

The Armarda Group

IT Services for the PRC Banking and Financial Industry

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Corporate Update
June, 2005

By: Terence Luk
CEO

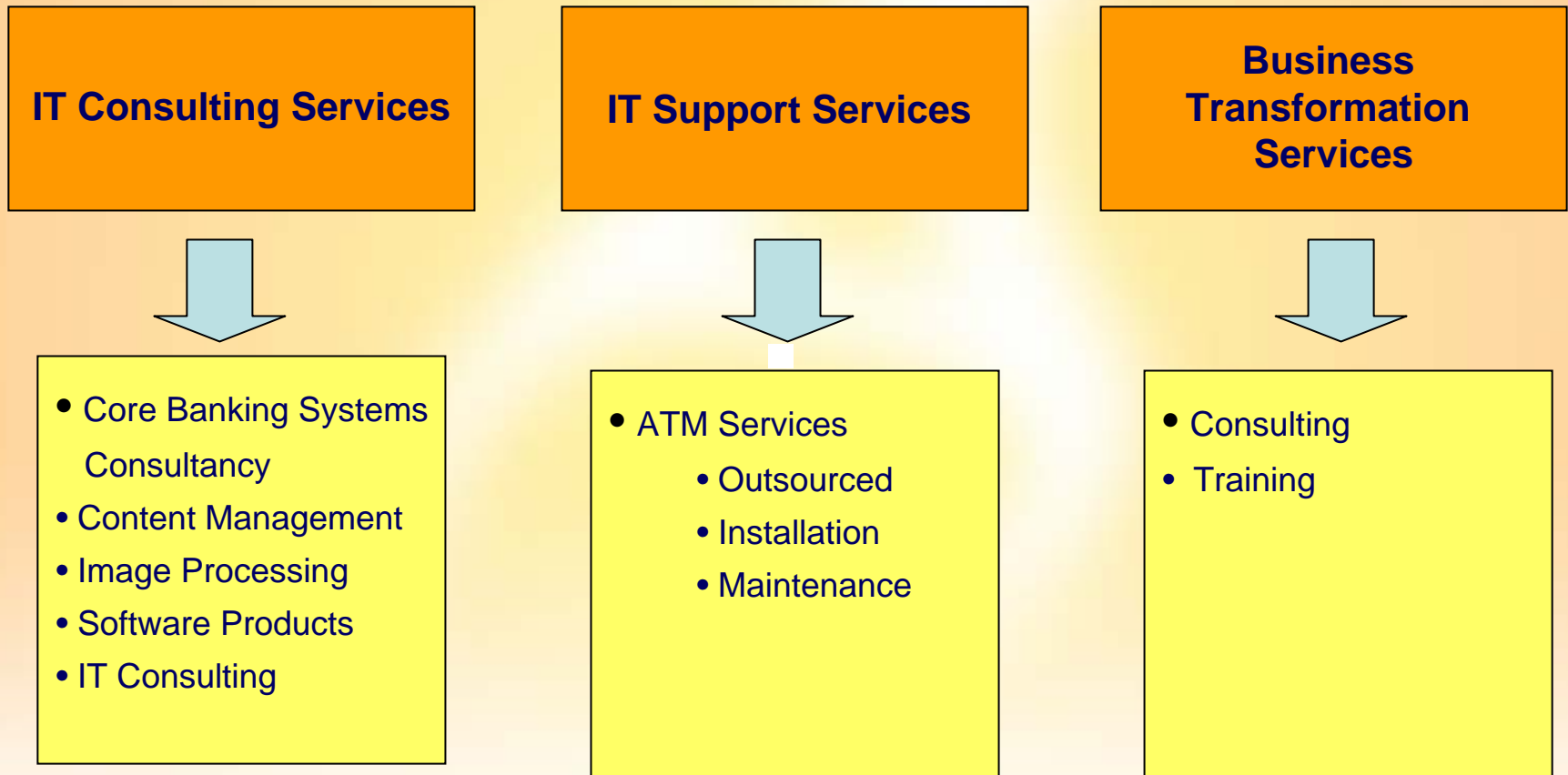
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Agenda

- Recap of Our Business
- Strategic Changes
- Three-Year Plan

Recap of Business



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Our Network of Offices in the PRC



