment property has been committed to sell in March 2013. As the legal title has yet transferred to the buyer as at 31 March 2013, it has been classified as non-current assets held for sale where no gain/loss on disposal has been reported for the 12M2013.

Trade and other payables

The following is a breakdown of the trade and other payables of the Group as at 31 March 2013 and 31 March 2012:

	31.3.2013 HK$'000	31.3.2012 HK$'000
Trade payables	2,392	3,189
Placement deposit for the 166M shares	-	4,800
Deposit for the disposal of leasehold property in PRC	9,864	-
Other deposits and accruals	14,374	9,412
Due to directors (non-trade)	699	-
	27,329	**17,401**

Trade payables represent mainly the outstanding support charges due to independent subcontractors for services rendered to the Group's customers in the PRC. It decreased by approximately HK$0.8 million from approximately HK$3.2 million as at 31 March 2012 to approximately HK$2.4 million as at 31 March 2013 which is primarily due to the reduction in corresponding revenue from provision of IT services.

The Company had on 28 April 2012 entered into a placement agreement with seven independent investors for the issuance of 166,000,000 new ordinary shares of HK$0.05 each in the capital at an issue price of S$0.031 (equivalent of approximately HK$0.19375) for a total gross proceeds of S$5,146,000 (equivalent of approximately HK$32,162,500). As at 31 March 2012, HK$4.8 million placement deposit has been received, but none of the placement shares is alloted. Subsequently, 96,000,000 and 70,000,000 shares have been alloted during the 3M 30 June 2012 and 3M 30 September 2012 respectively.

The wholly owned subsidiary Armarda Technology (Zhuhai) Limited has entered into sales and purchase agreements with two parties for the sale of the leasehold properties in PRC which have been originally classified under investment property and property, plant and equipment and now reclassified to non-current assets held for sale. The transfer of legal titles has been completed in April and May 2013 officially.

The other deposits and accruals represent other outstanding operating expenses payable. It increased by approximately HK$5.0 million from approximately HK$9.4 million as at 31 March 2012 to approximately HK$14.4 million as at 31 March 2013 which is primarily due to the accrual of professional and consulting fees in relation to the satellite business of an associate.

The amount due to directors of approximately HK$0.7 million representing the reimbursement of travelling and entertainment expenses payable to the directors as at 31 March 2013.

Obligations under finance lease

The Group has obligations under a finance lease that are repayable within one year of approximately HK$0.25 million and approximately HK$0.44 million as at 31 March 2013 and 31 March 2012 respectively and no outstanding balance is repayable after 1 year but within 5 years.

Short term bank loan

A short term bank loan was reported of approximately HK$5.5 million which is a secured by way of legal pledge on the leasehold property in PRC as at 31 March 2012. It was repaid during 12M2013.

Deferred tax liabilities

Deferred tax liabilities increased by approximately HK$0.7 million as at 31 March 2013 from approximately HK$1.3 million as at 31 March 2012 to approximately HK$2.0 million as at 31 March 2013. Deferred tax is derived from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts reported for taxation purposes.

Reserves

The following is a breakdown of the Reserves of the Group as at 31 March 2013 and 31 March 2012 :

	31.3.2013 HK$'000	31.3.2012 HK$'000
Share premium	**271,548**	**159,991**
Foreign exchange translation reserve	**31,998**	**31,806**
PRC statutory reserve	**5,863**	**5,863**
Revaluation reserve	**1,561**	**1,561**
Share-based capital reserve	**-**	**20,174**
Other deficit	**(49,466)**	**(49,466)**
Contributed surplus	**43,348**	**43,348**
Accumulated loss	**(196,973)**	**(169,317)**
	107,879	**43,960**

- In accordance with the relevant PRC laws applicable to enterprises with foreign investment, Armarda Zhuhai is required to transfer at least 10% of its annual net profit determined under PRC accounting regulations to the PRC statutory reserve. This reserve can be used to convert into paid-in capital and offset to reduce prior years' losses, if any.

