ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the full year of Financial Year 2009 (FY2009) ended 31 December 2009. 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 YEAR ENDED 31 DECEMBER 2009
(Expressed in Hong Kong thousand dollars)

	FY2009	FY2008
Revenue	30,330	77,751
Other income	633	1,950
Staff costs	(13,975)	(20,034)
Depreciation	(2,363)	(3,793)
Amortisation of intangible assets	(6,902)	(4,086)
Impairment of intangible assets	(90,368)	-
Cost of goods sold	(12,844)	(28,263)
Other expenses	(23,738)	(25,944)
Finance costs	(197)	(5)
Share of profit of associates	256	1,507
(Loss) / profit before taxation	(119,168)	(917)
Income tax (expense) / credit	302	(601)
(Loss) / profit for the year	**(118,866)**	**(1,518)**
Attributable to:		
Equity shareholders of the Company	(97,813)	(5,893)
Non-controlling interest	(21,053)	4,375
(Loss) / profit for the year	**(118,866)**	**(1,518)**
Basic (loss) / earnings per share	**(21.20) cents**	**(1.52) cents**
Diluted (loss) / earnings per share	**N/A**	**N/A**

1(a)(ii) An 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
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009
(Expressed in Hong Kong thousand dollars)

	FY2009	FY2008
(Loss) / profit for the year	(118,866)	**(1,518)**
Other comprehensive (loss) / income		
Exchange differences on translating foreign operations	(86)	10,062
Revaluation reserve	-	98
Total comprehensive (loss) / income for the year	**(118,952)**	**8,642**
Attributable to:		
Equity shareholders of the Company	(97,899)	4,267
Non-controlling interest	(21,053)	4,375
Total comprehensive (loss) / income for the year	**(118,952)**	**8,642**

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

ARMARDA GROUP LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2009
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	As at 31.12.2009	As at 31.12.2008	As at 31.12.2009	As at 31.12.2008
Non-current assets				
Investment in subsidiaries	-	-	24,087	51,220
Interest in an associate	24,424	24,134	-	-
Property, plant and equipment	7,800	9,562	-	-
Intangible assets	98,805	97,782	-	-
Amounts due from subsidiaries	-	-	173,229	147,474
Other investments	5,052	-	-	-
Other prepayment	-	1,304	-	-
Other assets	900	900	-	-
	136,981	133,682	197,316	198,694
Current assets				
Trade and other receivables	77,930	120,345	132	218
Cash and cash equivalents	14,258	65,943	4	4
	92,188	186,288	136	222
Current liabilities				
Obligations under finance lease	109	45	-	-
Other payables and accruals	26,046	35,395	663	1,063
Taxation payable	434	411	-	-
	26,589	35,851	663	1,063
Net current assets / (liabilities)	65,599	150,437	(527)	(841)
Non-current liabilities				
Obligations under finance lease	228	-	-	-
Deferred tax liabilities	2,043	2,345	-	-
	2,271	2,345	-	-
Net assets	**200,309**	**281,774**	**196,789**	**197,853**
Total equity				
Share capital	102,261	77,636	102,261	77,636
Reserves	94,528	195,860	94,528	120,217
Total equity attributable to equity shareholders of the Company	196,789	273,496	196,789	197,853
Non-controlling interest	3,520	8,278	-	-
	200,309	**281,774**	**196,789**	**197,853**

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

Amount repayable in one year or less, or on demand

As at 31.12.2009 In HK$'000		As at 31.12.2008 In HK$'000	
Secured	Unsecured	Secured	Unsecured
109	0	45	0

Amount repayable after one year

As at 31.12.2009 In HK$'000		As at 31.12.2008 In HK$'000	
Secured	Unsecured	Secured	Unsecured
228	0	0	0

Details of any collateral

The above 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 CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009
(Expressed in Hong Kong thousand dollars)