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IT Consulting Services

– Core Banking Systems

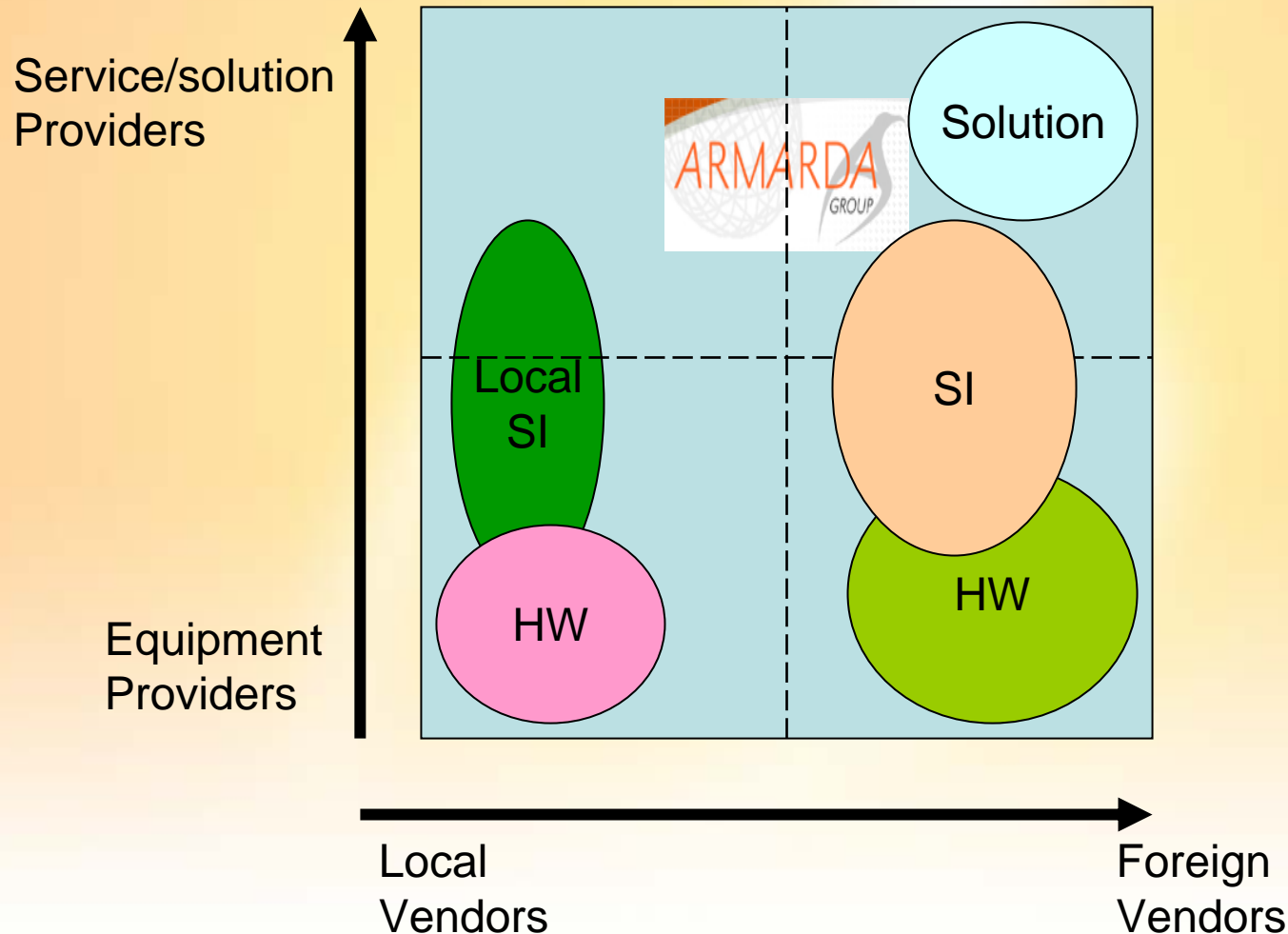
- **Core Banking Systems Consultancy**
 - IT Strategy Review & Formulation
 - IT Infrastructure Architecture
 - Technology Integration
 - Multi-channel Integration
 - Test Management
- **Software Products**
 - ECM