- The foreign exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities that are not integral to the operation of the Company.

- Revaluation reserve relates to the revaluation gain on property, plant and equipment upon tranfer as investment property at fair value.

- Share-based capital reserve relates to the fair value of the share options scheme granted to the directors and employees of the Group as at the grant date, which is charged to income statement according to the vesting period. It is reduced by approximately HK$7.8 million representing the allotment of 35,000,000 First Tranche Professional Fee Shares during 12M2013. It is further reduced by approximately HK$12.3 million which is cause by the lapse of employee share options during 12M2013.

- The other deficit of approximately HK$49.5 million arise from the acquisition of non-controlling interest of CRL completed on 22 June 2011 (HK$19.5 million) and BTL completed on 8 January 2009 (HK$30.4 million). The Group has recognised any premiums or discounts on purchase of equity instruments from non-controlling interest subsequent to the obtaining control.

- Contributed surplus relates to the capital reorganisation exercise for the reduction of the par value from HK$0.20 each to HK$0.05 each. After the capital reduction taking effect on 30 April 2010, the credit amount of HK$84,696,071 was credited to the contributed surplus account of the Company, of which HK$41,348,347 was utilised to set off the accumulated losses of the Company in its entirety.

Cashflows

The Group used approximately HK$24.5 million and approximately HK$23.3 million in its operating activities for the twelve months of 12M2013 and fifteen months of 15M2012 respectively. This is mainly due to cash used in operating activities before changes in working capital of approximately HK$34.1 million and the increase in amount due from associate of approximately HK$1.7 million. The increase is partially offset by the increase in other payables and accruals of approximately HK$9.6 million and decrease in trade and other receivables of approximately HK$2.3 million for the twelve months of 12M2013.

The Group used approximately HK$14.6 million and approximately HK$5.2 million in its investing activities which are primarily for the acquisition of an associate for the twelve months of 12M2013 and for the acqusition of non-controlling interest for the fifteen months of 15M2012.

The Group generated net cash inflow from financing activities of approximately HK$55.8 million for the twelve months of 12M2013, mainly the proceeds from issuance of new ordinary shares of approximately HK$61.5 million which was partially offset by (i) the repayment of finance lease of approximately HK$185 thousand, and (ii) the repayment of bank loan of approximately HK$5.5 million. The Group generated approximately HK$28.4 million in its financing activities for the fifteen months of 15M2012 which are the net proceeds from the issuance of new ordinary shares of approximately HK$23.2 million and receipt of bank loan of approximately HK$5.4 million.

As a whole, the Group generated approximately HK$16.7 million in the twelve months ended 31 March 2013, whereas the Group used approximately HK$77 thousand in the fifteen months ended 31 March 2012. The cash and cash equivalents as at 31 March 2013 is approximately HK$30.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The overall market condition of the PRC IT industry where the Group operates in has remained difficult, with intense competition from the continuous entrance of both local and international market players and the continuous decrease in IT related spending by existing clients. The management of the Company expects that such market condition will not improve in the near future and hence the financial performance of this segment of the business will remain steady. On the other hand, the management of the Company will continue to explore and develop other new business initiatives, including but not limited to, the Thuraya mobile satellite communication services in the PRC, in the upcoming reporting periods.

11. Dividend

If a decision regarding dividend has been made :-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b)(i) and (b)(ii) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.

Nil (FY2012 : nil).

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend is declared/recommended in the financial year ended 31 March 2013.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT general mandate has been obtained by the Group from the shareholders. There was no interested person transaction for the period under review.

14. If any person is occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

There is no person occupying managerial positions in the Company or its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company during 12M2013.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group comprises two reportable segments (i) provision of IT services (ii) trading of IT equipment. Other business operations includes investment holding is categorised as "all other segments". The strategic business units offer different products and services, and are operated independently in view of their different technological requirements and marketing strategies. The Group's CEO reviews internal management reports of each strategic business unit on at least a quarterly basis.

