ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the full year of FY2008 ended 31 December 2008. 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) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

FOR THE YEAR ENDED 31 DECEMBER 2008
(Expressed in Hong Kong thousand dollars)

	FY2008	FY2007
Revenue	77,751	34,403
Other income	1,950	2,299
Staff costs	(20,034)	(10,377)
Depreciation	(3,793)	(3,649)
Amortisation of intangible asset	(4,086)	-
Cost of goods sold	(28,263)	(1,812)
Other expenses	(25,944)	(16,407)
Finance costs	(5)	(9)
Share of profit of associates	1,507	5,529
(Loss) / profit before taxation	(917)	9,977
Income tax (expense) / credit	(601)	286
(Loss) / profit for the year	**(1,518)**	**10,263**
Attributable to:		
Equity shareholders of the Company	(5,893)	10,263
Minority interest	4,375	-
(Loss) / profit for the year	**(1,518)**	**10,263**
Basic (loss) / earnings per share	**(1.52) cents**	**2.83 cents**
Diluted (loss) / earnings per share	**N/A**	**N/A**

Note: Loss for the year attributable to equity shareholders of the Company of approximately HK$5,974,000 (FY2007 : profit of approximately HK$10,263,000) is stated after charging / (crediting):

	FY2008 In HK$'000	FY2007 In HK$'000
Loss on disposal of property, plant and equipment	6	109
Net exchange loss	930	429
Interest income	(1,943)	(2,250)
Equity settled share-based payment	8,120	1,580
Adjustment for over-provision of tax in respect of prior years	(18)	(1,203)

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

	The Group		The Company	
	FY2008	**FY2007**	**FY2008**	**FY2007**
Non-current assets				
Investment in subsidiaries	-	-	51,220	46,354
Interest in associates	24,134	43,335	-	-
Intangible assets	97,782	-	-	-
Property, plant and equipment	9,562	12,660	-	-
Amounts due from subsidiaries	-	-	147,474	146,180
Other assets	900	845	-	-
Prepayments	1,304	-	-	-
	133,682	56,840	198,694	192,534
Current assets				
Trade and other receivables	120,345	71,162	218	126
Cash and cash equivalents	65,943	145,063	4	4
	186,288	216,225	222	130
Current liabilities				
Obligations under finance lease	45	88	-	-
Other payables and accruals	35,395	9,354	1,063	271
Taxation payable	411	601	-	-
	35,851	10,043	1,063	271
Net current assets/(liabilities)	150,437	206,182	(841)	(141)
Non-current liabilities				
Obligations under finance lease	-	45	-	-
Deferred tax liabilities	2,345	1,868	-	-
	2,345	1,913	-	-
Net assets	**281,774**	**261,109**	**197,853**	**192,393**
Total equity				
Share capital	77,636	77,636	77,636	77,636
Reserves	195,860	183,473	120,217	114,757
Total equity attributable to equity shareholders of the Company	273,496	261,109	197,853	192,393
Minority interest	8,278	-	-	-
	281,774	**261,109**	**197,853**	**192,393**

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

Amount repayable in one year or less, or on demand

As at 31/12/2008 In HK$'000		As at 31/12/2007 In HK$'000	
Secured	Unsecured	Secured	Unsecured
45	0	88	0

Amount repayable after one year

As at 31/12/2008 In HK$'000		As at 31/12/2007 In HK$'000	
Secured	Unsecured	Secured	Unsecured
0	0	45	0

Details of any collateral

The above hire purchase loans were 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.