	FY2009	FY2008
Cash flows from operating activities		
(Loss) / profit before taxation	(119,168)	(917)
Adjustment for :		
Interest income	(633)	(1,943)
Share of profits of an associate	(256)	(1,507)
(Gain) / loss on disposal of property, plant and equipment	(137)	6
Finance costs	197	5
Depreciation	2,363	3,793
Amortisation of intangible assets	6,902	4,086
Impairment of intangible assets	90,368	-
Equity settled share-based payment	2,844	8,120
Foreign exchange (gain) / loss	497	(1,182)
	(17,023)	10,461
(Increase) / decrease in trade and other receivables	27,960	(14,574)
Increase / (decrease) in other payables and accruals	(20,231)	(12,854)
	(9,294)	(16,967)
Interest received	633	1,943
Interest paid	(197)	(5)
Income taxes paid	(79)	(347)
Net cash generated from / (used in) operating activities	**(8,937)**	**(15,376)**
Cash flows from investing activities		
Addition of property, plant and equipment	(203)	(60)
Dividend received from an associate	-	1,531
Refundable acquisition deposits	-	(36,998)
Acquisition of a subsidiary net with cash acquired	(48,100)	(29,784)
Acquisition of non-controlling interest	(12,880)	-
Acquisition of intangible assets	(1,306)	-
Acquisition of other investments	(2,442)	-
Proceeds from disposal of property, plant and equipment	190	-
Net cash generated from / (used in) investing activities	**(64,741)**	**(65,311)**
Cash flows from financing activities		
Repayment of finance lease obligations	(146)	(88)
Dividend paid to non-controlling interest	(105)	(4,270)
Issue of shares, net of issue costs	22,656	-
Net cash generated from / (used in) financing activities	**22,405**	**(4,358)**
Net increase / (decrease) in cash and cash equivalents	**(51,273)**	**(85,045)**
Cash and cash equivalents at beginning of the period	65,943	145,063
Effect of exchange rate fluctuations on cash held	(412)	5,925
Cash and cash equivalents at end of the period	**14,258**	**65,943**

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	Reserve for Shares to be Issued	Other Reserves	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 January 2008	**77,636**	**110,582**	**15,004**	**1,580**	**5,812**	**-**	**-**	**-**	**-**	**50,495**	**261,109**
Exchange difference on translation of financial statements of foreign entities	-	-	10,062	-	-	-	-	-	-	-	10,062
Revaluation surplus on acquisition of a subsidiary	-	-	-		-	98	-	-	-	-	98
Equity settled share-based payment	-	-	-	8,120	-	-	-	-	-	-	8,120
Appropriation to reserve	-	-	-	-	51	-	-	-	-	(51)	-
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	8,173	-	8,173
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(4,270)	-	(4,270)
Net profit / (loss) for the year 2008	-	-	-	-	-	-	-	-	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**
Exchange difference on translation of financial statements of foreign entities	-	-	(86)	-	-	-	-	-	-	-	(86)
Equity settled share-based payment	-	-	-	2,844	-	-	-	-	-	-	2,844
Issuance of 123,125,000 new ordinary shares	24,625	(1,970)	-	-	-	-	-	-	-	-	22,655
Reserve for shares to be issued	-	-	-	-	-	-	14,720	-	-	-	14,720
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(105)	-	(105)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(19,027)	(8,173)	-	(27,200)
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	24,573	-	24,573
Net profit / (loss) for the year 2009	-	-	-	-	-	-	-	-	(21,053)	(97,813)	(118,866)
At 31 December 2009	**102,261**	**108,612**	**24,980**	**12,544**	**5,863**	**98**	**14,720**	**(19,027)**	**3,520**	**(53,262)**	**200,309**

The Company	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share-Based Capital Reserve	PRC Statutory Reserve	Re-Valuation Reserve	Reserve for Shares to be Issued	Other Reserves		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
At 1 January 2008	**77,636**	**110,582**	**-**	**1,580**	**-**	**-**	**-**	**-**		**2,595**	**192,393**
Equity settled share-based payment	-	-	-	8,120	-	-	-	-		-	8,120
Net profit / (loss) for the year 2008	-	-	-	-	-	-	-	-		(2,660)	(2,660)
At 31 December 2008	**77,636**	**110,582**	**-**	**9,700**	**-**	**-**	**-**	**-**		**(65)**	**197,853**
Equity settled share-based payment	-	-	-	2,844	-	-	-	-		-	2,844
Issuance of 123,125,000 new ordinary shares	24,625	(1,970)	-	-	-	-	-	-		-	22,655
Acquisition of non-controlling interest	-	-	-	-	-	-	14,720	-			14,720
Net profit / (loss) for the year 2009	-	-	-	-	-	-	-	-		(41,283)	(41,283)
At 31 December 2009	**102,261**	**108,612**	**-**	**12,544**	**-**	**-**	**14,720**	**-**		**(41,348)**	**196,789**

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 issued a total of 123,125,000 new ordinary shares to six independent investors for a total cash consideration of HK$24,625,000 on 29 May 2009.

