

# ARMARDA GROUP LIMITED

(Incorporated in Bermuda on 13 August 2003)  
(Registration No: 34050)

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## CLARIFICATION ON CONVERTIBLE LOAN AGREEMENT

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### 1. INTRODUCTION

As disclosed by Armarda Group Limited (“**Armarda**” or the “**Company**”) in its “convertible loan agreement announcement” dated 29 May 2014, with reference to the fact that the Company has on 25 March 2014 entered into an agreement (“**Convertible Loan Agreement**”) with Mr. Lu and his special purpose vehicle company (“**Zhuhai Entity**”) for the purpose of conversion of an refundable deposit of HK\$50.05 million into a convertible loan (“**Convertible Loan**”).

The board of directors (“**Board**”) of Armarda wishes to further clarify and inform that initially, as precautionary and transitional measures to ensure the Company’s reasonable accessibility to important and valuable project related information of the PRC Project, one of the Company’s executive directors has been appointed by Mr. Lu to act as the legal representative and sole director of the Zhuhai Entity as well as to hold the shares of the Zhuhai Entity for Mr. Lu since the date of incorporation of the Zhuhai Entity.

The directors considered such trust arrangement as one of the most effective measures to protect the interest of the Company under the prevailing regulatory environment in the PRC.

Following the conversion of the initial refundable deposit into the Convertible Loan, the management has taken specific measures to transfer such trustee shares back to Mr. Lu and the Company’s executive director will also resign as the legal representative and sole director of the Zhuhai Entity in the near foreseeable future, but the Company will at the same time impose effective measures to ensure that the Company’s reasonable accessibility to important and valuable project related information of the PRC Project will be continued and will not be impeded or adversely affected in all respect as a result of such action.

The Directors are satisfied that the provision of the Convertible Loan and the possible participation in the PRC Project is in the best interest of the Company, there is sufficient safeguard to ensure the repayment of the Convertible Loan, and the Company is adequately secured in terms of the Convertible Loan including sufficient equitable measure for the conversion and transferability.

### 2. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has, and to the best of the Directors’ knowledge, there are no controlling Shareholders nor substantial Shareholders of the Company, who have, any interest, direct or indirect, in the Convertible Loan, in the Zhuhai Entity and in the aforementioned PRC Project.

### 3. RESPONSIBILITY STATEMENT

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

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

By Order of the Board of Armarda Group Limited

**Luk Chung Po, Terence**  
Executive Director  
19 June 2014

*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.*

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