	FY2008	FY2007
Cash flows from operating activities		
(Loss) / profit before taxation	(917)	9,977
Adjustment for :		
Interest income	(1,943)	(2,250)
Share of profits of associates	(1,507)	(5,529)
Loss on disposal of property, plant and equipment	6	109
Finance costs	5	9
Depreciation	3,793	3,649
Amortisation of intangible asset	4,086	-
Equity settled share-based payment	8,120	1,580
Foreign exchange (gain)	(1,182)	(4,205)
	10,461	3,340
(Increase) / decrease in trade and other receivables	(14,574)	11,985
(Decrease) in other payables and accruals	(12,854)	(3,580)
	(16,967)	11,745
Interest received	1,943	1,575
Interest paid	(5)	(9)
Income taxes paid	(347)	(514)
Net cash (used in) / generated from operating activities	**(15,376)**	**12,797**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(60)	(394)
Acquisition of associates	-	(16,361)
Dividend received from an associate	1,531	4,220
Refundable deposits	(36,998)	(20,000)
Acquisition of a subsidiary, net with cash acquired	(29,784)	-
Proceeds from disposal of property, plant and equipment	-	6
Net cash (used in) investing activities	**(65,311)**	**(32,529)**
Cash flows from financing activities		
Repayment of finance lease obligations	(88)	(83)
Dividend paid to minority interests	(4,270)	-
Issue of shares, net of issue costs	-	69,832
Net cash (used in) / generated from financing activities	**(4,358)**	**69,749**
Net (decrease) / increase in cash and cash equivalents	**(85,045)**	**50,017**
Cash and cash equivalents at 1 January	145,063	89,505
Effect of exchange rate fluctuations on cash held	5,925	5,541
Cash and cash equivalents at 31 December	**65,943**	**145,063**
Significant non-cash transactions :		
Utilisation of refundable deposit toward satisfaction of consideration payable for acquisition of a subsidiary	**20,000**	**-**

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	Employee share-based capital reserve	PRC Statutory Reserve	Re-Valuation Reserve	Minority Interest	Retained Profits	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2007	**68,886**	**49,500**	**5,547**	**0**	**5,662**	**0**	**0**	**40,382**	**169,977**
Issue of 43,750,000 new ordinary shares	8,750	63,280	0	0	0	0	0	0	72,030
New shares issue expenses	0	(2,198)	0	0	0	0	0	0	(2,198)
Appropriation to reserve	0	0	0	0	150	0	0	(150)	0
Equity settled share-based payment	0	0	0	1,580	0	0	0	0	1,580
Exchange difference on translation of financial statements of foreign entities	0	0	9,457	0	0	0	0	0	9,457
Net profit for the year 2007	0	0	0	0	0	0	0	10,263	10,263
At 31 December 2007	**77,636**	**110,582**	**15,004**	**1,580**	**5,812**	**0**	**0**	**50,495**	**261,109**
Revaluation surplus on acquisition of a subsidiary	0	0	0	0	0	98	0	0	98
Equity settled share-based payment	0	0	0	8,120	0			0	8,120
Appropriation to reserve	0	0	0	0	51			(51)	0
Exchange difference on translation of financial statements of foreign entities	0	0	10,062	0	0			0	10,062
Contribution from minority interests	0	0	0	0	0	0	8,173	0	8,173
Dividend to minority interests							(4,270)		(4,270)
Net profit / (loss) for the year 2008	0	0	0	0	0		4,375	(5,893)	(1,518)
At 31 December 2008	**77,636**	**110,582**	**25,066**	**9,700**	**5,863**	**98**	**8,278**	**44,551**	**281,774**

The Company	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Employee share-based capital reserve	PRC Statutory Reserve			Retained Profits (Accum. Losses)	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000			HK$'000	HK$'000
At 1 January 2007	**68,886**	**49,500**	**0**	**0**	**0**			**899**	**119,285**
Issue of 43,750,000 new ordinary shares	8,750	63,280	0	0	0			0	72,030
New shares issue expenses	0	(2,198)	0	0	0			0	(2,198)
Equity settled share-based payment	0	0	0	1,580	0			0	1,580
Net profit for the year 2007	0	0	0	0	0			1,696	1,696
At 31 December 2007	**77,636**	**110,582**	**0**	**1,580**	**0**			**2,595**	**192,393**
Equity settled share-based payment	0	0	0	8,120	0			0	8,120
Net (loss) for the year 2008	0	0	0	0	0			(2,660)	(2,660)
At 31 December 2008	**77,636**	**110,582**	**0**	**9,700**	**0**			**(65)**	**197,853**

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.

Not applicable

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 December 2008 was 388,182,140 (31 December 2007 : 388,182,140).

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.

Not applicable.

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 adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2007.

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.

In preparing the consolidated financial statements for FY2008, the Group has adopted all new accounting standards which were effective from 1 January 2008 but these do not have a significant financial impact on the Group results for the year ended 31 December 2008.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements:

● IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2009 consolidated financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments. Under the management approach, the Group will present segment information in respect of provision of IT services and trading of IT equipment.

● IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for the Group's 2009 financial statements, is not expected to have any impact on the consolidated financial statements.

●Revised IAS 1 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Group's 2009 consolidated financial statements, is expected to have an impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2009 consolidated financial statements.

