

ARMARDA GROUP LIMITED
(Incorporated in Bermuda on 13 August 2003)
(Company Registration No: 34050)

PLACEMENT AND SUBSCRIPTION OF UP TO AN AGGREGATE OF 263,500,000 NEW ORDINARY SHARES COMPRISING PLACEMENT SHARES OF UP TO 147,400,000 NEW SHARES AND SUBSCRIPTION SHARES OF UP TO 116,100,000 NEW SHARES IN THE CAPITAL OF ARMARDA GROUP LIMITED AT THE ISSUE PRICE OF S\$0.0216 FOR EACH PLACEMENT SHARE AND SUBSCRIPTION SHARE

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of the Company wishes to announce the proposed issue an aggregate of up to 263,500,000 new ordinary shares of HK\$0.05 each in the capital of the Company (“**Shares**”) by way of a placement (the “**Placement**”) of up to 147,400,000 new ordinary shares (the “**Placement Shares**”) and each a “**Placement Share**”), at an issue price of S\$0.0216 (the “**Placement Price**”) for each Placement Share and an offer for subscription (the “**Subscription**”) of 116,100,000 new ordinary shares (the “**Subscription Shares**”) and each a “**Subscription Share**”), at an issue price of S\$0.0216 for each Subscription Share (the “**Issue Price**”).

The Company has entered into the Placement Agreement (as defined below) with UOB Kay Hian Private Limited (the “**Placement Agent**” or “**UOBKH**”) in relation to the Placement and the Company has also entered into the Subscription Agreement (as defined below) with the Subscribers (as defined below) in relation to the Subscription (collectively, the “**Agreements**”).

The Placement Price and the Issue Price of S\$0.0216 for each Placement Share and Subscription Share represents a discount of 0.24 cents per Share or approximately 10% to the volume weighted average price for trades done in respect of the Shares on the Catalist on 18 January 2013, being the full market day preceding 21 January 2013, the date of signing of the Placement Agreement and Subscription Agreement.

2. SUBSCRIPTION

The Company has on 21 January 2013 entered into a subscription agreement (the “**Subscription Agreement**”) with the subscribers listed in the table below (collectively, the “**Subscribers**” and each a “**Subscriber**”), where the Subscribers have agreed to subscribe for the Subscription Shares, in the proportion as set out against their respective names below, at the Issue Price for each Subscription Share, on the terms and subject to the conditions set out in the Subscription Agreement (the “**Subscription**”).

Subscribers	Number of Subscription Shares	Number of Subscription Shares as a percentage of existing issued share capital ^{(1) (3)}	Number of Subscription Shares as a percentage of enlarged issued share capital ^{(2) (3)}
Lam Cho Ying Terence Joe	72,900,000	3.23%	2.89%
Cepa Alliance Securities Limited	21,600,000	0.96%	0.86%
Man Wai Ming	7,200,000	0.32%	0.29%
Wong Chon Chong	14,400,000	0.64%	0.57%
TOTAL	116,100,000	5.14%	4.60%

Notes:

(1) Based on the Company's existing issued share capital of 2,260,323,474 shares.

(2) Based on the Company's enlarged issued share capital of 2,523,823,474 shares after taking into account the existing Share capital of 2,260,323,474 Shares and the proposed issuance of the Placement Shares and the Subscription Shares, assuming the Placement Agent has procured UOBKH Placees (as defined below) for all of the Placement Shares..

(3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

Background on Subscribers

The Subscribers, namely Mr. Lam Cho Ying Terence Joe, Mr. Man Wai Ming, Mr. Wong Chon Chong and Cepa Alliance Securities Limited were referred to the Company by Yuanta Securities (Hong Kong) Company Limited ("**Yuanta**" or "**Introduction Agent**"), a financial advisory services firm based in the Hong Kong.

Mr. Lam Cho Ying Terence Joe is the president of a reputable Hong Kong financial institution, with more than 20 years of experience in financial investments.

Mr. Man Wai Ming is an entrepreneur currently residing in the PRC and has been running technology related business in Shenzhen for around 8 years. Prior to residing in Shenzhen, he had assumed senior management position in a couple of IT related private enterprises in Changsha (长沙) of the Hunan province (湖南省) and in Fuzhou (福州) of the Fujian province (福建省) for almost 15 years.

Mr. Wong Chon Chong is currently residing in the PRC and running a partnership company principally engaged in the catering service industry in Guangzhou for over 10 years. He has also been actively making private investments in the stock market in the PRC, Hong Kong and selected overseas market in the past 20 years.

