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

PROPOSED ACQUISITION OF 20.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF BRILLIANT TIME LIMITED ("BTL") BY ARMARDA HOLDINGS LIMITED

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1. INTRODUCTION

The Board of Directors (the "**Directors**") of Armarda Group Limited (the "**Company"**, and together with its subsidiaries, the "**Group**") is pleased to announce that Armarda Holdings Limited (the "**Purchaser**"), a wholly-owned subsidiary of the Company, has on 23 December 2008 (the "**Signing Date**"), entered into a sale and purchase agreement (the "**Agreement**") with Mr. Lee Mun Lung, Vincent (the "**Vendor**"), pursuant to which the Purchaser will acquire from the Vendor, 20.0% of the issued share capital of BTL, comprising 200 shares (the "**Sale Shares**") (the "**Proposed Acquisition**"). As at the date of this announcement, the Company holds 80.0% of the issued and paid-up share capital of BTL through the Purchaser. As a result of the Proposed Acquisition, BTL will become an indirect wholly-owned subsidiary of the Company.

The Purchaser had earlier acquired 80.0% of the issued and paid-up share capital of BTL via two separate acquisitions. The acquisition of 25.0% of the issued and paid-up share capital of BTL (the "**First Acquisition**") was completed on 18 June 2006 and the purchase consideration for the First Acquisition was fully settled. Pursuant to the First Acquisition, BTL was considered an associate of the Group and the share of its profit after tax had been equity accounted for. Subsequently, on 21 November 2007, the Company announced that the Purchaser had entered into a sale and purchase agreement with the Vendor to acquire another 55.0% of the issued and paid-up share capital of BTL (the "**Second Acquisition**"). As at the date of this announcement, a balance of approximately HK$21.8 million of the purchase consideration for the Second Acquisition remains outstanding.

2. INFORMATION ON BTL

BTL is a limited liability company incorporated in the British Virgin Islands on 28 January 2000 with its registered office at 263 Main Street, P.O. Box 2196, Road Town, Tortola, British Virgin Islands, and is in the business of providing information technology system integration services to the banking and telecommunication industries in the People's Republic of China.

BTL has an authorised share capital of US$50,000, comprising 50,000 shares of US$1.00 each, and an issued share capital of US$1,000, comprising 1,000 shares of US$1.00 each.

3. PROPOSED ACQUISITION

The purchase consideration payable by the Purchaser to the Vendor for the purchase of the Sale Shares shall be HK$27,200,000 (the "**Purchase Consideration**").

The Purchase Consideration shall be paid to the Vendor in the following manner:

(a) HK$16,320,000 shall be payable in cash within five (5) business days (being a day (other than a Saturday) on which licensed banks are open for business in Hong Kong throughout their normal business hours or "**Business Day**") after the Signing Date, refundable if, and only if, the Purchaser ultimately fails to receive the required approval either from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or from its shareholders in general meeting (if required);

(b) HK$9,000,000 shall be payable in cash, within five (5) Business Days after the

Completion Date (as defined below), or within fifteen (15) Business Days after the Signing Date, whichever is the earlier, refundable if, and only if, the Purchaser ultimately fails to receive the required approval either from the SGX-ST or from its shareholders in general meeting (if required); and

(c) HK$1,880,000 is to be held in escrow pending fulfilment of the Profit Guarantee (as defined below).

The Purchase Consideration was agreed upon following arms' length negotiations between the Purchaser and the Vendor on a willing-buyer and willing-seller basis, based on a price-earnings-ratio ("**PER**") of 6.8 times of the following:

20.0% X HK$20,000,000

The PER of the Proposed Acquisition of 6.8 times is similar to the PER of the Second Acquisition in view of the fact that the Purchaser already owns 80.0% and is a majority shareholder of BTL, and that the contracting parties are the same as that for the Second Acquisition. Upon completion of the Proposed Acquisition, the Proposed Acquisition will allow the Group to have full control of the cash flows of BTL.

The Vendor has provided a personal guarantee (the "**Profit Guarantee**") to the Purchaser on the achievement of audited net profit after tax ("**NPAT**") attributable to the shareholders of BTL for the financial year ending 31 December 2008 ("**FY2008**") which shall not be less than HK$20,000,000 (the "**Profit Target**").