- Amendments to IAS 32 Financial Instruments : Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the Group's 2009 consolidated financial statements, with retrospective application required, are not expected to have any impact on the consolidated financial statements.

- Revised IFRS 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

  Revised IFRS 3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

- Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

- Amendments to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2009 consolidated financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

6. **(Loss) / earnings 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) / earnings per ordinary share for the year after deducting any provision for preference dividends:		
	FY 2008	**FY 2007**
Based on weighted average number of Ordinary shares in issue (Please see note below)	**(1.52) HK cents**	**2.83 HK cents**
On a fully diluted basis (Please see note below)	**Not applicable**	**Not applicable**

Note 6a : Basic earnings per share

The calculation of basic (loss) / earnings per share is based on the Group's loss attributable to ordinary shareholders of HK$5,893,000 (FY2007 : profit of HK$10,263,000) and the weighted average number of ordinary shares of 388,182,140 (FY2007 : 362,771,181) in issue during the year.

Note 6b : Diluted earnings per share

There were no dilutive potential ordinary shares during the year and therefore diluted earnings per share are not presented.

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**

	FY 2008	**FY2007**
Net asset value of the Company per ordinary share based on existing issue share capital as at the end of the period on 31 December	**HK$ 0.51 per share**	**HK$ 0.50 per share**
Net asset value of the Group per ordinary share based on existing issue share capital as at the end of the period on 31 December	**HK$ 0.73 per share**	**HK$ 0.67 per share**

The calculation of net asset value per share of the Company at 31 December 2008 was based on the Company's net asset value of HK$197,853,000 (FY2007 of HK$192,393,000) and 388,182,140 ordinary shares in issue at 31 December 2008 (388,182,140 ordinary shares in issue at 31 December 2007).

The calculation of net asset value per share of the Group at 31 December 2008 was based on the Group's net asset value of HK$281,774,000 (FY2007 of HK$261,109,000) and 388,182,140 ordinary shares in issue at 31 December 2008 (388,182,140 ordinary shares in issue at 31 December 2007).

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.**

Revenue

The Group's revenue generated in FY2008 increased to approximately HK$77.8 million from approximately HK$34.4 million in FY2007.

The net increase of approximately HK$43.4 million in FY2008 was mainly the result of the consolidation of Brilliant Time Limited's revenue into the Group's result for the first time and in particular (i) a significant increase in the trading of IT equipment of approximately HK$37.7 million from HK$0 million in FY2007 to approximately HK$37.7 million in FY2008 and (ii) an increase in revenue generated from provision of services of approximately HK$5.7 million from approximately HK$34.4 million in FY2007 to approximately HK$40.1 million in FY2008.

The following is a breakdown of the total IT revenue generated in FY2008:

	FY2008 HK$'000	FY2007 HK$'000
Revenue from provision of IT services	40,102	34,403
Revenue from trading of IT equipment	37,649	-
	77,751	**34,403**

In terms of geographical segmentation of the Group's revenue generated in FY2008, 97.6% came from the PRC (FY2007: 93.7%) and we do not expect a significant change in this geographical mix in the Group's major source of total IT revenue in the near future.

Cost of goods sold

Cost of goods sold increased by approximately HK$26.5 million from approximately HK$1.8 million in FY2007 to approximately HK$28.3 million in FY2008 mainly due to the increase in the trading of IT equipment.

Other income

This comprised mainly the deposit interest income earned to the amount of approximately HK$1.9 million (2007: HK$2.3 million). The decrease in FY2008 of approximately HK$0.4 million was due to the decrease in the average bank deposit interest rate in 2008 as well as the decrease in the amount of fixed deposits placed in banks as a result of a decrease in the average amount of cash held by the Group in 2008.

Operating expenses

The Group's total operating expenses (including staff costs, depreciation, amortisation and other expenses but excluding cost of goods sold) increased by approximately HK$23.5 million to approximately HK$53.9 million in FY2008 from approximately HK$30.4 million in FY2007.

Staff costs increased by approximately HK$9.6 million to approximately HK$20.0 million in FY2008 from approximately HK$10.4 million in FY2007. This increase was partly caused by the consolidation of BTL's staff costs and partly due to the costs incurred in equity settled share-based payment of approximately HK$8.1 million compared to approximately HK$1.6 million in FY2007 as a result of grant of staff options in November 2007.