The Company's wholly owned subsdiary Armarda Holdings Ltd entered into a sales and purchase agreement on 22 December 2009 to acquire 75% equity interest in China RFID Ltd with total consideration amounting to HK$75 million, in combination of cash consideration of HK$59 million and HK$16 million fully paid-up ordinary shares in the capital of the Company, representing 53,333,334 shares at HK$0.30 each. As the consideration shares had been alloted on 6 January 2010 and quoted on SGX on 7 January 2010, the fair value of the issuance of the consideration shares has been recorded in the financial statements at approximately HK$14.7 million.

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 2009 was 511,307,140 (31 December 2008 : 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.

As at 31 December 2009, the Company does not have any sales, transfers, disposals, cancellation, and/or use of treasury shares.

There are no treasury shares as at 31 December 2009.

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

Except as disclosed in paragraph 5 below, 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 2009.

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

The Group has adopted the new/revised IAS, IFRS and Interpretations of IFRS that are effective for financial year beginning on or after 1 January 2009. The adoption of the relevant IAS, IFRS and Interpretations of IFRS does not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements for the year ended 31 December 2009.

- The Group has adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for all business combinations occurring in the financial year starting 1 January 2009. All business combinations occurring on or after 1 January 2009 are accounted for by applying the acquisition method.
- The Group has early adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.
- In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously the Group immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of IAS 23 Borrowing Costs (2007) in accordance with the transitional provisions of such standard; comparative figures have not been restated.
- As of 1 January 2009, the Group determines and presents operating segments based on the information that internally is provided by the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented under Part II of this result announcement.

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:				
		FY2009		**FY2008**
Based on weighted average number of Ordinary shares in Issue (Please see note below)		**(21.20) HK cents**		**(1.52) HK cents**
On a fully diluted basis (Please See note below)		**Not applicable**		**Not applicable**

Note 6a : Basic (loss) / earnings per share

The calculation of basic (loss) / earnings per share is based on the Group's loss attributable to ordinary shareholders of HK$97,813,000 (FY2008 : loss of HK$5,893,000) and the weighted average number of ordinary shares of 461,382,000 (FY2008 : 388,182,000) in issue during the year.

Note 6b : Diluted earnings per share

There are 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

	FY2009	FY2008
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$ 0.38 per share**	**HK$ 0.51 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$ 0.39 per share**	**HK$ 0.73 per share**

The calculation of net asset value per share of the Company at 31 December 2009 is based on the Company's net asset value of HK$196,789,000 (31 December 2008 of HK$197,853,000) and 511,307,140 ordinary shares in issue at 31 December 2009 (388,182,140 ordinary shares in issue at 31 December 2008).

The calculation of net asset value per share of the Group at 31 December 2009 is based on the Group's net asset value of HK$200,309,000 (31 December 2008 of HK$281,774,000) and 511,307,140 ordinary shares in issue at 31 December 2009 (388,182,140 ordinary shares in issue at 31 December 2008).

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 FY2009 decreased by approximately HK$47.5 million to approximately HK$30.3 million from approximately HK$77.8 million in FY2008. The decrease was the result of the financial turmoil which slowed down the IT spending of most of the PRC banks and financial institutions including, but not limited to, significant decrease in the procurement of software products and IT equipment.

The following is a breakdown of the total IT revenue generated in FY2009 :

	FY2009 HK$'000	FY2008 HK$'000
Revenue from provision of IT services	16,334	40,102
Revenue from trading of IT equipment	13,996	37,649
	30,330	**77,751**

Cost of goods sold

Cost of goods sold decreased by approximately HK$15.5 million from approximately HK$28.3 in FY2008 to approximately HK$12.8 million in FY2009 due to the corresponding decrease in the trading of IT equipment as disclosed above.

Other income

This comprises mainly of the deposit interest income earned to the amount of approximately HK$0.63 million in FY2009 as compared to approximately HK$1.95 million earned in FY2008. The decrease of approximately HK$1.32 million was due to the decrease in the average bank deposit interest rate in FY2009 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 2009.

Operating expenses

The Group's total operating expenses (including staff costs, depreciation and other expenses but excluding cost of goods sold, amortisation and impairment) decreased by approximaely HK$9.7 million to approximately HK$40.1 million in FY2009 from approximately HK$49.8 million in FY2008.

The following is a breakdown of the staff costs of the Group in FY2009 and FY2008:

	FY2009 HK$'000	FY2008 HK$'000
Staff salary, remuneration and other benefits	11,131	11,914
Equity settled share-based payment	2,844	8,120
	13,975	**20,034**

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 were S$0.210 and S$0.213 respectively.

