ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the fifteen months ended 31 March 2012 ("15M2012"). 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 PERIOD ENDED 31 MARCH 2012
(Expressed in Hong Kong thousand dollars)

	Fifteen Months Ended 31.3.2012	**Twelve Months Ended** 31.12.2010
Revenue	48,184	20,491
Other income	1,141	502
Staff costs	(9,128)	(7,636)
Depreciation	(686)	(731)
Amortisation of intangible assets	(6,563)	(10,864)
Impairment on goodwill	-	(52,036)
Impairment on intangible assets	-	(25,064)
Impairment on other investment	(4,110)	(6,065)
Impairment on other receivable	(3,487)	-
Cost of sales	(40,881)	(15,379)
Other expenses	(40,100)	(12,287)
Finance costs	(165)	(320)
Share of profit of associate	1,250	80
Loss before taxation	(54,545)	(109,309)
Income tax expense	(115)	(1,029)
Loss for the period	**(54,660)**	**(110,338)**
Attributable to:		
Equity shareholders of the Company	(53,745)	(108,226)
Non-controlling interest	(915)	(2,112)
Loss for the period	**(54,660)**	**(110,338)**

N/A : Not applicable

1(a)(ii) A 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
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2012
(Expressed in Hong Kong thousand dollars)

	Fifteen Months Ended 31.3.2012	**Twelve Months Ended** 31.12.2010
Loss for the period	**(54,660)**	**(110,338)**
Other comprehensive income		
Exchange differences on translating foreign operations	4,827	3,003
Share of cash flow hedges of associate	-	-
Total comprehensive loss for the period	**(49,833)**	**(107,335)**
Total comprehensive loss attributable to		
Equity shareholders of the Company	(48,918)	(105,223)
Non-controlling interest	(915)	(2,112)
Total comprehensive loss for the period	**(49,833)**	**(107,335)**

N/A : Not applicable

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

ARMARDA GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	As at 31.3.2012	As at 31.12.2010	As at 31.3.2012	As at 31.12.2010
Non-current assets		.		
Investment in subsidiaries	-	-	-	-
Interest in an associate	27,497	25,253	-	-
Property, plant and equipment	4,250	7,798	-	-
Investment properties	5,765	-	-	-
Intangible assets	4,278	10,841	-	-
Amounts due from subsidiaries	-	-	60,486	131,142
Other investments	2,837	6,754	-	-
Other assets	973	933	-	-
	45,600	51,579	60,486	131,142
Current assets				
Trade and other receivables	66,820	82,826	211	133
Cash and cash equivalents	13,089	12,676	4	4
	79,909	95,502	215	137
Current liabilities				
Obligations under finance lease	436	203	-	-
Short term loan from bank	5,519	-	-	-
Trade and other payables, and accruals	17,401	11,019	3,008	836
Taxation payable	469	449	-	-
	23,825	11,671	3,008	836
Net current assets / (liabilities)	56,084	83,831	(2,793)	(699)
Non-current liabilities				
Obligations under finance lease	-	487	-	-
Deferred tax liabilities	3,835	3,072	-	-
	3,835	3,559	-	-
Net assets	**97,849**	**131,851**	**57,693**	**130,443**
Total equity				
Share capital	56,432	48,232	56,432	48,232
Reserves	41,417	82,211	1,261	82,211
Total equity attributable to equity shareholders of the Company	97,849	130,443	57,693	130,443
Non-controlling interest	-	1,408	-	-
	97,849	**131,851**	**57,693**	**130,443**

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

Amount repayable in one year or less, or on demand

	As at 31.3.2012 In HK$'000		As at 31.12.2010 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	436	-	203	-
Bank Loans	5,519	-	-	-

Amount repayable after one year

	As at 31.3.2012 In HK$'000		As at 31.12.2010 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	-	-	487	-
Bank Loans	-	-	-	-

Details of any collateral

The bank loans are secured by the Group's leasehold property in PRC.

The 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 STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012
(Expressed in Hong Kong thousand dollars)

	Fifteen Months Ended 31.3.2012	Twelve Months Ended 31.12.2010
Cash flows from operating activities		
Loss before taxation	(54,545)	(109,309)
Adjustment for :		
Interest income / (expense)	131	(8)
Share of profit of an associate	(1,250)	(80)
(Gain) / loss on disposal of property, plant and equipment	-	80
Finance costs	-	320
Gain on revaluation of investment property	(242)	-
Depreciation	686	731
Amortisation of intangible assets	6,563	10,864
Impairment of intangible assets	-	77,100
Impairment of other investment	4,110	6,065
Share based payment on professional fees shares	7,843	-
Foreign exchange (gain) / loss	1,214	1,686
	(35,490)	(12,551)
Decrease / (increase) in trade and other receivables	18,514	(12,842)
Decrease in other payables and accruals	(11,514)	(15,008)
	(28,490)	(40,401)
Interest received	-	8
Interest paid	(131)	(320)
Income taxes paid	-	-
Net cash used in operating activities	**(28,621)**	**(40,713)**
Cash flows from investing activities		
Addition of property, plant and equipment	(231)	(139)
Proceeds from disposal of property, plant and equipment	5	81
Net cash generated from used in investing activities	**(226)**	**(58)**
Cash flows from financing activities		
Repayment of finance lease obligations	(51)	(157)
Loan from bank	5,604	-
Net proceeds from issue of new shares	23,217	38,877
Net cash generated from / (used in) financing activities	**28,770**	**38,720**
Net increase / (decrease) in cash and cash equivalents	**(77)**	**(2,051)**
Cash and cash equivalents at beginning of the period	12,676	14,258
Effect of exchange rate fluctuations on cash and cash equivalent	490	469
Cash and cash equivalents at end of the period	**13,089**	**12,676**
An analysis of cash and cash equivalents as follows :		
Cash at bank and in hand	**13,089**	**12,676**