On 12 April 2004, the Group established a share option scheme (the "Share Option Scheme') that entitles key management personnel and senior employees to purchase shares in the Company. As at 2 November 2007, 29 eligible participants accepted the offer of a total number of 25,000,000 options granted by the Company. Pursuant to the rules of the Share Option Scheme, options will lapse when the grantee ceases to be an employee of the Group for reasons other than death, redundancy, ill-health or retirement.

The fair value of services received in return for share options granted is based on the fair value of share options granted measured using a binomial model by professional valuer. The fair value of options at grant date has been computed as approximately S$0.0988 per share option while the share price and option exercise price at grant date are S$0.210 and S$0.213 respectively.

The number of share options is at follows :

	FY2008 **No. of options**	**FY2007** **No. of options**
Outstanding at 1 January	25,000,000	-
Granted during the period	-	25,000,000
Lapsed during the period	(1,300,000)	-
Exercised during the period	-	-
Outstanding at 31 December	**23,700,000**	**25,000,000**
Exercisable at 31 December	**11,850,000**	**-**

Accordingly, the staff cost arising from this grant of share option in FY2008 was approximately HK$8.1 million (FY2007 : HK$1.6 million).

Depreciation charges remained stable at approximately HK$3.8 million in FY2008 as compared to approximately HK$3.7 million in FY2007 as the Group did not make any material purchases, nor disposals, of property, plant and equipment in FY2008.

Amortisation of intangible asset, representing the customer relationship resulting from business combination, amounted to approximately HK$4.1 million (FY2007 : nil), only commenced from FY2008 when BTL has been acquired as the 80%-owned subsidiary of the Group with effect from 19 January, 2008.

The recoverable amount of customer relationship is estimated based on its value-in-use, assuming customer retention rate of 80% using a discount rate of 15%, with assumption that there will be stable income from the existing customers until 2018. The recoverable amount is estimated to be higher than the carrying amount, and no impairment is required. The valuation exercise is still under processing and the presented amount is based on the estimate of the management.

Goodwill generated as a result of business combination. Management considers no impairment necessary as BTL is profit making for the year post acquisition and the recoverable amount based on the estimated future cash flows discounted to their present value using a pre-tax discount rate of 15% is higher than the carrying amount, and therefore no impairment is required.

Other expenses increased by approximately HK$9.5 million to approxiamtely HK$25.9 million in FY2008 from HK$16.4 million in FY2007. The increase was mainly attributed by (i) an increase in consultancy and subcontracting fees of approximately HK$5.2 million as a result of increase in IT services rendered to the Group's customers; and (ii) an increase in promotion, marketing, business travelling, and professional expenses incurred of approximately HK$4.3 million as a result of increase in business activities including, but not limited to, the development of new business ventures primarily with potential PRC strategic partners.

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Group in FY2008 of approximately HK$5.9 million was mainly attributable by the amortisation costs of intangible assets of approximately HK$4.1 million (FY2007 : nil) and cost of equity settled share-based payment of approximately HK$8.1 million incurred in FY2008 (FY2007 : approximately HK$1.6 million).

Income tax

The Group's profits derived in Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2007: 17.5%). No provision for Hong Kong profits tax was made, as there was no assessable profits for Hong Kong profits tax for the year (FY2007 : nil).

As a foreign invested enterprise with paid-up capital of over US$5 million and engaged 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 ("Armarda Zhuhai") was fully exempted from PRC income tax for the first two profitable years in FY2004 and FY2005 and was entitled to 50% exemption from the applicable standard income tax rate for the further three years in FY2006, FY2007 and FY2008 if its production-oriented revenue exceeds 50% of its total revenue in each year (the "50% Criteria"). As Armarda Zhuhai did not meet the 50% Criteria in FY2008, Armarda Zhuhai was subject to PRC income tax at 18% for FY2008.

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. Since Armarda Zhuhai is registered in the Zhuhai Special Economic Zone, from 1 January 2008, the income tax rate is expected to gradually increase from 18% to the stadard rate of 25% over a five-year transition period.

The 50% exemption of Armarda Zhuhai is grandfathered under the new tax law.

Pursuant to the new tax law passed on 16 March 2007, a 10% withholding tax will be levied on dividends declared to foreign investors from the 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 entity and the jurisdiction of the foreign investors. Since Armarda Zhuhai is wholly owned by Armarda Technology (Hong Kong) Limited, a Hong Kong registered company, the applicable withholding tax rate wil be 5%. On 22 February 2008, Caishui (2008) No.1 was promulgated by the tax authorities to specify that dividends from the retained earnings as at 31 December 2007 are exempted from the withholding tax. The deferred tax of withholding tax provided for the year is $730,000 (FY2007 : nil).