Should BTL fail to meet the Profit Target, the Vendor shall pay a penalty to the Purchaser in respect of the deficiency in the actual NPAT of BTL, which shall be computed as 6.8 times of the portion of the Profit Target which has not been achieved, as follows:

(HK$20,000,000 less A) X 20% X 6.8 times,

Where A = Actual audited NPAT attributable to the shareholders of BTL for FY2008.

The Profit Guarantee has been provided by the Vendor after due and careful enquiry by the Directors as well as negotiations between the parties, taking into consideration, *inter alia*:

(a) the historical performance of BTL including the performance of BTL for the first three quarters ended 30 September 2008, taking into account the profit guarantee of HK$18 million for FY2006 which had been fulfilled pursuant to the First Acquisition as well as the fact that the Company is represented on the board of BTL;

(b) the future prospects of BTL and the terms for the First Acquisition and the Second Acquisition;

(c) the adequacy of compensation should the Profit Guarantee fail to materialise;

(d) safeguards being put in place to ensure the Company's right of recourse when the Profit Guarantee is not met i.e. the balance of the Purchase Consideration of HK$1,880,000 based on approximately 6.9% of the Purchase Consideration, which is to be held in escrow pending fulfilment of the Profit Target as stipulated in the Agreement; and

(e) compliance of the Proposed Acquisition with the relevant rules and regulations, including the SGX-ST's requirements.

In relation to the values of the assets to be acquired, the book value of approximately 20.0% of the net asset value ("**NAV**") and net tangible asset value ("**NTA**") of BTL are approximately HK$2.7 million and HK$2.7 million respectively, as reflected in the latest audited financial statements as at FY2007. No valuation for BTL was done in relation to the Proposed Acquisition. The net profits attributable to the assets being acquired being the profit before tax

(attributable to the assets acquired) as reflected in the latest audited financial statements as at FY2007 is approximately HK$3.8 million.

4. CONDITIONS OF THE PROPOSED ACQUISITION

The completion of the Proposed Acquisition is expected to take place on the date falling seven (7) Business Days after all the conditions specified below have been fulfilled or waived, as the case may be (the "**Completion Date**").

The Proposed Acquisition is conditional upon:

(a) all necessary consents, authorisations, licenses and approvals for or in connection with the sale and purchase of the Sale Shares having been obtained including but not limited to the approvals by the SGX-ST (if required) and the board of directors of the Purchaser; and

(b) there being no matters adversely affecting the legal standing or continued existence of BTL or the ability of BTL to continue to carry on its ordinary business.

If any of the conditions set out above has not been satisfied in due course, the Agreement shall cease and determine and the Purchase Consideration for the sale and purchase of the Sale Shares paid by the Purchaser shall be refunded by the Vendor to the Purchaser in full within thirty (30) Business Days from 31 January 2009 (or such other date as the Vendor and the Purchaser may agree in writing) and thereafter neither party shall have any obligations and liabilities save for any antecedent breaches of the terms thereof:

5. FUNDING FOR THE PROPOSED ACQUISITION

The Purchase Consideration will be funded by the Group's internal resources.

6. RATIONALE FOR THE PROPOSED ACQUISITION

BTL has been profitable since the Company undertook the First Acquisition. For FY2006, FY2007 and the nine months ended 30 September 2008, BTL's NPAT attributable to its shareholders were approximately HK$18.5 million, HK$19.0 million and HK$15.0 million respectively. The Proposed Acquisition will enable the Company to fully consolidate BTL's revenue, profits and cash flows into the consolidated financial statements of the Company.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

For illustrative purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the NTA per share of the Group, based on the Group's audited consolidated balance sheet as at FY2007, the audited consolidated balance sheet of BTL as at FY2007 and the assumptions as summarised herein and in the accompanying notes.

Net Tangible Assets	**Before the Proposed Acquisition**	**After the Proposed Acquisition[1]**
Consolidated NTA attributable to shareholders of the Company ("**Shareholders**") as at FY2007 (HK$' million)	261	265[2]
Number of shares in the capital of the Company (the "**Shares**") as at FY2007[3]	388,182,140	388,182,140
Consolidated NTA per Share[4] (HK$)	0.67	0.68

Notes:

(1) Assuming that the Proposed Acquisition was completed as at the end of FY2007.