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	Contributed Surplus	Non-Controlling Interest	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$'000	HK$'000
At 1 January 2011	**48,232**	**131,542**	**27,983**	**12,544**	**5,863**	**98**	**-**	**(19,027)**	**43,348**	**1,408**	**(120,140)**	**131,851**
Issuance of 114,000,000 new ordinary shares	5,700	19,620	-	-	-	-	-	-	-	-	-	25,320
Expenses of new shares issue	-	(1,320)	-	-	-	-	-	-	-	-	-	(1,320)
Issuance of 50,000,000 new ordinary shares for RFID 25% interest acquired	2,500	10,933	-	-	-	-	-	(30,440)	-	(493)	-	(17,500)
Exchange difference on translation of financial statements of foreign entities	-	-	4,827	-	-	-	-	-	-	-	-	4,827
Investment property revaluation	-	-	-	-	-	1,488	-	-	-	-	-	1,488
Equity share-based transaction												
- employee share option	-	-	-	(212)	-	-	-	-	-	-	212	-
- 35M professional fees shares	-	-	-	7,843	-	-	-	-	-	-	-	7,843
Net loss for the period from 1.1.2011 to 31.3.2012	-	-	-	-	-	-	-	-	-	(915)	(53,745)	(54,660)
At 31 March 2012	**56,432**	**160,775**	**32,810**	**20,175**	**5,863**	**1,586**	**-**	**(49,467)**	**43,348**	**-**	**(173,673)**	**97,849**

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	Contributed Surplus	Non-Controlling Interest	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$'000	HK$'000
At 1 January 2010	**102,261**	**108,612**	**24,980**	**12,544**	**5,863**	**98**	**14,720**	**(19,027)**	**-**	**3,520**	**(53,262)**	**200,309**
Exchange difference on translation of financial statements of foreign entities	-	-	3,003	-	-	-	-	-	-	-	-	3,003
Issuance of 53,333,334 new ordinary shares	10,667	4,053	-	-	-	-	(14,720)	-	-	-	-	-
Capital reorganisation, reduction of PAR from HK$0.2 to HK$0.05 each	(84,696)	-	-	-	-	-	-	-	43,348		41,348	-
Issuance of 400,000,000 new ordinary shares	20,000	20,000	-	-	-	-	-	-	-	-	-	40,000
Expenses of new shares issue	-	(1,123)	-	-	-	-	-	-	-	-	-	(1,123)
Exchange difference on translation of financial statements of foreign entities	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period from 1.1.2010 to 31.12.2010	-	-	-	-	-	-	-	-	-	(2,112)	(108,226)	(110,338)
At 31 December 2010	**48,232**	**131,542**	**27,983**	**12,544**	**5,863**	**98**	**-**	**(19,027)**	**43,348**	**1,408**	**(120,140)**	**131,851**

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	Contributed Surplus		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 2011	**48,232**	**131,542**	**-**	**12,544**	**-**	**-**	**-**	**-**	**43,348**		**(105,223)**	**130,443**
Issuance of 114,000,000 new ordinary shares	5,700	19,619	-	-	-	-	-	-	-		-	25,319
Expenses of new shares issue	-	(1,320)	-	-	-	-	-	-	-		-	(1,320)
Issuance of 50,000,000 new ordinary shares for RFID 25% interest acquired	2,500	10,933	-	-	-	-	-	-	-		-	13,433
Equity share-based transaction												
- employee share option	-	-	-	(212)	-	-	-	-	-		212	-
- 35M professional fees shares	-	-	-	7,843	-	-	-	-	-		-	7,843
Net loss for the period from 1.1.2011 to 31.3.2012	-	-	-	-	-	-	-	-	-		(118,025)	(118,025)
At 31 March 2012	**56,432**	**160,774**	**-**	**20,175**	**-**	**-**	**-**	**-**	**43,348**		**(223,036)**	**57,693**

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	Contributed Surplus		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 2010	**102,261**	**108,612**	**-**	**12,544**	**-**	**-**	**14,720**	**-**	**-**		**(41,348)**	**196,789**
Issuance of 53,333,334 new ordinary shares	10,667	4,053	-	-	-	-	(14,720)	-	-		-	-
Capital reorganisation, reduction of PAR from HK$0.2 to HK$0.05 each	(84,696)	-	-	-	-	-	-	-	43,348		41,348	-
Issuance of 400,000,000 new ordinary shares	20,000	20,000	-	-	-	-	-	-	-		-	40,000
Expenses of new shares issue	-	(1,123)	-	-	-	-	-	-	-		-	(1,123)
Net loss for the period from 1.1.2010 to 31.12.2010	-	-	-	-	-	-	-	-	-		(105,223)	(105,223)
At 31 December 2010	**48,232**	**131,542**	**-**	**12,544**	**-**	**-**	**-**	**-**	**43,348**	**-**	**(105,223)**	**130,443**

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 number of 114,000,000 new ordinary shares of HK$0.05 each in the capital at an issue price of S$0.036 to nine independent investors for a total cash consideration of S$4,104,000. The placement agreement was entered into on 30 December 2010 and the shares were alloted on 27 January 2011.