Cepa Alliance Securities Limited was established in Hong Kong in 2003 which is a licensed brokerage firm with license type one (dealing in securities) and type four (advising on securities) under the Hong Kong's Securities and Futures Ordinance Section 116 and registered under the supervision of Securities and Futures Commission of Hong Kong.

The foregoing Subscribers were all persons introduced to the Company by Yuanta. The Company's appointment of Yuanta to introduce potential investors to the Company is in line with the Company's intention to raise funds to meet the funding requirements of the Group, and takes into account the size of the proposed fund raising and Yuanta's network and client/potential investors base.

Pursuant to the Subscription Agreement, each of the Subscribers has represented, warranted and undertaken to and for the benefit of the Company, *inter alia*, that:-

- (a) (only in the case of a Subscriber who is a natural person) he is not related to any of the Directors or substantial Shareholders;
- (b) (only in the case of a Subscriber which is a corporation) its directors and shareholders are not related to any of the Directors or substantial Shareholders;
- (c) he/it is not any of the persons set out in Rule 812(1) Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual ("**Catalist Rules**");
- (d) he/it is not acting in concert with any other Subscriber(s), Director(s) and/or substantial Shareholder(s); and
- (e) he/it is not acting in accordance with the instructions of any other Subscriber(s), Director(s) and/or substantial Shareholder(s).

Save as disclosed herein, no directions and restrictions were imposed on the identities and the number of Shares to be placed to each of the Subscribers named above or Yuanta.

None of the Subscribers has participated in any previous share placement exercise by the Company.

Yuanta is a third party financial institution and none of the Directors or substantial Shareholders has any interest, direct or indirect, in Yuanta.

3. PLACEMENT

On 21 January 2013, the Company has also entered into a placement agreement with the Placement Agent pursuant to which the Placement Agent has agreed on a best endeavours basis to procure subscribers for the Placement Shares ("**UOBKH Placees**") at the Placement Price for each Placement Share (the "**Placement Agreement**") on the terms and subject to the conditions set out in the Placement Agreement.

The Company's appointment of UOBKH as Placement Agent to procure subscribers for the Placement Shares under the Placement on a best endeavours basis is in line with the Company's intention to raise funds to meet the funding requirements of the Group, and takes into account the size of the proposed fund raising by the Company and UOBKH's network and client/potential investors base.

As at the date of this Announcement, the Company does not know the identities of and/or the allocation of Placement Shares to, or have any further information on the subscribers to be procured by UOBKH under the Placement.

Pursuant to the Placement Agreement, UOBKH has represented, warranted and undertaken to and for the benefit of the Company, *inter alia*, that the Placement Shares shall not be offered for sale to, nor will subscriptions be procured from, nor will any invitation be made for subscription for or sale of Placement Shares to, any person specified in Rule 812(1) of the Catalyst Rules, save for the exceptions specified in Rule 812(3) or unless such subscription is otherwise agreed to by the SGX-ST, and the Placement Agent shall ensure that in procuring subscribers for the Placement Shares, the number of Placement Shares to be placed to any subscriber will not result in any subscriber holding directly or indirectly more than 5% of the issued Share capital of the Company after the Placement.

Save as disclosed above, no directions and restrictions were imposed by the Company on the identities of and/or the allocation of Placement Shares to the UOBKH Placees.

Assuming that the Placement Agent has procured UOBKH Placees for all the Placement Shares, an aggregate of 263,500,000 Placement Shares and Subscription Shares, collectively representing approximately 11.66% of the existing issued share capital of 2,260,323,474 Shares as at the date of this announcement and approximately 10.44% of the Enlarged Issued Share Capital (as defined below) respectively, will be allotted and issued to the UOBKH Placees and the Subscribers collectively.

The "Enlarged Issued Share Capital" comprises 2,523,823,474 Shares, after taking into account the existing 2,260,323,474 Shares and the 263,500,000 new Shares to be issued pursuant to the Placement and Subscription, assuming the Placement Agent has procured UOBKH Placees for all of the Placement Shares.

4. USE OF NET PROCEEDS

The proceeds from the Placement and the Subscription, after deducting estimated expenses (including the Placement Commission, the Introduction Fees, the Fund Raising Commission and

other professional fees and expenses), (the “**Net Proceeds**”) will amount to approximately S\$5.3 million.