The number of share options is as follows :

	FY2009	**FY2008**
	No. of options	**No. of options**
Outstanding at 1 January	23,700,000	25,000,000
Granted during the period	-	-
Lapsed during the period	-	(1,300,000)
Exercised during the period	-	-
Outstanding at 31 December	**23,700,000**	**23,700,000**
Exercisable at 31 December	**23,700,000**	**11,850,000**

Accordingly, the staff cost arising from this grant of share option in FY2009 was approximately HK$2.84 million (FY2008 : approximately HK$8.12 million) which has been fully absorbed in FY2009 for a period of 2-year commencing November 2007.

Depreciation charges decreased by approximately HK$1.4 million to approximately HK$2.4 million in FY2009 from HK$3.8 million in FY2008 as the Group did not make any material purchases, nor disposals, of property, plant and equipment during the year.

Amortisation of intangible assets comprises of that in relation to customer relationship of approximately HK$4.1 million and lease agreement of approximately HK$2.8 million respectively in FY2009.

Amortisation of intangible assets in relation to customer relationship resulting from business combination, remained the same at approximately HK$4.1 million in both FY2009 and FY2008.

Arising from amortisation of intangible assets in relation to lease agreement, after deducting an impairment loss of approximately HK$81.4 million, amortisation expenses of approximately HK$2.8 million was recognised by the Group in FY2009. The lease agreement represents the exclusive distributorship rights which resulted from the acquisition of the 75% equity interest in China RFID Ltd, and the amortisation of the lease agreement is based on the duration of the exclusive agreement that the ultimate customer of the Group ("**China Vision Intelligent Card Reader Co., Limited**" or "**China Vision**") has with the Public Security Bureau of the People's Republic of China ("**PRC**"), for the project to supply NXP RFID Chips for the electronic passport and electronic travel documents project, for a 2-year period, commencing September 2009. The Company understands that the terms for the other successful bidders for the electronics passports project is similar. Details of which can be referred under the section of intangible assets – lease agreement.

Impairment of intangible assets comprises of that in relation to lease agreement of approximately HK$81.4 million and goodwill for BTL of approximately HK$9.0 million respectively in FY2009.

Notwithstanding that China Vision has the first right to renew the contract subject to terms and conditions and considering the exclusive agreement with ultimate customer, the management has (in view of the possible uncertainties of renewal and the terms and conditions therein) re-assessed the recoverability of the lease agreement by discounting the cash flow projections for the project for the 2-year period. Thus an impairment of lease agreement for exclusive distributorship rights, which represents the value of the acquisition after deducting carrying values, of approximately HK$81.4 million was recognised in FY2009. Details of which can be referred under the section of intangible assets - lease agreement.

An impairment of goodwill of approximately HK$9 million was recognised in FY2009. Taking account into the worsening effects of the financial crisis extending into the IT sector in the PRC, in particular, at the end of FY2009 and there is no signs of recovery in the forthcoming year, the management decided to conduct a reassessment exercise on Brilliant Time Limited's (BTL) business in respect of its revenue forecast and cash flow. With a pre-tax discount rate of 13.6% and weakening business sentiments which will affect the company's revenues, contracts and margins, resulting in an impairment where the amounts which exceeds will be reflected as a loss from impairment. Considering the major customers retained, it is expected that there would be only a reduction of sales amount, and no impairment allowance is necessary in view of customer relationship. The recognition of impairment loss of goodwill is the best estimation of the management in light of current market situation, and it will be subject to revision, in dependent on the opinion and judgment from external professional parties. In accordance with the adoption of new IFRS3 and IAS27 for acquisitions of non-controlling interests, the 20% non-controlling interest acquired in January 2009 was accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill nor intangible assets was recognised. Approximately HK$19 million was recognised under other reserves (additional disclosure under Intangible Assets – Customer Relationship and Goodwill).

Other expenses decreased by approximately HK$2.2 million to approximately HK$23.7 million in FY2009 from approximately HK$25.9 million in FY2008. The decrease was mainly attributed by the combination of (i) a decrease in consultancy and subcontracting fees of approximately HK$2.7 million as a result of a decrease in IT services rendered to the Group's customers; (ii) an increase in promotion, marketing, business travelling, and professional expenses incurred of approximately HK$0.1 million arising from, inter-alia, the development of new business ventures primarily with potential PRC strategic partners as a result of the deterioration of the Group's core business; and (iii) an increase in operating lease charges of properties of approximately HK$0.2 million.

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Group in FY2009 of approximately HK$97.8 million was mainly attributable by (i) the decrease in total IT revenue of approximately HK$47.5 million, (ii) the amortisation costs of intangible assets of approximately HK$6.9 million and (iii) the impairment of intangible assets of approximately HK$90.4million.