No Singapore income tax was payable in respect of the Group's operations in Singapore, as such operations sustained losses for income tax purposes during the year (FY2007: nil).

Interest in associates

As at 31 December 2007 this comprised of investments of the Group in 25% shareholding interests in Brilliant Time Limited and in 45% shareholding interests in Fesco E-HR Service (Beijing) Co., Ltd. with respective development in FY2008 as follows :

Brilliant Time Limited :

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 Group has completed the acquisition of 250 shares from Mr. Lee Man Lung, Vincent, representing 25% of the total issued capital of Brilliant Time Limited (BTL) on 18 June 2006. BTL was considered an associate of the Group and the share of its profit after tax has been equity accounted for since 18 June 2006.

Subsequently on 21 November 2007, one of our subsidiaries, Armarda Holdings Limited, entered into a sale and purchase agreement (the "Agreement") with Mr. Lee Man Lung, Vincent (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 has become an 80% owned subsidiary of the Group and full consolidation of BTL's financial statements into the Group's financial statements has been commenced from the first quarter of FY2008. Accordingly, with effect from 19 January 2008, BTL no longer exists as an associate of the Group.

During the year, the Group received a dividend of approximately HK$1.53 million from Brilliant Time Limited.

Fesco E-HR Service (Beijing) Co., Ltd. :

The Group has entered into a joint venture agreement with the Fesco Group to subscribe for 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. The post share-increase shareholding of the Group in Fesco E-HR is 45%. The whole capital contribution to Fesco E-HR was fully completed in FY2008. As at 31 December 2008, Fesco E-HR remains as an associate of the Group.

The 45% share of profit from Fesco E-HR in FY2008 which amounted to approximately HK$1.51 million represented the Group' total share for the net profit after tax of this associate for the full year in FY2008 (FY2007: approximately HK$5.53 million for BTL and Fesco E-HR combined) has been equity accounted for in the Group's financial year ended 31 December 2008.

Property, plant and equipment

The total net book value of the Group's property, plant and equipment of approximately HK$9.6 million at 31 December 2008 (FY2007 : approximately HK$12.7 million) mainly comprised of leasehold properties of approximately HK$7.3 million, leasehold improvements of approximately HK$0.1 million, furniture, fixtures, computer and other equipment of approximately HK$1.9 million, and motor vehicles of approximately HK$0.3 million.

As at 31 December 2008, the net book value of a motor vehicle held under a finance lease amounted to approximately HK$0.1 million (FY2007: approximately HK$0.1 million). All other property, plant and equipment of the Group were free from pledge.

Intangible assets

The intangible assets of approximately HK$97.8 million arise from the acquisition of BTL.

Other assets

Other assets amounted to approximately HK$0.9 million (FY2007: HK$0.8 million) comprised the costs of transferable life membership of golf club.

Trade and other receivables

The following is a breakdown of the total trade and other receivables of the Group at 31 December 2008:

	FY2008 HK$'000	FY2007 HK$'000
Trade receivables	46,765	30,739
Accrued services revenue	-	7,478
Refundable deposit	14,320	20,000
Goodwill deposit	22,678	-
Other prepayments and receivables	37,886	12,945
	121,649	**71,162**
Non-current	1,304	-
Current	120,345	71,162
	121,649	**71,162**

Non-current portion represented the prepayment for development of an intangible asset

Trade receivables

The Group's trade receivables and accrued services revenue increased by approximately HK$8.6 million to approximately HK$46.8 million as at 31 December 2008 from approximately HK$38.2 million as at 31 December 2007, mainly attributed by the consolidation of BTL's trade receivables into the Group for the first time. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables balance. All of the trade and other receivables are expected to be recovered within one year.

Refundable deposit

Acquisition of 20% equity interest in Brilliant Time Limited ("BTL")

On 23 December 2008, one of the subsidiaries of the Company, Armarda Holdings Limited, entered into a sale and purchase agreement (the "Agreement") with Mr. Lee Man Lung, Vincent (the "Vendor"), to acquire from the Vendor additional 20% equity interests in BTL for a consideration of HK$27.2 million ("Proposed Acquisition"). Prior to the proposed acquisition, the Group held 80% equity interests in BTL through Armarda Holdings Limited and BTL will become wholly owned subsidiary upon the completion of the transaction. BTL is principally engaged in the business of providing information technology system integration services to the banking and telecommunication industries in the PRC.