(2) Based on an additional 20.0% of BTL's NTA attributable to shareholders in FY2007.

(3) Assuming none of the share options issued and outstanding in the Company was exercised.

(4) Consolidated NTA per Share is based on the NTA attributable to Shareholders and the number of Shares issued as described above.

For illustrative purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the earnings per Share ("**EPS**"), based on the Group's audited consolidated profit after income tax for FY2007, the audited consolidated profit after income tax of BTL for FY2007 and the assumptions as summarised herein and in the accompanying notes.

Earnings per Share	**Before the Proposed Acquisition**	**After the Proposed Acquisition(1)**
Profit attributable to Shareholders in FY2007 (HK$' million)	10.26	14.03(2)
Number of Shares in FY2007(3)	388,182,140	388,182,140
Consolidated EPS(4) (HK$)	0.026	0.036

Notes:

(1) Assuming that the Proposed Acquisition was completed as at the beginning of FY2007. The profit attributable to Shareholders is adjusted accordingly as a result of the increased contribution arising from the Company's increased interest in BTL.

(2) Based on an additional 20.0% of BTL's NPAT attributable to shareholders and after minority interests in FY2007.

(3) Assuming none of the share options issued and outstanding in the Company was exercised.

(4) Consolidated EPS is based on the profit after taxation and minority interests attributable to Shareholders and the number of Shares as described above.

The financial effects presented above are not intended to, and do not, reflect a projection of the actual future financial performance or position of the Group after completion of the Proposed Acquisition and are computed based on the assumptions as summarised above.

8. RELATIVE FIGURES IN RULE 1006 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST (THE "CATALIST RULES")

Under Chapter 10 of the Catalist Rules, if an acquisition of assets is one where the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 5.0% but is less than 75.0%, the transaction may be classified as a discloseable transaction. A listed company must, after the terms of the acquisition have been agreed, immediately make an announcement in accordance with Rule 1010 of the Catalist Rules.

The relative figures computed based on the Group's latest audited results for FY2007 in accordance with Rule 1006 of the Catalist Rules are as follows:-

Rule 1006		**FY2007**
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value(1)	N.A.
(b)	The net profits attributable to the assets acquired, compared with the group's net profit(2) (3)	37.7%
(c)	Aggregate value of the consideration given, compared with the Group's market capitalisation(4)	44.0%

(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue[5]	N.A.

Notes:

(1) Not applicable as there is no disposal of assets.

(2) Net profits are defined to be profit or loss before income tax, minority interests and extraordinary items.

(3) In the event that the same ratio is computed based on the Profit Guarantee, the percentage would be 48.0%.

(4) Market capitalisation is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the Signing Date and at an exchange rate of 1S$ = HK$5.31.

(5) Not applicable as no Shares will be issued pursuant to the Proposed Acquisition.

Based on the relative figures computed pursuant to Rule 1006(b) and Rule 1006(c) of the Catalist Rules, the Proposed Acquisition may be classified as a discloseable transaction and subject to disclosure requirements under Rule 1010 of the Catalist Rules. The Proposed Acquisition will not be subject to the approvals of the Shareholders of the Company in general meeting.

9. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors have any interest, direct or indirect, in the Proposed Acquisition. None of the controlling shareholders of the Company (as far as the Directors are aware) have any interest, direct or indirect, in the Proposed Acquisition.

10. SERVICE CONTRACTS OF DIRECTORS

There are no directors who are proposed to be appointed to the Company in connection with the Proposed Acquisition.

11. DOCUMENTS FOR INSPECTION

The Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at Room 3501, West Tower, Shun Tak Center, 168-200 Connaught Road Central, Sheung Wan, Hong Kong and at the office of the Company's sponsor, Asian Corporate Advisors Pte. Ltd., at 105 Cecil Street, The Octagon #11-02, Singapore 069534 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD
Luk Chung Po, Terence
Executive Director
23 December 2008

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used in the statements or opinions made.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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