The Company's wholly owned subsidiary Armarda Holdings Ltd entered into a sales and purchase agreement on 13 December 2010 to acquire 25% equity interest in China RFID Ltd with total consideration amounting to HK$25 million, in combination of cash consideration of HK$17.5 million and HK$7.5 million fully paid-up ordinary shares of HK$0.05 each in the capital of the Company, representing 50,000,000 shares at HK$0.15 each. The consideration shares had been issued and alloted on 22 June 2011 and quoted on SGX on 23 June 2011. The value of the issuance of the consideration shares were recorded in the financial statements in the second quarter of 15M2012 of approximately HK$13.4 million which was the fair value on the date of the agreement.

The Company entered into a sales and purchase agreement on 28 March 2011 to acquire 45% equity interest in China Satellite Mobile Communications Group Limited (the "Proposed Acquisition") with total consideration amounting to HK$454.5 million, in combination of loan notes of HK$45 million and HK$409.5 million fully paid-up ordinary shares of HK$0.05 each in the capital of the Company, representing 920,000,000 shares at HK$0.445 each. The proposed acquisition was approved by shareholders in a general meeting which was held on 21 December 2011. In addition, the Company shall issue 35,000,000 fully paid-up ordinary shares ("First Tranche Professional Fee Shares") as in kind payment of profesional fees in relation to the Proposed Acquisition. SGX-ST had on 24 May 2012 issued a notice for the listing and quotation of the First Tranche Professional Fee Shares. The issue of the Notice by the SGX-ST is not an indication of the merits of the First Tranche Professional Fee Shares, the Proposed Acquisition, the Company, its subsidiaries and their securities. As at the date of this result announcement, none of the consideration shares nor First Tranche Professional Fee Shares was issued.

The Company has on 28 April 2012 entered into a placement agreement with seven independent investors for the issuance of 166,000,000 new ordinary shares ("Placement Shares") of HK$0.05 each in the capital at an issue price of S$0.031 (equivalent of approximately HK$0.19375) for a total gross proceeds of S$5,146,000 (equivalent of approximately HK$32,162,500) (the "Proposed Placement"). SGX-ST had on 24 May 2012 issued a notice for the listing and quotation of 166,000,000 Placement Shares. The issue of the Notice by the SGX-ST is not an indication of the merits of the Proposed Placement, the Placement Shares, and the Placees, the Company, its subsidiaries and their securities. As at the date of this announcement, none of the placement shares is alloted.

The total number of shares that may be issued on conversion of all the outstanding convertibles as at 31 March 2012 was 23,300,000 (31 December 2010 : 23,300,000) which was resulted from a share option scheme established on 12 April 2004. A total number of 25,000,000 share options were granted by the Company. There was no conversion of the shares or lapse of the options during the fifteen months of 15M2012.

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 March 2012 was 1,128,640,474 (31 December 2010 : 964,640,474).

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.

For financial period ended 31 March 2012, the Company does not have any sales, transfers, disposals, cancellation, and/or use of treasury shares.

There are no treasury shares as at 31 March 2012.

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 2010.

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**

There are various new/revised IAS, IFRS and Interpretations of IFRS that are effective for financial year beginning on or after 1 January 2011, which the Group has not yet adopted in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for IFRS9 Financial Instruments, which becomes mandatory for the Groups in preparing its financial statement for the year commencing 1 January 2013, which may cause the change in the classification and measurement of financial assets. There is no planning for the Group to adopt early these new standards and the extent of the impact has not been determined.

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:				
		15 Months Ended 31.3.2012		**12 Months Ended 31.12.2010**
Based on weighted average number of Ordinary shares in Issue (Please see note below)		**(4.87) HK cents**		**(16.07) HK cents**
On a fully diluted basis (Please See note below)		**(4.72) HK cents**		**(16.07) HK cents**

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

The calculation of basic loss per share is based on the Group's loss attributable to ordinary shareholders of HK$53,745,000 for the fifteen months ended 31 March 2012 (2010 : loss of HK$108,226,000 for the twelve months ended 31 December) and the weighted average number of ordinary shares of 1,103,281,000 for the fifteen months ended 31 March 2012 respectively (2010 : 673,499,000 for the 12 months ended 31 December) in issue during the year.

Note 6b : Diluted earnings per share

There are outstanding 23,300,000 share options of the Company which will have dilutive potential. Considering the existing share price is far below the exercise price which has anti-dilutive effect which will not result in any dilutive effect for the twelve months ended 31 December 2010 and for the fifteen months ended 31 March 2012. Whereas, the 35,000,000 First Tranche Professional Fee Shares in relation to the Proposed Acquisition which is obliged to be issued has dilutive effect for the fifteen months ended 31 March 2012. The calculation of diluted loss per share is based on the Group's loss attributable to ordinary shareholders of HK$53,745,000 and the weighted average number of ordinary shares of 1,138,281,000 for the fifteen months ended 31 March 2012.

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**

	At 31.3.2012	**At 31.12.2010**
Net asset value of the Company per ordinary share based on existing issue share capital	**HK$ 0.051 per share**	**HK$ 0.135 per share**

Net asset value of the Group per ordinary share based on existing issue share capital	**HK$ 0.087 per share**	**HK$ 0.137 per share**

The calculation of net asset value per share of the Company as at 31 March 2012 is based on the Company's net asset value of HK$57,693,000 (31 December 2010 : HK$130,443,000) and 1,128,640,474 ordinary shares in issue as at 31 March 2012 (964,640,474 ordinary shares in issue as at 31 December 2010).

The calculation of net asset value per share of the Group as at 31 March 2012 is based on the Group's net asset value of HK$97,849,000 (31 December 2010 : HK$131,851,000) and 1,128,640,474 ordinary shares in issue as at 31 March 2012 (964,640,474 ordinary shares in issue as at 31 December 2010).