Pursuant to the Agreement, a refundable deposit of HK$14.32 million which the Group already paid to the Vendor as at 31 December 2008 will constitute part of the consideration. The remaining consideration of HK$12.88 million will be satisfied as follows:

- HK$11.0 million is payable in cash within 5 business days of the Completion Date or within 15 business days after signing of the Agreement, whichever is the earlier; and

- HK$1.88 million to be held by the Group in escrow pending fulfilment of the profit guarantee provided by the Vendor in respect of BTL for the year ending 31 December 2008.

The above transaction was subsequently completed on 10 January 2009 and disclosed as subsequent events. Accordingly, BTL became a wholly owned subsidiary of the Group.

Goodwill deposit

Intent for possible equity interest in China Vision Intelligent Card Reader Co., Ltd. ("CVIC")

One of the subsidiaries of the Company, Armarda Technology (Zhuhai) Limited ("**ATZH**"), had as a demonstration of goodwill on 28 November 2008, entered into a non-binding conditional letter of intent ("**Letter**"), to further its preliminary discussions and review on the possible acquisition of an interest of 25% to 30% equity interest in CVIC for a possible consideration of approximately RMB37.5 million to approximately RMB45.0 million. CVIC, a PRC company is involved in the business of providing card readers and solutions for the PRC Government and its products have been used for applications involving, *inter alia*, security passes and identification cards and passports (biometric).

As a demonstration of goodwill and ability, and as a pre-condition for the release of relevant information for review and negotiations for the terms (if any) for a subsequent transaction, the Company had subsequently made, pursuant to the Letter, a refundable goodwill deposit of approximately HK$22.7 million (equivalent of RMB20.0 million). The deposit is refundable at the Company's sole discretion.

Subject to the outcome of the Company's review and limited due diligence as well as satisfactory terms and conditions and the Directors' approval, a conditional sales and purchase agreement may be executed. The Letter is subject, *inter alia*, to:

a. satisfactory completion of a preliminary round of review, and limited due diligence, of CVIC and its business; and

b. satisfactory completion and agreement of all parties with respect to the terms and conditions for any subsequent transaction.

The sale and purchase agreement, if any, in the event that is executed will be subject, *inter alia* to the completion of legal and financial due diligence, the approval of shareholders of the Company and/or the Singapore Exchange Securities Trading Limited (the "**Exchange**") as well as the approvals of the relevant governmental authority (where applicable).

Other prepayments and deposits

The following is a breakdown of other prepayments and deposits of the Group at 31 December 2008:

	FY2008 HK$'000	FY2007 HK$'000
Working capital advance to Xintian eAccess Group	7,109	-
Short term project advances	17,009	-
Other receivables	13,768	12,945
	37,886	**12,945**

The short term project advances of approximately HK$17.0 million as at 31 December 2008 comprised of an advance to the Vendor, in relation to the amount due and payable for the acquisition of 55% interests in BTL.

Subscription of 46% equity interest in Xintian eAccess Limited

On 16 January 2009, one of the subsidiaries of the Company, Armarda eAccess Technology Limited ("Armarda eAccess") had, together with Breakout Visions Inc. and the founder of Xintian eAccess Limited, Qian Kang (collectively the "**Subscribers**"), entered into a conditional subscription agreement ("**Subscription Agreement**"), to subscribe ("**Proposed Subscription**") for such number of new ordinary shares in the capital of Xintian eAccess Limited ("**Xintian eAccess**"). Xintian eAccess has a wholly owned subsidiary called Yi Wei Advertising Company Limited (**"YWACL**") (collectively, "**Xintian eAccess Group**"). Xintian eAccess is a HK$1.00 company incorporated in British Virgin Islands and is in the media industry

The subscription amount payable by Armarda eAccess is approximately HK$4.6 million in cash which will result in Armarda eAccess having an interest of approximately 46% in the enlarged capital of Xintian eAccess following the completion of the Proposed Subscription. Other than the subscription of new shares from all the parties for Xintian eAccess, the parties other than Armada are expected to contribute to the venture, in terms of securing of projects and also contribute to the venture in view of their technical skills.

In addition, Armarda eAccess has committed to extend a working capital loan to Xintian eAccess up to a limit of HK$10 million, for the initial working capital requirements of the Xintian eAccess Group. As at 31 December 2008, Armarda eAccess has advanced approximately HK$7.11 million to the Xintian eAccess Group. The advance would be repaid to Armarda eAccess once the subscription funds from the Subscribers is fully received by Xintian eAccess.