Income tax

The Group's profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2008: 16.5%). No provision for Hong Kong profits tax is made, as there is no assessable profits for Hong Kong profits tax for the year (FY2008 : nil).

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

As the 50% Criteria was not met in 2008, Armarda Zhuhai was subject to PRC income tax rate at 18% for 2008. The 50% Criteria was expired in 2009 and Armarda Zhuhai was subject to PRC income tax at 20% for 2009.

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 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 Armarda Zhuhai is wholly owned by Armarda Technology (Hong Kong) Limited, a Hong Kong registered company, the applicable withholding tax rate will be 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. The deferred withholding tax as at 31 December 2009 was $250,000 (2008: $730,000).

No Singapore income tax is payable in respect of the Group's operations in Singapore, as such operations sustained losses for income tax purposes in FY2009 (FY2008 : nil).

Interest in an associate

As at 31 December 2009, this is comprised of an investments of the Group, the 45% shareholding interests in Fesco E-HR Service (Beijing) Co., Ltd. as follows :

The Group 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 completed in FY2008. As at 31 December 2009, Fesco E-HR remains as an associate of the Group.

The 45% share of profit from Fesco E-HR in FY2009 amounting to approximately HK$0.26 million represents the Group's total share for the net profit after tax of this associate for the full year in FY2009 (approximately HK$1.5 million in FY2008) which has been equity accounted for in the Group's year ended 31 December 2009.

Property, plant and equipment

The total net book value of the Group's property, plant and equipment of approximately HK$7.8 million as at 31 December 2009 is mainly comprised of leasehold properties of approximately HK$6.9 million, furniture, fixtures, computer and other equipment of approximately HK$0.3 million, and motor vehicles of approximately HK$0.6 million.

Intangible assets

	FY2009 HK$'000	FY2008 HK$'000
Intangible assets - customer relationship	32,687	36,773
Intangible assets - goodwill	52,036	61,009
Intangible assets - lease agreement	14,082	-
	98,805	**97,782**

Intangible assets – customer relationship and goodwill

The intangible assets of approximately HK$84.7 million is arisen from the acquisition of BTL.

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 Brilliant Time Limited (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 sale 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 FY2008. 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 sale 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 and 100% full consolidation of BTL's financial statements into the Group's financial statements was commenced from the first quarter of FY2009. 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 million.

Considering the slow down of IT spending in PRC market, the management conducted an impairment review by comparing the recoverable amount and the carrying amount, as a result, HK$9 million impairment loss was provided in FY2009.

Intangible assets – lease agreement

The intangible assets of approximately HK$14.1 million is arisen from the acquisition of China RFID Ltd

Armarda Holdings Ltd (being a wholly owned subsidiary of the Company) entered into a sales and purchase agreement with 3 individual vendors to acquire 75% equity interest in China RFID Ltd ("CRL") on 22 December 2009 for an aggregate consideration which comprises cash of HK$59 million and the issuance of 53,333,334 fully paid-up ordinary shares of the Company. In accordance with the relevant accounting principles, a fair value of approximately HK$73.7 million for the 75% equity interest in CRL (based on the prices for the ordinary shares of the Company as at the date of acquisition of S$0.05 each) the Company's interest in CRL will be recorded with 100% equity interest of CRL or approximately HK$98.3 million being recorded as an intangible assets of lease agreement with 25% of the interest in CRL being recorded as under non-controlling interest.

As part of its deliberations for the acquisition, the management had assessed the acquisition and determined the values for the lease agreement on the basis of a 10-year cash flow forecast at a discount rate of approxiamtely 19.76% at the date of acquisition. Although the management is confident, barring unforeseen circumstances, that the 2-year agreement that the ultimate customer (through a series of exclusive distributorship agreements signed by various companies) has with the Public Security Bureau will be renewed to a longer period upon expiry of the initial two years, the Company, for reason of uncertainties in renewal, except for the 2-year commencing from September 2009 notwithstanding the fact that China Vision has the first right to renew the contract with Public Security Bureau after the 2-year period, subject to terms and conditions.

The management has re-assessed the lease agreement for a 2-year period due to the reason of uncertainties in renewal of the contract that the ultimate customer has with the Public Security Bureau, an impairment loss of approximately HK$81.4 milion was recognised during the year. As such, the gross amount of the lease agreement of approximately HK$16.9 million was amortised over the 2-year period commencing September 2009 and the Group recognised an amortisation expenses of approximately HK$2.8 million during the year.