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

An announcement was released on 28 December 2011 for the change of financial year end date from 31 December 2011 to 31 March 2012. The figures presented in this announcement for the financial year ended 31 March 2012 covered fifteen months from 1 January 2011 to 31 March 2012 (hereinafter referred as "15M2012"), whereas, the comparative figures for prior financial year ended 31 December 2010 (hereinafter referred as "12M2010") only covered twelve months.

Revenue

The Group's revenue generated in the fifteen months of 15M2012 increased by approximately HK$27.7 million to approximately HK$48.2 million from approximately HK$20.5 million in the twelve months of 12M2010. The increase in revenue from provision of IT services was mainly contributed by more services rendered in relation to IT consultancy. The increase in revenue from trading of IT equipment was mainly contributed by the sales of RFID chips as well as other IT equipment.

The following is a breakdown of the total IT revenue generated for the fifteen months of 15M2012 and the twelve months of 12M2010 respectively :

	15M2012 HK$'000	12M2010 HK$'000
Revenue from provision of IT services	23,723	9,401
Revenue from trading of IT equipment	24,461	11,090
	48,184	**20,491**

Cost of sales

Cost of sales consists of cost of goods sold as well as the sub-contracting fees for generating service income, increased by approximately HK$25.5 million from approximately HK$15.4 million in the twelve months of 12M2010 to approximately HK$40.9 million in the fifteen months of 15M2012. It was primarily due to the increase in the sales of corresponding IT equipment as well as the provision of IT services. The sub-contracting fees of approximately HK$5.6 million was grouped under other expenses and reclassified under cost of sales for the twelve months of 12M2010 in order to match the corresponding revenue generated during the period.

Other income

Other income consists mainly of (i) the Group's authorisation to use a software system and capital advance to Shanghai Yi Wei Advertising Company Limited in return share of revenue of approximately HK$0.57 million in the fifteen months of 15M2012, (ii) rental income of approximately HK$0.31 million generated for the lease of PRC property which is recognised under investment property in the fifteen months of 15M2012, (iii) the gain on revaluation of investment property of approximately HK$0.24 million, and (iv) interest income of approximately HK$17 thousand in the fifteen months of 15M2012 which is the deposit interest income earned.

The other income reported in the twelve months of 12M2010 consists of the Group's authorisation to use a software system and capital advance to Shanghai Yi Wei Advertising Company Limited in return share of revenue of approximately HK$0.494 million as well as interest income of approximately HK$8 thousand which is the deposit interest income earned.

Operating expenses

The Group's total operating expenses (including staff costs, depreciation and other expenses but excluding cost of sales, amortisation, and impairment on other investment / other receivable) increased by approximately HK$29.3 million from approximately HK$20.7 million in the twelve months of 12M2010 to approximately HK$49.9 million in the fifteen months of 15M2012.

The staff cost increased by approximately HK$1.5 million to approximately HK$9.1 million in the fifteen months of 15M2012 from approximately HK$7.6 million in the twelve months of 12M2010 which was caused by fifteen months' effect being taken up.

Depreciation charges decreased by approximately HK$45 thousand from approximately HK$0.73 million in the twelve months of 12M2010 to approximately HK$0.69 million in the fifteen months of 15M2012 which was primarily caused by the reclassification of leasehold property in PRC to investment property during the year. Investment property is recognised under fair value model which result in the reduction of depreciation charge.

Amortisation of intangible assets amounting to approximately HK$6.6 million in the fifteen months of 15M2012 comprises of customer relationship and lease agreement of approximately HK$0.9 million and approximately HK$5.6 million respectively.

Amortisation of intangible assets in relation to customer relationship of approximately HK$0.9 million and approximately HK$2.4 million were provided in the fifteen months of 15M2012 and the twelve months of 12M2010 respectively resulting from business combination. The reduction in amortisation expenses is caused by the reduction of carrying amount of customer relationship which was result in an impairment review during the twelve months of 12M2010.

Amortisation of intangible assets in relation to lease agreement of approximately HK$8.4 million and approximately HK$5.6 million were provided in the twelve months of12M2010 and the fifteen months of 15M2012 respectively. The intangible asset was fully amortised in the third quarter of 12M2011 which result in the reduction in amortisation expenses.

An impairment on goodwill, customer relationship and other investment of approximately HK$52.0 million, approximately HK$25.1 million and approximately HK$6.1 million respectively were provided in the twelve months of 12M2010, whereas, an impairment of other investment of approximately HK$4.1 million was provided in the fifteen months of 15M2012. Notwithstanding the 28% share of revenue being established, the management considered the growth of business is not foreseeable in the near future and reassessed the present value of future cashflow forecast with a pre-tax discount rate of 16% which result in the recoverable amount below the carrying amount.

An impairment on other receivable of approximately HK$3.5 million after foreign exchange adjustment was provided in the fifteen months of 15M2012 which was grouped under working capital advance to Xintian eAssess Group. Taking into account the recoverability of long outstanding receivable, the management decided impairment on working capital advance is necessary, whereas, no impairment on other receivable was provided in the twelve months of 12M2010.

Other expenses increased by approximately HK$27.8 million to approximately HK$40.1 million in the fifteen months of 15M2012 from approximately HK$12.3 million in the twelve months of 12M2010, which were mainly constituted by the increase in promotion and marketing expenses, legal and professional fees and business travelling expenses resulting from the Group's ongoing projects, which include the Professional Fee Shares to be issued.