The Company intends to utilise:-

- (a) up to approximately S\$1,060,000 or approximately 20% of the Net Proceeds to finance or fund any acquisitions, purchases or investments that the Group may make or embark upon. Such acquisitions, purchases or investments may be in respect of existing investments or projects committed to by the Group, and/or may be in respect of new investment opportunities. The Net Proceeds may be used to fund the purchase price or consideration payable for such acquisitions, purchases or investments as well as for the payment of any professional fees or expenses or any other transaction costs or expenses to be incurred in connection with any of the foregoing;
- (b) up to approximately S\$1,060,000 or approximately 20% of the Net Proceeds to replenish the Group’s cash and financial resources, in view of the earlier use of the Group’s existing financial resources, and operating cash flows to finance the acquisition and other costs incurred in connection with some of the existing investments or projects undertaken by the Group; and
- (c) the balance of the Net Proceeds for the Group’s general corporate and working capital purposes, including to further supplement and augment the working capital available to the Group in view of the current uncertain and volatile economic conditions faced by the Group.

In the event that the Placement Shares are not fully placed out or the Subscription Shares not fully subscribed for, the balance of the Net Proceeds to be used for working capital purposes will be reduced accordingly. Accordingly the amount of monies raised (after deducting all expenses for the Placement and Subscription) will be used first for the purposes as described in paragraph (a) above and then the balance if any for the purposes as described in paragraphs (b) and (c) above.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit in the interest of the Company.

As and when any material amount of the Net Proceeds is disbursed or deployed, the Company will make the necessary announcements on the SGXNET corporate announcement system (the “**SGXNET**”) and subsequently provide a status report on the use of such Net Proceeds in its annual report.

5. OTHER SALIENT TERMS OF PLACEMENT AND SUBSCRIPTION

Conditions Precedent

Completion of the Placement and the Subscription are subject to certain conditions precedent more particularly set out in the Placement Agreement and the Subscription Agreement respectively, including the lodgement of an offer information statement with respect to the Placement and the Subscription with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (“**MAS**”), and the listing and quotation notice for the Placement Shares and the Subscription Shares (the “**Listing Approval**”) being obtained from the SGX-ST, where such conditions have to be satisfied on or before such date falling four (4) weeks from the date of the Placement Agreement or the Subscription Agreement (as the case may be) (or such other date as the Company and the Placement Agent or the Subscribers (as the case may be) may mutually agree.

In addition, the obligations of the Company and the Placement Agent under the Placement Agreement are conditional upon, *inter alia*, the following conditions being satisfied on or before

such date falling four (4) weeks from the date of the Placement Agreement (or such other date as the Company and the Placement Agent may mutually agree):

- (a) there not having occurred, in the reasonable opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market; and
- (b) not later than three (3) Business Days (or such other date as the Company and the Placement Agent may agree) prior to the Placement Completion Date, the Placement Agent notifying the Company of the subscribers for the Placement Shares procured by it, the number of Placement Shares to be subscribed for by each subscriber.

Completion

Placement

On the Placement Completion Date (as defined below), the Placement Agent shall against the delivery of the relevant documents by the Company set out below, make payment to the Company, for such Placed Shares, being the aggregate Placement Price of such Placed Shares, less the Placement Commission and agreed expenses, if any, payable to the Placement Agent, by way of a wire transfer to a bank account designated by the Company.

“Placed Shares” means the number of Placement Shares for which the Placement Agent has procured subscribers for as at the Placement Completion Date

On the Placement Completion Date, the Company shall deliver:-

- (i) to CDP for the account of the Placement Agent or of such persons as it may direct, the appropriate number of duly issued share certificates in respect of the relevant number of Placed Shares in the name of CDP and shall deliver to the Placement Agent a written confirmation of such delivery to the CDP; and
- (ii) to the Placement Agent a certificate, substantially in the form set out in the Placement Agreement, signed by a Director on behalf of the Company

Under the terms of the Placement Agreement, it is provided that the completion of the Placement shall take place on the date (**“Placement Completion Date”**) falling three (3) business days after the date of receipt of the Listing Approval for the listing and quotation of the Placement Shares on the Catalist (or such other date as the Company and the Placement Agent may agree).

Subscription

The Subscription Agreement provides that each of the Subscribers shall pay to the Company the aggregate Issue Price for the relevant number of Subscription Shares to be issued to such Subscriber (the **“Consideration”**) by way of a bank transfer to such account of the Company or its nominee with such bank as the Company may designate in writing to each Subscriber not later than 10 a.m. on the date being three (3) Business Days prior to the Subscription Completion Date (as defined below).