The amounts recorded under lease agreement as the intangible assets of approximately HK$14.1 million, represents the balance of unamortised present values of the cashflow projections for the 2-year period, arising from the acquisition of CRL, and such rights represent the various trading arrangements for NXP RFID chips.

Other investments

Carrying amount of approximately HK$5 million as at 31 December 2009 (2008 : nil) represents the Group's authorization 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$2.4 million respectively during the year, 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% sharing of the revenue of the third party for a period from 1 April 2010 to 31 March 2015. Since the fair value determined by discounting the cashflow of the forecasted revenue for the 5-year period, using the pre-tax discount rate of 13.6% approximates the carrying amout of the available-for-sale financial assets, there is no fair value adjustment recognised as at 31 December 2009.

Other prepayments

The other prepayments of approximately HK$1.3 million recognised in FY2008 and additional amount of approximately HK$1.3 million paid in FY2009 represented the development of an intangible asset. The development for the Shanghai media project was completed and transferred to other investments during the year.

Other assets

Other assets remain closely the same of approximately HK$0.9 million in both FY2008 and FY2009, which is comprised of 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 as at 31 December 2009:

	31.12.2009 HK$'000	**31.12.2008 HK$'000**
Trade receivables	17,664	46,765
Refundable deposit on acquisition	-	14,320
Goodwill deposit	22,678	22,678
Other prepayments and receivables	37,588	36,582
	77,930	**120,345**

Trade receivables

The Group's trade receivables decreased by approximately HK$29.1 million to approximately HK$17.7 million as at 31 December 2009 from approximately HK$46.8 million as at 31 December 2008, mainly attributed by the decrease in IT revenue generated and collection of debts in FY2009. Based on historical default rates, the management believes that no impairment allowance is necessary in respect of trade receivables balance. All the trade and other receivables are expected to be recovered.

The refundable deposit on acquisition in relation to BTL was utilised as part of the acquisition proceeds in January 2009 for acquiring the 20% equity interest in BTL.

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 around 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, ATZH 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 management's sole discretion.

A conditional sales and purchase agreement will be executed, subject to the outcome of the management review and due diligence as well as satisfactory terms and conditions and the Directors' approval. The Letter is subject, *inter alia*, to:

a. satisfactory completion of a preliminary round of review, and 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 it 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). As at the date of this result announcement, ATZH is still working on a final sale and purchase agreement on the potential acquisition.

Other prepayments and receivables

The following is a breakdown of other prepayments and receivables of the Group as at 31 December 2009:

	31.12.2009 HK$'000	**31.12.2008 HK$'000**
Working capital advance to Xintian eAccess Group	9,157	7,109
Short term advances	10,221	17,009
Other receivables	18,210	12,464
	37,588	**36,582**

Subscription of 46% equity interest in Xintian eAccess Limited and its subsidiary ("Xintian eAccess Group") and short term advances

On 16 January 2009, one of the subsidiaries of the Group, Armarda eAccess Technology Limited ("Armarda eAccess"), Breakout Visions Inc. and Qian Kang, the founder of Xintian eAccess Limited (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**") and its wholly owned subsidiary, Yi Wei Advertising Company Limited (**"YWACL**") (Collectively known as "**Xintian eAccess Group**"). Xintian eAccess is a HK$1.00 company incorporated in British Virgin Islands and is engaging 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. Apart from the subscription of new shares from all the parties for Xintian eAccess, the parties other than Armarda 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 working capital requirements of the Xintian eAccess Group. As at 31 December 2009, Armarda eAccess has advanced approximately HK$9.2 million to the Xintian eAccess Group. The advance would be repaid to Armarda eAccess upon the subscription funds from the Subscribers is fully received by Xintian eAccess. Armarda's portion of the subscription funds is approximately HK$4.6 million.

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 is previously dormant.

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.

Other receivables

Other receivables is mainly due to short term project advances to long term business partners of approximately HK$15 million in order to assist them in awarding new projects in PRC, from which the Group will be able to generate a significant amount of the IT support services revenue.

Cash and cash equivalents

The following is a breakdown of cash and cash equivalents of the Group as at 31 December 2009:

	31.12.2009 **HK$'000**	**31.12.2008** **HK$'000**
Deposits with banks	-	35,151
Cash at banks and in hand	14,258	30,792
Total cash and cash equivalents	**14,258**	**65,943**

Please refer to page 19 on "Cashflows" on the decrease in cash and cash equivalents.