	Fifteen Months Ended 31.3.2012 HK$'000	**Twelve Months Ended 31.12.2010 HK$'000**
Promotion and marketing expenses	5,638	2,210
Travelling expenses	5,077	2,763
Legal and professional fees	21,080	2,842
Others	8,305	4,472
	40,100	**12,287**

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Group in the fifteen months of 15M2012 is approximately HK$53.7 million. Despite the increase in revenue of approximately HK$27.7 million, the loss was mainly attributable by (i) the increase in other expenses of approximately HK$27.8 million, (ii) the increase in cost of sales of approximately HK$25.5 million, (iii) the increase in staff cost of approximately HK$1.5 million, and (iv) the impairment on other receivable of approximately HK$3.5 million. This was partially offset by (i) the decrease in amortisation costs of intangible assets of approximately HK$4.3 million, (ii) no impairment of goodwill nor intangible assets and lower impairment of other investment during the period, and (iii) share of profits of associate of approximately HK$1.3 million.

Income tax

The Company was incorporated under the laws of Bermuda and received an undertaking from the Ministry of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 1996, which exempts the Company and its shareholders, other than shareholders ordinarily residing in Bermuda, from any Bermuda taxes computed on profit, income or any capital asset gain or appreciation, or any tax in the nature of estate duty or inheritance tax, until the year of 2016.

The Group's profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2010: 16.5%). No provision for Hong Kong profits tax is made, as there is no assessable profits for Hong Kong profits tax for the period ended 15M2012.

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 ("ATZH") 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.

ATZH was subject to PRC income tax at 25%, 24% and 22% for FY2012, FY2011 and FY2010 respectively.

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 ATZH is wholly owned by Armarda Technology (Hong Kong) Limited, a Hong Kong registered company, the applicable withholding tax rate is 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. There is no deferred withholding tax is recognised in FY2012, FY2011 and FY2010.

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 2012, 2011 and 2010.

The Group reported an income tax expenses of approximately HK$0.12 million and approximately HK$1.0 million in the fifteen months of 15M2012 and in the twelve months of 12M2010 respectively. This is primarily due to the adjustment on tax effect of non-deductible expenses.

Interest in an associate

The Group entered into a joint venture agreement with the Fesco Group to subscribe 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 2008. As at 31 March 2012, Fesco E-HR remains as an associate of the Group.

The 45% share of profit from Fesco E-HR amounting to approximately HK$1.3 million and approximately HK$80 thousand in the fifteen months of 15M2012 and twelve months of 12M2010 respectively, which represents the Group's total share of the net profit after tax of this associate. The increase in share of profits of approximately HK$1.2 million is mainly caused by more revenue being generated during the fifteen months of 15M2012.

Exchange differences on translating foreign operations

The Group reported an exchange gain on translating foreign operations during the year ended 15M2012 of approximately HK$4.8 million which is derived from the appreciation of RMB against HK$ during the translation of operations in PRC which is denominated in RMB.

Property, plant and equipment

The total net book value of the Group's property, plant and equipment of approximately HK$4.3 million as at 31 March 2012 is mainly comprised of leasehold properties of approximately HK$3.3 million, furniture, fixtures, computer and other equipment of approximately HK$0.4 million, and motor vehicles of approximately HK$0.6 million. The reduction in the value of leasehold properties represent the reclassification of respective property to investment property which was derived from the change of usage from self occupied to lease out in order to generate rental income. The remaining balance represents the self occupied portion.

Investment property

Investment property is arisen from the change of usage from self occupied leasehold property to leased property for the generation of rental income. The fair values are of approximately HK$5.3 million and approximately HK$5.8 million as at 1 January 2011 and 31 March 2012 respectively. The change in fair value is recognised as other income representing the appreciation of fair value as well as the appreciation of RMB during the fifteen months of 15M2012.

Intangible assets

	31.3.2012 HK$'000	31.12.2010 HK$'000
Intangible assets - customer relationship	4,278	5,208
Intangible assets - lease agreement	-	5,633
	4,278	**10,841**

Intangible assets – customer relationship and goodwill

The intangible assets of approximately HK$4.3 million as at 31 March 2012 (as at 31 December 2010 : HK$5.2 million) is arisen from the acquisition of Brilliant Time Limited ("BTL"). The difference in the carrying amount is the amortisation expenses provided in the fifteen months of 15M2012. The amortisation expenses of approximately HK$0.18 million was provided in each quarter of 15M2012 (approximately HK$1 million in each quarter of 12M2010).

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 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 sales 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 2008. 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 sales 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. 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$19.0 million in FY2009. Considering the slow down of IT spending in PRC market, the management conducted an impairment review in FY2009 by comparing the recoverable amount and the carrying amount, as a result, HK$9.0 million impairment loss was provided in 2009.

Due to the continuous decline of the sales and loss of some major customers which will affect BTL's revenue, contract award and profit margin, the management seeking advice from professional parties and reassessed its revenue, operating cash flow forecast and customer retention rate under a prudent approach, with an after-tax discount rate of 18.34%, resulting in an impairment where the amounts which exceeds will be reflected as a loss from impairment. As such, an impairment of goodwill and customer relationship of approximately HK$52.0 million and approximately HK$25.1 million respectively were provided in the twelve months of 12M2010.

Intangible assets – lease agreement

The intangible assets of lease agreement from the acquisition of China RFID Ltd become nil balance as at 30 September 2011 which represents such intangible asset being fully amortised for a 2-year period in the third quarter of 15M2012 (HK$5.6 million was reported as at 31 December 2010).

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 23.6% 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 reassessed 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 provided in 2009. 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$2.1 million in each of first and second quarter of 15M2012, and approximately HK$1.4 million in the third quarter of 15M2012 (Approximately HK$2.1 million in each of quarter of 12M2010).