Under the terms of the Subscription Agreement, it is provided that the completion of the Subscription shall take place on the date (**“Subscription Completion Date”**) falling three (3) business days after the date of receipt of the Listing Approval for the listing and quotation of the

Subscription Shares on the Catalist (or such other date as the Company and the Subscribers may agree).

On the Subscription Completion Date, the Company shall, against compliance by the Subscribers with the provisions of Subscription Agreement:

- (a) allot and issue to each of the Subscribers, or, if so notified by a Subscriber to the Company not later than three (3) Business Days prior to the Subscription Completion Date of such Subscriber's Securities Account, to CDP for the Securities Account of such Subscriber, the number of Subscription Shares as set out against the name of the Subscriber in schedule 1 of the Subscription Agreement;
- (b) deliver or procure to be delivered to each of the Subscribers or CDP, as the case may be, the Share certificate registered in the name of such Subscriber or CDP, as the case may be, for the number of Subscription Shares as set out against the Subscriber's name in schedule 1 of the Subscription Agreement; and
- (c) in the event that the Share certificates are issued in the name of CDP, instruct CDP to credit the Securities Account of the Subscriber (as notified by such Subscriber to the Company not later than three (3) Business Days prior to the Subscription Completion Date of such Subscriber's Securities Account) with the number of Subscription Shares as set out against the name of the Subscriber in schedule 1 of the Subscription Agreement.

For avoidance of doubt, if any of the Subscribers fails to pay the Consideration (as defined below) pursuant to the Subscription Agreement, the Company may proceed with the Subscription Completion with the other Subscribers.

For the avoidance of doubt, the entry into and completion of each of the Placement Agreement and the Subscription Agreement are not conditional on the other.

Ranking of Placement Shares

The Placement Shares and the Subscription Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with existing issued Shares, except for any dividends, distributions or entitlements the record date of which falls on or before their respective date(s) of issue.

Proceeds from Placement and Subscription

Under the terms of the Placement and the Subscription, the Company has agreed with the Placement Agent and the Subscribers and that the Placement Price or the Subscription Price (as the case may be) may, at the option of the Subscribers or the UOBKH Placees (as the case may be) be paid in HK dollars in lieu of settlement in Singapore dollars at an agreed exchange rate of S\$1 : HK\$6.333.

Placement Commission and Introduction Fee

Placement Commission

In connection with the Placement and the Subscription, the Company has agreed to pay a commission ("**Placement Commission**") to the Placement Agent amounting to:-

- (i) 3.5% of the Placement Price for each Placed Share (and if applicable, goods and services tax thereon) for the Placed Shares issued and allotted to the UOBKH Placees under the Placement Agreement; and

(ii) 1% of the Issue Price for each Subscription Share (and if applicable, goods and services tax thereon) for the Subscription Shares issued and allotted to the Subscribers under the Subscription Agreement.

Assuming the 147,400,000 Placement Shares are fully subscribed for, the Company shall pay to the Placement Agent a Placement Commission of approximately S\$136,512 comprising S\$111,434 in relation to the Placed Shares and S\$25,078 in relation to the Subscription Shares.

Introduction Fee

In connection with the Subscription, the Company has agreed to pay Yuanta a success fee (the “**Introduction Fee**”) equal to 1.0% of the gross amount of subscription proceeds raised by the Company under the Subscription from investors introduced by Yuanta, which in this case comprise all of the Subscribers. The Company shall pay to Yuanta the Introduction Fee of approximately S\$25,078.

Authority for the Placement and the Subscription

The Placement and the Subscription will be made pursuant to the Share Issue Mandate (as defined below).

The approval of the Shareholders for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, whether on a pro-rata or non pro-rata basis (the “**Share Issue Mandate**”), was obtained at the Annual General Meeting of the Company held on 20 July 2012 (the “**2012 AGM**”).

As at the date of the 2012 AGM, the total number of issued Shares was 1,259,640,474. Since the 2012 AGM, the Company has issued 80,683,000 Shares (including 70,000,000 placement shares and 10,683,000 UOB fees shares) pursuant to the Share Issue Mandate, and 920,000,000 consideration shares in relation to the acquisition of 45% China Satellite Mobile Communications Group Limited pursuant to an ordinary resolution passed in a special general meeting held on 16 November 2012.

