

ARMARDA GROUP LIMITED

(Incorporated in Bermuda on 13 August 2003)

(Registration No.: 34050)

POTENTIAL ACQUISITION

The Board of Directors (the "**Board**") of Armarda Group Limited (the "**Company**") wishes to inform its shareholders that the Company is contemplating a potential acquisition ("**Potential Acquisition**") of a company in the People's Republic of China ("**PRC Company**"). The Potential Acquisition is synergistic to and will consolidate the Company and its subsidiaries (the "**Group**") existing operations in the areas of information technology and communications, leveraging on its existing competence and capabilities of the Group.

Barring unforeseen circumstances, the Company expects to conclude discussions and start negotiations on the terms and conditions for the Potential Acquisition within the next couple of weeks and expects to complete the final negotiations on terms and conditions before the Chinese New Year in 2011. Subject to satisfactory terms and conditions and the final structure of the Potential Acquisition, and depending on the amount of the consideration and percentage of interest in the PRC Company, the Potential Acquisition is very likely to be subject to both shareholders and regulatory approvals or consents (including where applicable those in the PRC or such other jurisdictions as may be applicable). In the event that the Proposed Acquisition is effected, the Group may be required to raise additional financing (including but not limited to equity issuance, mezzanine or debt financing as the case may be) for settlement of the purchase consideration. Likewise the Company is evaluating the possibilities of financing the Potential Acquisition as well as other acquisition opportunities and working capital requirements for its business operations.

Separate announcements will be made (where applicable) at the appropriate time for the disclosure of the acquisition or on the execution of the relevant agreements or for that matter the raising of the financing needed (as may be applicable). As there is no certainty that the discussions will result in a binding agreement or that the Potential Acquisition will proceed or for that matter that financing will be raised or the type of financing or the nature or terms of the acquisition (including the percentage of interest and the Group's role in the PRC Company), shareholders should note that the Potential Acquisition (or for that matter any ancillary financing) as mentioned above, are not definitive and may be subject, *inter-alia*, to negotiations, deliberations, due diligence and approvals from shareholders, regulators (where applicable) and other stakeholders and that there is no assurance that the discussions will result in a binding agreement or that the Potential Acquisition (or for that matter any ancillary financing) will proceed or be completed. Accordingly, shareholders are advised to refrain from taking any action which may be prejudicial to their interests before seeking advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers (as appropriate).

None of the Directors or substantial shareholders of the Company (other than in their capacity as director or substantial shareholders of the Company) has any interest, direct or indirect, in the Potential Acquisition.

By order of the Board

Luk Chung Po, Terence
Executive Director
29 December 2010

*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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