Subsequently, a sales and purchase agreement was entered on 13 December 2010 for the remaining balance of 25% equity interest acquired which was approved by shareholders in a general meeting, total consideration amounting to HK$25 million, in combination of cash consideration of HK$17.5 million and HK$7.5 million fully paid-up ordinary shares of HK$0.05 each in the capital of the Company, representing 50,000,000 shares at HK$0.15 each. The consideration shares had been alloted on 22 June 2011 and quoted on SGX on 23 June 2011. The fair value of the 25% of CRL on acquisition date was approximately HK$30.9 million. Under certain accounting standard's requirement, acquisition of non-controlling interests are accounted for as transactions with equity holders, as a result, no goodwill nor intangible assets was recognised and no additional amortisation of intangible assets nor impairment is necessary under the circumstances. Approximately HK$30.4 million was debited under other reserves during the second quarter of the fifteen months of 15M2012.

Other investments

Carrying amount of approximately HK$5.1 million as at 31 December 2009 represents the Group's authorisation 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$2.5 million 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% share of the advertising revenue net with business tax from the YWACL (details of which can be referred under other receivables) for a period from 1 April 2010 to 31 March 2015. During the year of 2010, the share of revenue amounting to approximately HK$0.5 million which was credited in other investment based on its value in use under amortised cost method of IAS32 Financial Instruments.

A carrying amount of other investment was reported of approximately HK$5.7 million as at 30 September 2010 was reinstated to the amount reported as at 31 December 2009 of approximately HK$5.1 million due to the reversal of the overaccrued expenses for the software system.

During the year of 2010, approximately HK$7.7 million was reclassified from other receivables to other investment as capital advance and in return the share of advertising revenue increase from 25% to 28% for a period of 15 years commencing 1 January 2011. An exchange gain was reported of approximately HK$0.1 million which was caused by the appreciation of RMB from the share of advertising revenue denominated in RMB. An interest income amounting to approximately HK$0.5 million was recognised using effective interest method by applying an interest rate of 10.6% as other income.

Notwithstanding that a 28% revenue will be shared commencing from 1 January 2011 for 15 years, taking into account the recoverability of the investment, the management conduct a reassessment exercise in respect of its revenue forecast and cash flow under a prudent approach, with a pre-tax discount rate of 16%, resulting in an impairment amounting to approximately HK$6.1 million where the amounts which exceeds will be reflected as a loss from impairment.

Subsequently, the management considered the growth of business is not foreseeable in the near future and reassessed the present value of future cashflow forecast with a pre-tax discount rate of 16% which result in the recoverable amount below the carrying amount. An impairment on other investment was reported of approximately HK$4.1 million during the year of 15M2012, the carrying amount of the available-for-sale financial assets amounting to approximately HK$2.8 million and approximately HK$6.8 million as at 31 March 2012 and 31 December 2010 respectively.

Other assets

Other assets remain closely the same of approximately HK$0.97 million as at 31 March 2012 and approximately HK$0.93 million as at 31 December 2010, 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 March 2012 and 31 December 2010 :

	31.3.2012 **HK$'000**	**31.12.2010** **HK$'000**
Trade receivables	8,052	14,848
Goodwill deposit	-	23,505
Refundable acquisition deposit	-	12,500
Other prepayments and receivables	58,768	31,973
	66,820	**82,826**

Trade receivables

The Group's trade receivables decreased by approximately HK$6.8 million to approximately HK$8.1 million as at 31 March 2012 from approximately HK$14.8 million as at 31 December 2010, mainly attributed by the collection of debts in the fifteen months of 15M2012. 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.

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.

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$23.5 million (equivalent of RMB20.0 million) as at 31 December 2010. The deposit is refundable at the management's sole discretion.

Considering the change of the shareholding and issued capital structure of the target company CVIC, which may require further investment in CVIC in order to prevent from a dilution of interest, ATZH has entered into an agreement with the potential vendor on 18 January 2011, for the termination of the proposed acquisition. The goodwill deposit has been refunded to ATZH's bank account before the quarter ended 31 March 2011 and no outstanding balance as at 31 March 2012.

Other prepayments and receivables

The following is a breakdown of other prepayments and receivables of the Group as at 31 March 2012 and 31 December 2010 :

	31.3.2012 HK$'000	31.12.2010 HK$'000
Working capital advance to Xintian eAccess Group	-	3,701
Other receivables	58,768	28,272
	58,768	**31,973**

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.

At the end of 2010, the Group cannot reach an agreement with the Subscribers for the formation of the new venture as well as the contribution arrangement. On 12 December 2010, The Group's wholly owned subsidiaries Armarda Technology (Zhuhai) Ltd and Armarda Technology (Hong Kong) Ltd entered into an agreement with YWACL for the working capital advance amounting to approximately HK$7.7 million that was made on or before 12 December 2010, in return a 28% share of the revenue of YWACL for a period from 1 January 2011 to 31 December 2025.

Subsequently, the management reassessed the recoverability of such long outstanding advance, being the equipment sold to YWACL in 12M2009, which result in impairment on approximately HK$3.5 million after taken into account the foreign currency translation effect. The remaining balance of approximately HK$0.5 million was received during the fifth quarter of 15M2012 which was the 25% share of revenue of the available-for-sale financial assets. The balance of such working capital advance became nil as at the period ended 31 March 2012. Please refer to the section "Other Investment" on Page 15 of this announcement for subsequent treatment of the reclassification.