Other payables and accruals

The following is a breakdown of the total other payables and accruals of the Group as at 31 December 2009:

	31.12.2009 HK$'000	31.12.2008 HK$'000
Accrued subcontracting charges	9,466	7,864
Acquisition proceeds payable for BTL	-	21,800
Acquisition proceeds payable for China RFID Ltd	10,900	-
Other deposits and accruals	5,680	5,731
	26,046	**35,395**

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$1.6 million from approximately HK$7.9 million as at 31 December 2008 to approximately HK$9.5 million as at 31 December 2009. The increase of payable is mainly due to the corresponding IT support services in FY2009 which is not yet past due.

The acquisition proceeds payable for BTL represents the HK$4.8 million escrow held as well as the balance of the third tranche payment of HK$17,000,000 in relation to the acquisition of 55% equity shares of BTL from Mr. Vincent Lee pursuant to the Sales & Purchase Agreement approved by shareholders in the General Meeting held and effected on 19 January, 2008. The total HK$21.8 million had been fully settled in FY2009.

The acquisiton proceeds payable for China RFID Ltd amounts to HK$10.9 million, representing the balance of the HK$59 million cash consideration payable to the vendors for the 75% equity interest acquired in China RFID Ltd pursuant to the Sales & Purchase Agreement dated 22 December 2009.

Other deposits and accruals remain stable at approximately HK$5.7 million as at 31 December 2008 and 2009.

Obligations under finance lease

During the year of FY2009, the Group purchased a motor vehicle under a hire purchase arrangement. As at 31 December 2009, the Group has obligations under a finance lease that are repayable within 1 year of approximately HK$0.11 million (FY2008 : HK$0.045 million) and repayable after 1 year but within 5 years of approximately HK$0.23 million (FY2008 : nil).

Reserves

The following is a breakdown of the Reserves of the Group as at 31 December 2009:

	31.12.2009 HK$'000	31.12.2008 HK$'000
Share premium	**108,612**	**110,582**
Foreign exchange translation reserve	**24,980**	**25,066**
PRC statutory reserve	**5,863**	**5,863**
Revaluation reserve	**98**	**98**
Employee share-based capital reserve	**12,544**	**9,700**
Reserve for shares to be issued	**14,720**	**-**
Other reserves	**(19,027)**	**-**
Retained profits	**(53,262)**	**44,551**
	94,528	**195,860**

- 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 income statement according to the vesting period.

- The reserve for shares to be issued relates to the share consideration paid for the lease agreement by issuing 53,333,334 shares as transacted at 22 December 2009, which is the date of acquisition of CRL. The issue of shares was completed on 6 January 2010.

- The other reserves arise from the acquisition of non-controlling interest of BTL during the year. The Group has recognised any premiums or discounts on purchase of equity instruments from non-controlling interest subsequent to the obtaining of control.

Non-controlling interest

Non-controlling interest of BTL becomes a nil balance as at 31 December 2009 (31 December 2008: approximately HK$8.3 million), which was the result of the acquisition of the remaining 20% interest of Brilliant Time Limited ("BTL") on 8 January 2009 whereby BTL had become a wholly owned subsidiary of the Group, and accordingly all minority interest in BTL ceased to exist as at 31 December 2009.

Non-controlling interest of China RFID Ltd of approximately HK$3.5 million represents the 25% minority interest as at 31 December 2009. The Company's wholly owned subsidiary Armarda Holdings Ltd has entered into a sales and purchase agreement on 22 December 2009 to acquire 75% equity interest in China RFID Ltd. The opening balance of the non-controlling interest on the date of acquisiton was approximately HK$24.6 million with a loss contributed during the year of approximately HK$21.1 million.

Cashflows

The Group used approximately HK$8.9 million in its operating activities in FY2009, as compared to an outflow of approximately HK$15.4 million in FY2008. This is primarily due to cash used in operating activities of approximately HK$17.0 million and the decrease in other payables and accruals of approximately HK$20.2 million, which has been offsetted by the decrease in trade and other receivables of approximately HK$28 million in FY2009.

The Group used approximately HK$64.7 million in its investing activities in FY2009, which is closely the same as an outflow of approximately HK$65.3 million in FY2008. This cash outflow in FY2009 mainly consists of HK$48.1 million acquisition proceeds for acquiring 75% equity interest in China RFID Ltd, approximately HK$12.9 million for the balance of 20% non-controlling interest in BTL and other investment of approximately HK$3.7 million.

The Group generated approximately HK$22.4 million in its financing activities in FY2009, in contrast to an outflow of approximately HK$4.4 million in FY2008. The cash inflow in FY2009 is primary due to the Company's issuance of 123,125,000 new ordinary shares to six independent investors for a total cash consideration of HK$24.6 million.