There is no net asset value, net tangible asset value and profit attributable to the assets of Xintian eAccess being acquired pursuant to the subscription by Armarda eAccess as it has minimal paid-in capital and was previously dormant.

The Subscription Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at Room 3501, West Tower, Shun Tak

Center, 168-200 Connaught Road Central, Sheung Wan, Hong Kong and at the office of the Company's sponsor, Asian Corporate Advisors Pte. Ltd., at 105 Cecil Street, The Octagon #11-02, Singapore 069534 for a period of three months from the date of this announcement.

As at the date of this announcement, the Proposed Subscription has not been completed. Further announcements will be made when the subscription of the new ordinary shares of Xintian eAccess is effected.

Cash and cash equivalents

	FY2008 HK$'000	FY2007 HK$'000
Deposits with banks	35,151	68,303
Cash at banks and in hand	30,792	76,760
	65,943	145,063

Cash and cash equivalents declined by approxiamtely HK$79.2 million from approximately HK$145.1 million as at 31 December 2007 to approximately S$65.9 million as at 31 December 2008. The decline was mainly attributed to cash of approximately HK$65.3 million and approximately HK$15.4 million being utilised for investing activities and operating activities respectively.

As at 31 December 2008, the effective interest rate of cash and cash equivalents was 1.00% (FY2007 : 2.39%) per annum.

Other payables and accruals

The following is a breakdown of the total other payables of the Group at 31 December 2008:

	FY2008 HK$'000	FY2007 HK$'000
Accrued subcontracting charges	7,864	3,479
Acquisition proceeds payable	21,800	-
Other deposits and accruals	5,731	5,875
	35,395	**9,354**

Accrued subcontracting charges represents outstanding support charges due to independent subcontractors for services rendered to the Group's customers in the PRC. It increased by approximately HK$4.4 million from approximately HK$3.5 million as at 31 December, 2007 to approximately HK$7.9 million as at 31 December, 2008 mainly as a result of the consolidation of BTL's accrued subcontracting charges in the Group's financial statements for the first time since BTL became the Group's subsidiary on 19 January, 2008.

The acquisition proceeds payable represents the balance of the third tranche payment of HK$17,000,000 and the escrow held of HK$4,800,000 in relation to the acquisition of 55% equity shares of BTL from Mr. Vincent Lee in pursuant to the Sales & Purchase Agreement approved by shareholders in the General Meeting held and effected on 19 January, 2008.

Other deposits and accruals decreased by approximately HK$0.2 million to approximately HK$5.7 million as at 31 December 2008 from approximately HK$5.9 million as at 31 December 2007.

Reserves

The following is a breakdown of the Reserves of the Group at 31 December 2008:

	FY2008 HK$'000	FY2007 HK$'000
Share premium	**110,582**	**110,582**
Foreign exchange translation reserve	**25,066**	**15,004**
PRC statutory reserve	**5,863**	**5,812**
Revaluation reserve	**98**	**-**
Employee share-based capital reserve	**9,700**	**1,580**
Retained profits	**44,551**	**50,495**
	195,860	**183,473**

- 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 to fair value of identifiable assets and liabilities acquired.

- Employee 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 profit or loss according to the vesting period.

Cashflows

The Group used approximately HK$15.4 million in its operating activities in FY2008, in contrast to an inflow of approximately HK$12.8 million generated from its operating activities in FY2007.

The Group used approximately HK$65.3 million in its investing activities in FY2008, mainly consists of approximately HK$29.8 million acquisition proceeds paid (net of dividend received from an associate) for completed acquisition of 55% interests in BTL, and approximately HK$14.32 million refundable deposit paid for the acquisition of 20% in BTL and approximately HK$22.68 million goodwill deposit paid for the intent acquisition of the shareholding of CVIC which are expected to be completed after date of this announcement.

The Group used approximately HK$4.4 million in its financing activities in FY2008, mainly as a result of dividend paid out to minority shareholder of BTL after it became subsidiary of the Group with effect from 19 January, 2008.

Overall, the Group used approximately HK$85.0 million in FY2008, as compared to approximately HK$50.0 million generated in FY2007.