Other receivables

Other receivables increased by approximately HK$30.5 million from approximately HK$28.3 million as at 31 December 2010 to approximately HK$58.8 million as at 31 March 2012, which is mainly due to short term project advances to business partners in order to assist them in awarding new projects in the PRC, from which the Group will be able to generate revenue in the area of IT support services as well as surveillance related projects for equipment supply in the PRC. For comparison purpose, other receivables amounting to approximately HK$64.8 million, approximately HK$62.5 million, approximately HK$59.4 million and approximately HK$53.6 million as at 31 March 2011, 30 June 2011, 30 September 2011 and 31 December 2011 respectively. The increase in other receivables from approximately HK$53.6 million as at 31 December 2011 to approximately HK$58.8 million as at 31 March 2012 was due to more advances made.

Cash and cash equivalents

The following is a breakdown of cash and cash equivalents of the Group as at 31 March 2012 and 31 December 2010 :

	31.03.2012 HK$'000	31.12.2010 HK$'000
Cash at banks and in hand	13,089	12,676
Total cash and cash equivalents	**13,089**	**12,676**

Please refer to page 20 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 March 2012 and 31 December 2010:

	31.03.2012 HK$'000	31.12.2010 HK$'000
Accrued subcontracting charges	3,189	4,603
Placement deposit for 166M shares	4,800	-
Other deposits and accruals	9,412	6,416
	17,401	**11,019**

Accrued subcontracting charges represent outstanding support charges due to independent subcontractors for services rendered to the Group’s customers in the PRC. It decreased by approximately HK$1.4 million from approximately HK$4.6 million as at 31 December 2010 to approximately HK$3.2 million as at 31 March 2012. The other deposits and accruals represent other oustanding operating expenses payable which increased by approximately HK$3.0 million from approximately HK$6.4 million as at 31 December 2010 to approximately HK$9.4 million as at 31 March 2012. The Company had on 28 April 2012 entered into a placement agreement with seven independent investors for the issuance of 166,000,000 new ordinary shares of HK$0.05 each in the capital at an issue price of S$0.031 (equivalent of approximately HK$0.19375) for a total gross proceeds of S$5,146,000 (equivalent of approximately HK$32,162,500). As at 31 March 2012, HK$4.8 million placement deposit has been received, but none of the placement shares is alloted.

Short term loan from bank

The Group reported a short term loan from bank of approximately HK$5.5 million (equivalent to RMB4.5 million) which is a secured credit facility from a PRC bank by pledging its leasehold property in PRC as collateral for the purpose of working capital generation.

Obligations under finance lease

As at 31 March 2012, the Group has obligations under a finance lease that are repayable within one year of approximately HK$0.44 million (31 December 2010 of approximately HK$0.20 million) and no outstanding balance is repayable after 1 year but within 5 years (31 December 2010 of approximately HK$0.49 million). The entire amount under non-current has been reclassified to current under the requirement of the Interpretation 5 of IFRS (with immediate effect on 29 November 2010) which was caused by a repayment on demand clause established for such hire-purchase loan.

Deferred tax liabilities

Deferred tax liabilities increased by approximately HK$0.8 million from approximately HK$3.1 million as at 31 December 2010 to approximately HK$3.8 million as at 31 March 2012. Deferred tax is derived from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts reported for taxation purposes.

Reserves

The following is a breakdown of the Reserves of the Group as at 31 March 2012 and 31 December 2010 :

	31.3.2012 HK$'000	31.12.2010 HK$'000
Share premium	**160,775**	**131,542**
Foreign exchange translation reserve	**32,810**	**27,983**
PRC statutory reserve	**5,863**	**5,863**
Revaluation reserve	**1,586**	**98**
Share-based capital reserve	**20,175**	**12,544**
Other reserves	**(49,467)**	**(19,027)**
Contributed surplus	**43,348**	**43,348**
Accumulated loss	**(173,673)**	**(120,140)**
	41,417	**82,211**

- 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.

- 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, as well as, the First Tranche Professional Fee Shares.

- Reserve for shares to be issued relates to the Professional Fee Shares in relation to the Proposed Acquisition. The Professional Fee Shares have not been issued as at the date of this announcement.

- Contributed surplus relates to the capital reorganisation exercise for the reduction of the par value from HK$0.20 each to HK$0.05 each. After the capital reduction taking effect on 30 April 2010, the credit amount of HK$84,696,071 was credited to the contributed surplus account of the Company, of which HK$41,348,347 was utilised to set off the accumulated losses of the Company in its entirety.

- The other reserves deficit of approximately HK$19.0 million arise from the acquisition of non-controlling interest of BTL in 2009. The Group has recognised any premiums or discounts on purchase of equity instruments from non-controlling interest subsequent to the obtaining of control. The increase in other reserves deficit of approximately HK$30.4 million arise from the acquisition of non-controlling interest of China RFID Ltd during the second quarter of 15M2012 which is the premium or discounts on purchase of non-controlling interest against the fair value of the consideration.

Non-controlling interest

Non-controlling interest of China RFID Ltd of approximately HK$1.4 million represents the 25% minority interest as at 31 December 2010. The Company's wholly owned subsidiary Armarda Holdings Ltd 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. Subsequently, the remaining balance of 25% equity interest was acquired on 13 December 2010 with shareholder's approval in a general meeting and the whole transaction completed on 22 June 2011 with allotment of 50,000,000 consideration shares on the same date. No non-controlling interest was reported as at 31 March 2012 as China RFID Ltd became the wholly owned subsidiary of the Group during the second quarter of 15M2012.

Cashflows

The Group used approximately HK$28.6 million and approximately HK$40.7 million in its operating activities for the fifteen months of 15M2012 and twelve months of 12M2010 respectively. This is primary due to cash used in operating activities before changes in working capital of approximately HK$35.5 million and the decrease in other payables and accruals of approximately HK$11.5 million, which has been partially offsetted by the decrease in trade and other receivables of approximately HK$18.5 million for the fifteen months of 15M2012.