In addition, the Directors were authorised under the Share Issue Mandate to issue Shares on a non pro rata basis, and in exercising the authority conferred by the Share Issue Mandate the Company will comply, *inter-alia*, with the requirements imposed by the SGX-ST from time to time and the Catalist rules which includes the issuance of Shares at a discount not exceeding 10% from the weighted average price of the Shares for trades done on SGX-ST for the full market day on which the placement or subscription agreement in relation to such Shares is executed (or if not available, the weighted average price based on the trades done on the preceding market day up to the time the placement of subscription agreement is signed).

The Placement Price and the Issue Price of S\$0.0216 for each Placement Share and Subscription Share represents a discount of 0.24 cents per Share or approximately 10% to the volume weighted average price for trades done in respect of the Shares on the Catalist on 18 January 2013, being the full market day preceding 21 January 2013, the date of signing of the Placement Agreement and Subscription Agreement.

The Placement Shares and the Subscription Shares represent approximately 11.66% of the aggregate number of issued Shares as at the date of this announcement. The proposed issue and allotment of the Placement Shares to the UOBKH Placees at the Placement Price for each Placement Share and the Subscription Shares to the Subscribers at the Issue Price for each Subscription Share are within the limits of the Share Issue Mandate obtained at the 2012 AGM.

Shareholdings

The number of Shares held by the Directors, the Substantial Shareholders, the UOBKH Placees, the Subscribers and other Shareholders of the Company before and after the completion of the Placement and the Subscription, as well as their percentage shareholdings are as follows:-

	Number of Shares Held Before Placement and Subscription	% of existing issued Share capital ^{(1) (3)}	Number of Shares Held After Placement and Subscription	% of enlarged issued Share capital ^{(2) (3)}
Directors				
Luk Chung Po ⁽⁴⁾	53,257,532	2.36%	53,257,532	2.11%
Gao Xiangjun, Richard	1,506,000	0.07%	1,506,000	0.06%
Chou Tao-Hsiung, Joseph	887,626	0.04%	887,626	0.04%
Phuah Lian Heng	Nil	Nil	Nil	Nil
Lee Joo Hai	Nil	Nil	Nil	Nil
Substantial Shareholders				
Zhang Jian Hua ⁽⁵⁾	237,100,000	10.49%	237,100,000	9.39%
Sheng Da Wei ⁽⁵⁾	115,000,000	5.09%	115,000,000	4.56%
Other Shareholders				
UOBKH Placees and Subscribers	Nil	Nil	263,500,000	10.44%
Other Shareholders	1,852,572,316	81.96%	1,852,572,316	73.40%
Total	2,260,323,474	100.00%	2,523,823,474	100.00%

Notes:

(1) Based on the Company's existing issued share capital of 2,260,323,474 Shares.

(2) Based on the Company's enlarged issued share capital of 2,523,823,474 Shares after taking into account the existing Share capital of 2,260,323,474 Shares and the Placement and the Subscription, assuming the Placement Agent has procured UOBKH Placees for all of the Placement Shares.

(3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

(4) Mr. Luk Chung Po holds 8,876,255 Shares through nominee company(ies). Mr. Luk Chung Po is deemed interested in the Shares held by Compelling Vision Technology Limited by virtue of Mr. Luk Chung Po's 100% shareholding in Compelling Vision Technology Limited.

(5) The shareholdings of Directors and substantial shareholder are based on the Register of Directors and substantial Shareholders as at 18 January 2013. As at 18 January 2013, Zhang Jian Hua and Sheng Da Wei are the only two substantial shareholders of the Company.

Upon the completion of the Placement and Subscription, none of the UOBKH Placees and the Subscribers will each, individually, be interested in more than 5% of the Company's enlarged issued Share capital.

6. FINANCIAL EFFECTS OF THE PLACEMENT AND THE SUBSCRIPTION

Effects of the Placement and the Subscription on the Group's issued and paid-up Share Capital

As at the date of this announcement, the issued and paid-up Share capital is approximately HK\$113,016,174 comprising 2,260,323,474 Shares. Upon completion of the Placement and the Subscription and assuming that all the 147,400,000 Placement Shares are issued, the Share capital will be increased by approximately 11.66% to approximately HK\$126,191,174 comprising 2,523,823,474 Shares.