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Armarda's Industry Position

IT Consulting Services



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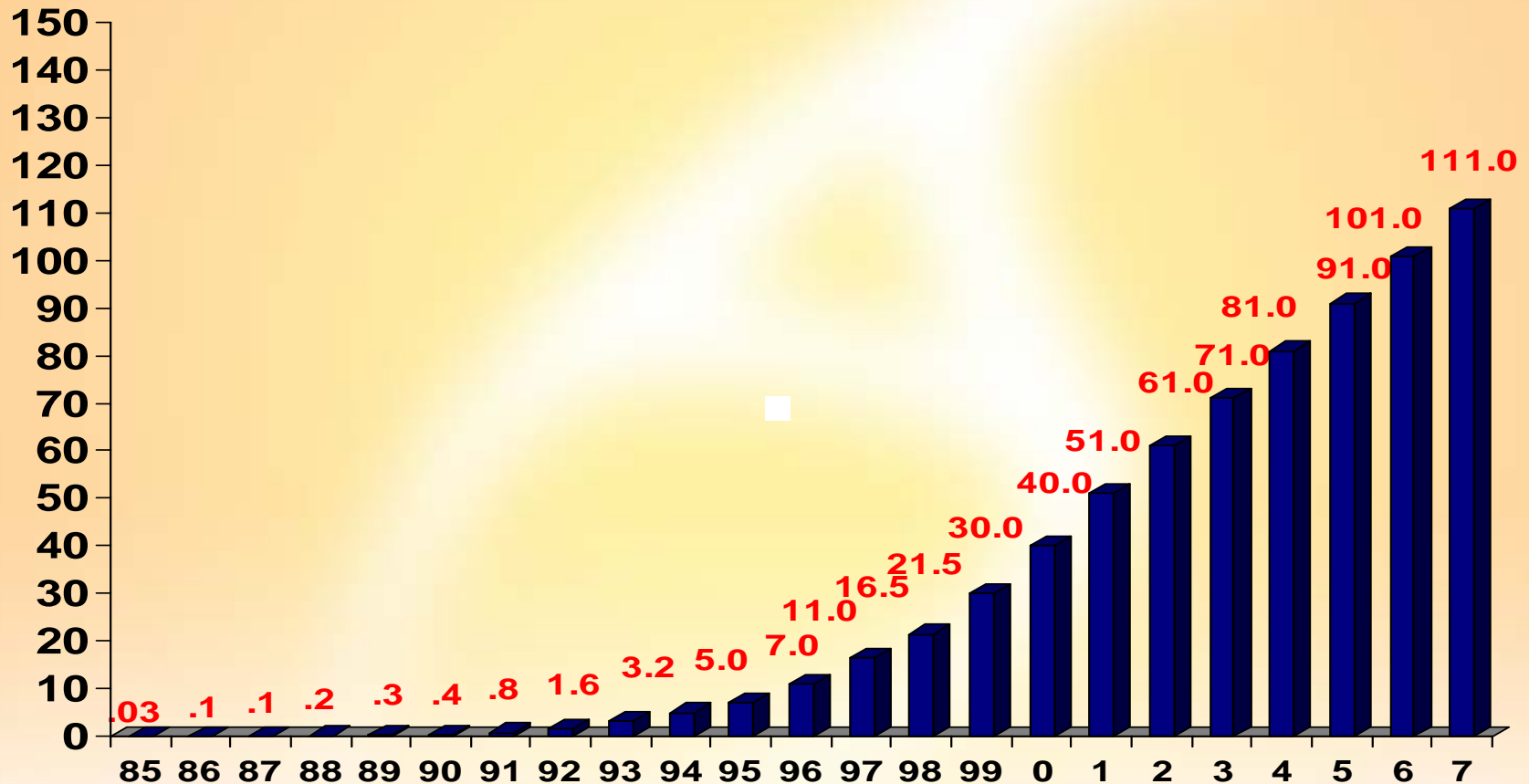
IT Support Services – ATMs

- **Outsourced ATM network management**
 - **Selection of ATM vendors**
 - **Positioning of ATM terminals**
 - **Installation of terminals**
 - **Hardware & software installation**
 - **Maintenance support services**
 - **Periodic & preventive maintenance**
 - **Emergency repair & replacement of parts**
 - **Upgrading of terminals**
 - **Troubleshooting**
 - **Product training services**