The Group used approximately HK$0.23 million and approximately HK$0.14 million in its investing activities for the purchase of equipment for the fifteen months of 15M2012 and twelve months of 12M2010 respectively.

The Group used approximately HK$0.05 million and approximately HK$0.2 million in its financing activities for the fifteen months of 15M2012 and twelve months of 12M2010 respectively which are the repayment of finance lease obligation.

The Group generated approximately HK$5.6 million in its financing activities which is the bank loan by pledging its leasehold property in PRC for the fifteen months of 15M2012. In addition, the Group generated approximately HK$23.2 million and approximately HK$38.9 million for the fifteen months of 15M2012 and the twelve months of 12M2010 respectively which are contributed by the issuance of placement shares to independent investors during the period.

As a whole, the Group used approximately HK$0.08 million in the fifteen months ended 31 March 2012, whereas the Group used approximately HK$2.05 million in the twelve months ended 31 December 2010 respectively. The cash and cash equivalents as at 31 March 2012 is approximately HK$13.1 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

Since the last reporting period, the overall market condition of the PRC IT industry where Armarda operates has remained highly competitive and difficult. The management expects that such situation will not be improved in the near future and hence the decline of the financial performance of this business will continue. The management will continue to put more focus on developing other new business including, but not limited to, the Thuraya mobile satellite communication services initiative in the PRC and will also strive to explore new promising business opportunities in the upcoming reporting periods.

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 (FY2010 : 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 in the financial year ended 31 March 2012.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT general mandate has been obtained by the Group from the shareholders. There was no interested person transaction for the period under review.

14. If any person is occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

There is no person occupying managerial positions in the Company or its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company.

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

15. 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.

	15 Months Ended	12 Months Ended
	31.3.2012	31.12.2010
	HK$'000	HK$'000
Revenue (including other operating income)		
Provision of IT services	23,723	9,401
Trading of IT equipment	24,461	11,090
Unallocated	1,141	502
	49,325	**20,993**
Segment results		
Provision of IT services	(1,880)	(55,170)
Trading of IT equipment	900	(28,413)
Unallocated	(5,422)	(5,563)
Segment profit	**(6,402)**	**(89,146)**
Unallocated expenses	(49,228)	(19,923)
Result for operating activities	**(55,630)**	**(109,069)**
Finance costs	(165)	(320)
Share of profit of an associate	1,250	80
Income tax (expenses) / credit	(115)	(1,029)
Loss for the year	**(54,660)**	**(110,338)**
Segment Assets		
Provision of IT services	28,601	30,000
Trading of IT equipment	92,338	67,210
Unallocated	4,570	49,871
	125,509	**147,081**
Segment Liabilities		
Provision of IT services	5,560	4,309
Trading of IT equipment	18,949	9,810
Unallocated	3,151	1,111
	27,660	**15,230**
Capital expenditure		
Provision of IT services	182	-
Trading of IT equipment	49	-
Unallocated	-	909
	231	**909**

	15 Months Ended	12 Months Ended
	31.3.2012	31.12.2010
	HK$'000	HK$'000
Depreciation		
Provision of IT services	152	107
Trading of IT equipment	534	624
Unallocated	-	-
	686	**731**
Amortisation		
Provision of IT services	-	1,787
Trading of IT equipment	-	9,077
Unallocated	6,563	-
	6,563	**10,864**
Impairment		
Provision of IT services	1,551	57,057
Trading of IT equipment	6,046	20,043
Unallocated	-	6,065
	7,597	**83,165**

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:

	15 Months Ended	12 Months Ended
	31.3.2012	31.12.2010
	HK$'000	HK$'000
Revenue		
PRC	48,184	20,491
Unallocated revenue	1,141	502
	49,325	**20,993**
Capital expenditure		
PRC	-	2
Hong Kong	231	907
	231	**909**
Note : capital expenditure comprises additions to property, plant and equipment, interest in associates and other assets		
Segment assets		
PRC	84,999	132,049
Hong Kong	40,442	14,974
Singapore	68	58
	125,509	**147,081**

16. 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

17. A breakdown of sales

	15 Months Ended 31.3.2012 HK$'000	12 Months Ended 31.12.2010 HK$'000	% change
First Half Year			
Revenue from provision of services	3,706	4,241	-12.6%
Revenue from trading of IT euipment	9,117	6,682	36.4%
Other income	360	4	8900.0%
Amortisation of intangible assets	(4,596)	(6,268)	-26.7%
Share of (loss) / profits of associate(s)	(927)	(1,079)	-14.1%
Loss after tax	**(16,071)**	**(40,766)**	**-60.6%**
Second Half Year			
Revenue from provision of services	20,017	5,160	287.9%
Revenue from trading of IT euipment	15,344	4,408	248.1%
Other income	781	498	56.8%
Amortisation of intangible assets	(1,967)	(4,596)	-57.2%
Share of (loss) / profits of associate(s)	2,177	1,159	87.8%
Loss after tax	**(38,589)**	**(69,572)**	**-44.5%**
Full Year			
Revenue from provision of services	23,723	9,401	152.3%
Revenue from trading of IT euipment	24,461	11,090	120.6%
Other income	1,141	502	127.3%
Amortisation of intangible assets	(6,563)	(10,864)	-39.6%
Share of (loss) / profits of associate(s)	1,250	80	1462.5%
Loss after tax	**(54,660)**	**(110,338)**	**-50.5%**

18. 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 (FY2010 : Nil)

(b) Preference
Nil (FY2010 : Nil)

(c) Total
Nil (FY2010 : Nil)

BY ORDER OF THE BOARD

Luk Chung Po, Terence
Executive Director

30 MAY 2012

*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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