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 condition of the PRC IT industry remains to be highly competitive since the last reporting period due to the continuous competition from both the local and international IT consulting firms. Also, the global financial turmoil had shown its impact to the PRC IT industry and the market condition had turned adverse since the last reporting period which had further weakened the Group's opportunities in capturing new businesses. The Group expects that such trend will continue for the upcoming periods and we will strive to maintain the Group's business momentum by continuing focusing on the 2^{nd} tier and 3^{rd} tier PRC banks in the Oracle Financials and core banking consulting areas as well as to look for new business opportunities with growth potentials for the next reporting period.

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 (FY2007 : 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 for the financial year ended 31 December 2008

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

13. 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.

In FY2008 the Group comprises two business segments (i) provision of IT services (ii) trading of IT equipment, which are the basis on which the Group reports its primary segment information as follows:

	FY2008 HK$'000	FY2007 HK$'000
Revenue (incl. other operating income)		
Provision of IT services	40,102	34,403
Trading of IT equipment	37,649	-
Unallocated	1,950	2,299
	79,701	**36,702**
Segment results		
Provision of IT services	28,618	2,158
Trading of IT equipment	9,386	-
Unallocated	1,950	2,299
Segment profit	**39,954**	**4,457**
Unallocated expenses	(42,373)	-
Result for operating activities	**(2,419)**	**4,457**
Finance costs	(5)	(9)
Share of profit of an associate	1,507	5,529
Income tax (expenses) / credit	(601)	286
(Loss) / profit for the year	**(1,518)**	**10,263**
Segment Assets		
Provision of IT services	173,569	-
Trading of IT equipment	37,331	-
Unallocated	109,070	273,065
	319,970	**273,065**
Segment Liabilities		
Provision of IT services	(12,541)	-
Trading of IT equipment	(2,735)	-
Unallocated	(22,920)	(11,956)
	(38,196)	**(11,956)**
Segment Net Assets		
Provision of IT services	161,028	-
Trading of IT equipment	34,596	-
Unallocated	86,150	261,109
	281,774	**261,109**

No business segment information is presented in FY2007 as the Group operates principally as a single business segment for the provision of IT consulting services, IT support services and ancillary services, including computer application systems licensing and sales of IT equipment to customers pre-dominantly located in the People's Republic of China ("PRC").

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the customers. Segment capital expenditures and assets are based on the geographical location of the assets. Geographical information about the Group's revenue, capital expenditure and assets in FY2008 is as follows:

	FY2008	FY2007
	HK$'000	HK$'000
Revenue		
PRC	77,751	34,403
Unallocated revenue	1,950	2,299
	79,701	**36,702**
Capital expenditure		
PRC	50	20,304
Hong Kong	10	384
	60	**20,688**

Note: Capital expenditure comprises additions to property, plant and equipment, interest in associates and other assets.

	FY2008	FY2007
Segment assets		
PRC	155,805	149,835
Hong Kong	163,872	123,030
Singapore	293	200
	319,970	**273,065**

14. 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 section 8 above.

15. A breakdown of sales

	FY2008 HK$'000	FY2007 HK$'000	% change
First Half Year			
Revenue from provision of services	21,650	16,182	33.8%
Revenue from trading of IT equipment	16,113	-	N/A
Other income	844	670	26.0%
Equity settled share-based payment	(5,040)	-	N/A
Amortisation of intangible assets	-	-	N/A
Share of profits of associate(s)	1,005	2,120	-52.6%
Profit after tax	**3,774**	**4,469**	**-15.6%**
Second Half Year			
Revenue from provision of services	18,452	18,221	1.3%
Revenue from trading of IT equipment	21,536	-	N/A
Other income	1,106	1,629	-32.1%
Equity settled share-based payment	(3,080)	(1,580)	94.9%
Amortisation of intangible assets	(4,086)	-	N/A
Share of profits of associate(s)	502	3,409	-85.3%
(Loss) / profit after tax	**(5,292)**	**5,794**	**N/A**
Full Year			
Revenue from provision of services	40,102	34,403	16.6%
Revenue from trading of IT equipment	37,649	-	N/A
Other income	1,950	2,299	-15.2%
Equity settled share-based payment	(8,120)	(1,580)	413.9%
Amortisation of intangible assets	(4,086)	-	N/A
Share of profits of associate(s)	1,507	5,529	-72.7%
(Loss) / profit after tax	**(1,518)**	**10,263**	**N/A**

16. 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 (FY2007 : Nil)

(b) Preference

Nil (FY2007 : Nil)

(c) Total

Nil (FY2007 : Nil)

BY ORDER OF THE BOARD

27 FEBRUARY 2009

*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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