As a whole, the Group used approximately HK$51.3 million in FY2009 as compared to approximately HK$85 million in FY2008. The cash and cash equivalents as at 31 December 2009 is HK$14.3 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 global financial turmoil had shown its continuous impact to the PRC IT industry and the overall market condition remained difficult and deteriorating since the last reporting period. The management expects that such trend will continue for the upcoming periods and we will strive to maintain the Group's business momentum by more actively looking 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 (FY2008 : 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 2009

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

The Group comprises two reportable segments (i) provision of IT services (ii) trading of IT equipment. 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.

	FY2009 HK$'000	FY2008 HK$'000
Revenue (including other operating income)		
Provision of IT services	16,334	40,102
Trading of IT equipment	13,996	37,649
Unallocated	633	1,950
	30,963	**79,701**
Segment results		
Provision of IT services	(4,870)	22,283
Trading of IT equipment	(86,287)	8,376
Unallocated	338	1,950
Segment profit	**(90,819)**	**32,609**
Unallocated expenses	(28,408)	(35,028)
Result for operating activities	**(119,227)**	**(2,419)**
Finance costs	(197)	(5)
Share of profit of an associate	256	1,507
Income tax (expenses) / credit	302	(601)
(Loss) / profit for the year	**(118,866)**	**(1,518)**
Segment Assets		
Provision of IT services	178,257	173,569
Trading of IT equipment	34,161	37,331
Unallocated	16,751	109,070
	229,169	**319,970**
Segment Liabilities		
Provision of IT services	15,590	12,541
Trading of IT equipment	1,672	2,735
Unallocated	11,598	22,920
	28,860	**38,196**
Capital expenditure		
Provision of IT services	-	-
Trading of IT equipment	-	-
Unallocated	641	60
	641	**60**

	FY2009 HK$'000	FY2008 HK$'000
Depreciation		
Provision of IT services	2,068	2,733
Trading of IT equipment	-	-
Unallocated	295	1,060
	2,363	**3,793**
Amortization		
Provision of IT services	3,076	3,076
Trading of IT equipment	17,392	1,010
Unallocated	-	-
	20,468	**4,086**
Impairment		
Provision of IT services	6,755	-
Trading of IT equipment	70,047	-
Unallocated	-	-
	76,802	**-**

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:

	FY2009 HK$'000	FY2008 HK$'000
Revenue		
PRC	30,330	77,751
Unallocated revenue	633	1,950
	30,963	**79,701**
Capital expenditure		
PRC	-	50
Hong Kong	641	10
	641	**60**

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

	FY2009 HK$'000	FY2008 HK$'000
Segment assets		
PRC	107,217	155,805
Hong Kong	121,758	163,872
Singapore	194	293
	229,169	**319,970**

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

	FY2009 HK$'000	FY2008 HK$'000	% change
First Half Year			
Revenue from provision of services	10,086	21,650	-53.4%
Revenue from trading of IT euipment	9,406	16,113	-41.6%
Other income	473	844	-44.0%
Equity settled share-based payment	(2,844)	(5,040)	-43.6%
Amortisation of intangible assets	(1,857)	-	N/A
Share of (loss) / profits of associate(s)	650	1,005	-35.3%
(Loss) / Profit after tax	**(8,641)**	**3,774**	**N/A**
Second Half Year			
Revenue from provision of services	6,248	18,452	-66.1%
Revenue from trading of IT euipment	4,590	21,536	-78.7%
Other income	160	1,106	-85.5%
Equity settled share-based payment	-	(3,080)	N/A
Amortisation of intangible assets	(2,229)	(4,086)	-45.4%
Share of (loss) / profits of associate(s)	(394)	502	N/A
(Loss) / Profit after tax	**(110,225)**	**(5,292)**	**1982.9%**
Full Year			
Revenue from provision of services	16,334	40,102	-59.3%
Revenue from trading of IT euipment	13,996	37,649	-62.8%
Other income	633	1,950	-67.5%
Equity settled share-based payment	(2,844)	(8,120)	-65.0%
Amortisation of intangible assets	(4,086)	(4,086)	0.0%
Share of (loss) / profits of associate(s)	256	1,507	-83.0%
(Loss) / Profit after tax	**(118,866)**	**(1,518)**	**7730.4%**

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 (FY2008 : Nil)

(b) Preference

Nil (FY2008 : Nil)

(c) Total

Nil (FY2008 : Nil)

17. Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	S$'000	S$'000
	-	-

BY ORDER OF THE BOARD

26 FEBRUARY 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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