

## **ARMARDA GROUP LIMITED**

### **PROPOSED PLACEMENT OF 43,750,000 NEW ORDINARY SHARES OF HK\$0.20 EACH IN THE CAPITAL OF ARMARDA GROUP LIMITED (THE "NEW SHARES")**

The Board of Directors of Armarda Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company **has** entered into a Placement Agreement with Firich Enterprises Co., Ltd. (the "**Placee**") on 10 July 2007 (the "**Placement Agreement**"). Pursuant to the Placement Agreement, the Company has agreed to issue an aggregate of 43,750,000 New Shares by way of a proposed private placement to the Placees at an issue price of S\$0.32 (the "**Issue Price**") for each Placement Share (the "**Placement**"). Subject to and upon the terms and conditions of the Placement Agreement, the Placee has agreed to subscribe and pay for 43,750,000 new ordinary shares of HK\$0.20 each in the capital of the Company, representing approximately 12.7% of the existing issued share capital of the Company and approximately 11.3% of the issued share capital of the Company after the Placement. The consideration for the New Shares is payable in full on allotment and issue of the New Shares. Upon completion of the Placement, the Placee will be entitled to nominate a director to the Board of Directors of the Company.

#### **Shareholders' Mandate**

The New Shares will be allotted and issued pursuant to the general mandate to allot and issue shares and convertible securities and any shares pursuant to convertible securities granted by the shareholders of the Company by way of an ordinary resolution passed at the Annual General Meeting of the Company on 28 April 2007.

The New Shares represent approximately 12.7% of the existing issued share capital of the Company and approximately 11.3% of the issued share capital of the Company after the Placement. No other shares have been issued for cash since the date of the Company's last annual general meeting held on 28 April 2007. The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of HK\$0.20 each (the "**Shares**") in the issued share capital of the Company except that they will not rank for any dividend, advantage, allotment or other distribution, the record date for which falls before the date of completion of the Placement Agreement.

#### **Conditions Precedent**

The Placement is subject to certain conditions precedent more particularly set out in the Placement Agreement, including in-principle approval from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the New Shares on the Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System (the "**SGX-SESDAQ**") being obtained and such approval not having been revoked or amended prior to completion of the Placement.

The Company will be making an application to the SGX-ST for the New Shares to be admitted to the Official List of the SGX-SESDAQ and the listing and quotation of the New Shares on the SGX-SESDAQ.

#### **Moratorium**

Pursuant to the Placement Agreement, the Placee has undertaken that it will not, directly or indirectly, sell, transfer or otherwise dispose of any part of its interest in the New Shares for a period of six (6) months commencing from the date of completion of the Placement.

#### **Information on the Placee**

Firich Enterprises Co., Ltd. ("**FEC**") is a company listed on the Taiwan Gre Tai Securities Market. FEC is a leading Point-of-Sale ("**POS**") system manufacturer and its main activities include developing and manufacturing high quality and high performance POS systems for the retail and hospitality business

sectors. Since 1995, FEC has been a strong growing provider of versatile POS systems to accommodate any market demand, offering comprehensive customer-driven service POS systems for end-users. FEC offers a variety of products ranging from the traditional POS to the ALtouch series and kiosk, to compete effectively with all existing POS products.

### **Use of Proceeds**

The estimated net proceeds raised from the Placement will amount to approximately S\$13.5 million after deducting estimated expenses incurred in relation to the Placement and will be used to finance strategic partnerships or alliances, acquisitions or joint ventures for expanding the range of services offered by the Group.

Pending the deployment of net proceeds from the allotment and issue of the New Shares as aforementioned, the proceeds from the Placement will be placed in short-term deposits with banks and financial institutions or used for working capital requirements as the directors of the Company deem fit in their absolute discretion.

### **Financial Impact**

The New Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares as at the date of issue of the New Shares except for any dividends, distributions or entitlements the record date of which falls on or before such date of issue.

The Issue Price represents a discount of 6% to the volume weighted average price of S\$0.3395 for all trades done for the Shares on the SGX-SESDAQ from 9.00 a.m. to 5.00 p.m. on 10 July 2007, being the date on which the Placement Agreement was signed.

The New Shares will increase the existing issued share capital of the Company from HK\$68,886,428 comprising 344,432,140 Shares to HK\$77,636,428 comprising 388,182,140 Shares. The issue of the New Shares will also increase the net tangible asset per Share of the Company as at 31 December 2006 from HK\$0.35 to HK\$0.48 and increase the net tangible asset per Share of the Group from HK\$0.49 to HK\$0.61.

### **Interests of Directors and Substantial Shareholders**

None of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Placement (other than through their shareholding in the Company).

### **BY ORDER OF THE BOARD**

Submitted by Mak Tin Sang, Company Secretary on 10 July 2007 to the SGX.