Effects of the Placement and the Subscription on consolidated net tangible assets (“NTA”) per share

For illustrative purposes only, the following is an analysis of the effects of the Placement and the Subscription on the NTA per share before and after adjustment to reflect the Placement Shares based on the Group’s unaudited consolidated balance sheet as at 30 September 2012 are as follows:

NTA as at 30 September 2012 (HK\$'000)	104,936
Add: effects of the issuance of the Consideration Shares pursuant to the Acquisition and UOBKH Fee Shares	438,095
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NTA before the Placement and the Subscription but after issuance of the Consideration Shares pursuant to the Acquisition and UOBKH Fee Shares	543,031
Add: Net proceeds from the Placement and Subscription (HK\$'000)	33,565
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NTA after the Placement and Subscription (HK\$'000)	576,596
Number of Shares in issue as at 30 September 2012	1,329,640,474
NTA per share as at 30 September 2012 (HK\$ cents)	7.89
Number of Shares in issue before the Placement and the Subscription but after issuance of the Consideration Shares pursuant to the Acquisition and UOBKH Fee Shares	2,260,323,474
NTA per share before the Placement and the Subscription but after issuance of the Consideration Shares pursuant to the Acquisition and UOBKH Fee Shares (HK\$ cents)	24.02
Number of Shares in issue after the Placement, the Subscription, issuance of the Consideration Shares pursuant to the Acquisition and UOBKH Fee Shares	2,523,823,474
NTA per share after the Placement and Subscription (HK\$ cents)	22.85

Notes:

- The NTA as at 30 September 2012 may be subject to adjustments, inter alia, depending on whether CSMCG may be regarded as an associated company or subsidiary of the Company under applicable accounting standards, principles, guidelines and practices. The actual consolidated NTA attributable to Shareholders after the Placement and the Subscription (taking into account the effect of the purchase consideration paid or deemed paid for the Acquisition and the issuance of the Consideration Shares pursuant to the Acquisition) is unaudited subject to change as a result of a review by the auditors of the Company at the forthcoming statutory audit for FY2013 after completion

of the Placement and the Subscription, *inter alia*, to assess the fair value of, and whether there is any applicable goodwill or provision for impairment required to be made in connection with the purchase consideration paid or deemed paid for the Acquisition and the issuance of the Consideration Shares pursuant to the Acquisition (as applicable). The financial effects shown above assume, *inter alia*, that no goodwill or provision for impairment is required as the purchase consideration for the Acquisition and the issuance of the Consideration Shares pursuant to the Acquisition (as applicable) is at fair value.

- Assuming exchange rate of S\$1:HK\$6.333 as at the Latest Practicable Date

Effects of the Placement and the Subscription on consolidated earnings per Share

As at the date of this announcement, the Directors are of the opinion that the Placement and the Subscription will not have any material effect on the earnings per Share. As and when the net proceeds from the Placement and the Subscription are deployed, the effect on the earnings per Share will depend on the then prevailing earnings per Share and the returns or earnings generated from such deployment.

Having regard to the existing banking facilities available to the Company and the Group, and taking into account the cash resources available to the Group, cash used in operating activities for the Group and barring unforeseen circumstances, the Directors are of the reasonable opinion, that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements.

As disclosed in section 4 of this announcement, the balance of the Net Proceeds will be used for the Group's general corporate and working capital purposes, including to further supplement and augment the working capital available to the Group in view of the current uncertain and volatile economic conditions faced by the Group.

7. OFFER INFORMATION STATEMENT

The Placement and the Subscription will be carried out pursuant to the exemption under Section 277 of the Securities and Futures Act, Chapter 289 of Singapore. An offer information statement dated 22 January 2013, which complies as to the form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005, has been lodged by the Company with the SGX-ST acting as agent on behalf of the MAS on 22 January 2013.

The Company will be making an application to the SGX-ST for the listing of and quotation for the Placement Shares and the Subscription Shares on the Catalist.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares and the Subscription Shares on the Catalist.

8. INTEREST OF THE DIRECTORS, CONTROLLING SHAREHOLDERS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Placement Shares and the Subscription Shares will be placed by the Company to any person who is a Director or a substantial Shareholder, or any other person falling within the categories set out in Rule 812(1) of Rules of Catalist of the SGX-ST Listing Manual.

None of the Directors or substantial Shareholders has any interest, direct or indirect, in the Placement and the Subscription (other than through their shareholdings in the Company).

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement and/or the Placement and/or the Subscription) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

By Order of the Board of Armarda Group Limited

Luk Chung Po, Terence
Executive Director
22 January 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.

*The contact person for the Sponsor is Mr. Liao H. K.
Telephone number: 6221 0271*