Performance is measured in terms of segment profit before income tax, which is provided in the internal management reports reviewed by the Group's CEO. The Management believes that segment profit is applicable for measuring performance as such information is the most relevant in evaluating the results of certain segments as compared to other entities operating within these industries.

	12 Months Ended	15 Months Ended
	31.3.2013	31.3.2012
	HK$'000	HK$'000
Revenue (including other operating income)		
Provision of IT services	2,872	22,913
Trading of IT equipment	11,566	25,271
All other segments	560	1,166
	14,998	**49,350**
Segment results		
Provision of IT services	(3,486)	(5,867)
Trading of IT equipment	(12,990)	(23,083)
All other segments	(23,354)	(24,960)
Segment loss	**(39,830)**	**(53,910)**
Finance costs	(639)	(165)
Share of profit of an associate	1,211	1,250
Income tax (expenses) / credit	(729)	2,522
Loss for the year	**(39,987)**	**(50,303)**
Segment Assets		
Provision of IT services	27,553	28,601
Trading of IT equipment	71,709	92,337
All other segments	164,897	4,570
	264,159	**125,508**
Segment Liabilities		
Provision of IT services	8,253	2,520
Trading of IT equipment	11,213	12,167
All other segments	8,114	3,150
Unallocated	2,509	7,279
	30,089	**25,116**
Capital expenditure		
Provision of IT services	1	49
Trading of IT equipment	21	182
Unallocated	-	-
	22	**231**

	12 Months Ended 31.3.2013 HK$'000	15 Months Ended 31.3.2012 HK$'000
Depreciation		
Provision of IT services	200	152
Trading of IT equipment	465	534
All other segments	-	-
	665	**686**
Amortisation		
Provision of IT services	531	750
Trading of IT equipment	213	5,813
All other segments	-	-
	744	**6,563**
Impairment		
Provision of IT services	-	1,551
Trading of IT equipment	-	6,046
All other segments	2,831	-
	2,831	**7,597**

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the customers. Segment capital expenditure and assets are based on the geographical location of the assets. Geographical information about the Group's revenue, capital expenditure and assets is as follows:

	12 Months Ended 31.3.2013 HK$'000	15 Months Ended 31.3.2012 HK$'000
Revenue		
PRC	10,240	40,933
Hong Kong	4,758	8,417
Unallocated revenue	-	-
	14,998	**49,350**
Capital expenditure		
PRC	2	-
Hong Kong	20	231
	22	**231**
Segment assets		
PRC	49,233	84,998
Hong Kong	214,866	40,442
Singapore	60	68
	264,159	**125,508**

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to the aforesaid section 8 for details.

17. A breakdown of sales

	12 Months Ended 31.3.2013 HK$'000	15 Months Ended 31.3.2012 HK$'000
First Half Year		
Revenue from provision of services	764	3,706
Revenue from trading of IT equipment	7,283	9,117
Other income	412	360
Amortisation of intangible assets	(372)	(4,596)
Share of profit / (loss) of associate	568	(927)
Loss after tax	**(21,393)**	**(16,071)**
Second Half Year		
Revenue from provision of services	2,108	19,207
Revenue from trading of IT equipment	4,283	16,154
Other income	148	806
Amortisation of intangible assets	(372)	(1,967)
Share of profit of associates	643	2,177
Loss after tax	**(18,594)**	**(34,232)**
Full Year		
Revenue from provision of services	2,872	22,913
Revenue from trading of IT equipment	11,566	25,271
Other income	560	1,166
Amortisation of intangible assets	(744)	(6,563)
Share of profit of associates	1,211	1,250
Loss after tax	**(39,987)**	**(50,303)**

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

(a) Ordinary
Nil (FY2012 : Nil)

(b) Preference
Nil (FY2012 : Nil)

(c) Total
Nil (FY2012 : Nil)

BY ORDER OF THE BOARD

Luk Chung Po, Terence
Executive Director

30 MAY 2013

*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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