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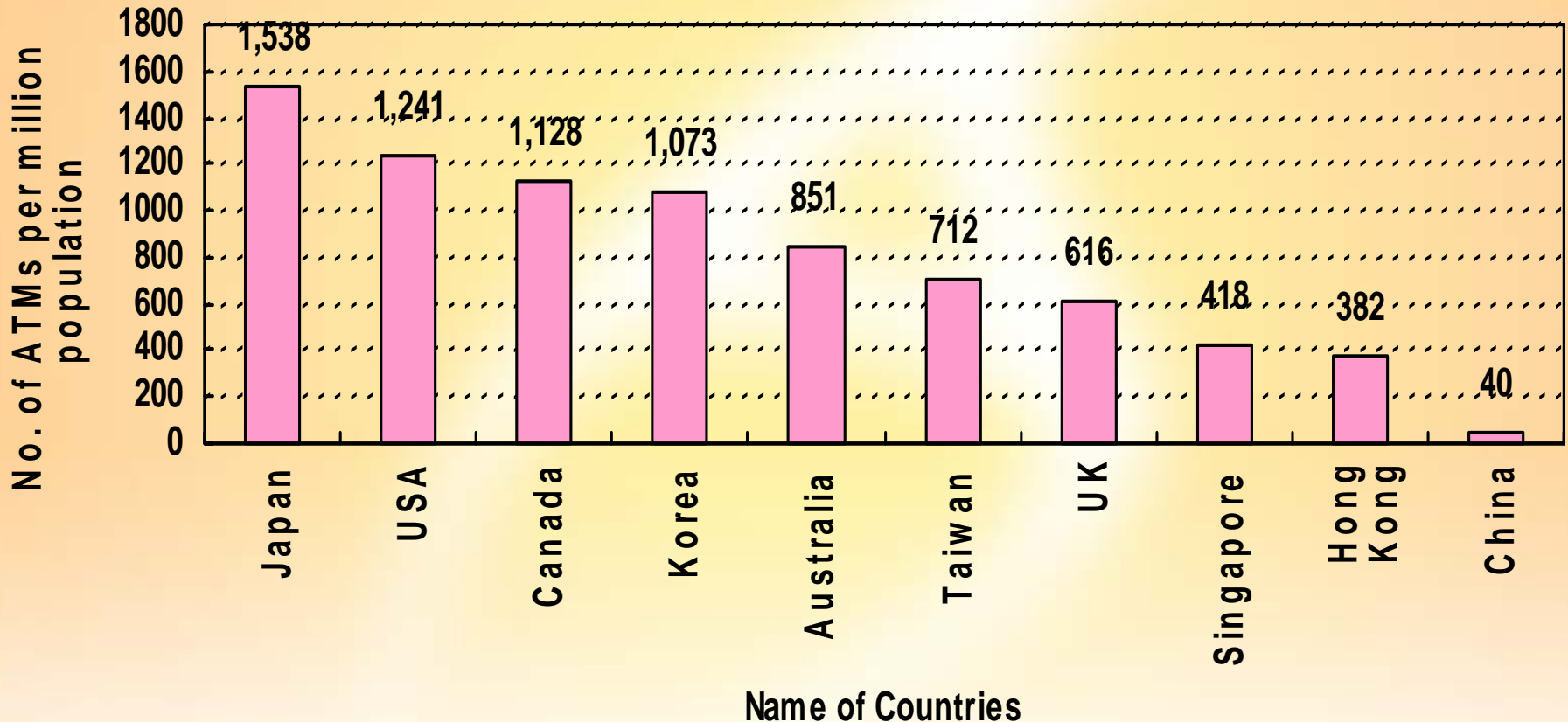
China ATM Installed Base 1985-2007 (Projected) ('000)



Source: Retail Banking Research Ltd 2002

ATM Population Benchmark

As at 2002



“As at end of 2004, less than 60 units Per Million Population in China”

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Competitive Analysis - Strengths

- One of the strongest Core Banking Systems consultancy teams in China
- Serve two of the five 1st tier PRC banks
 - Bank of Communications and China Construction Bank
- Pioneer in developing Content Management software for China Construction Bank
- One of the strategic service partners of Wincor Nixdorf in China/HKSAR

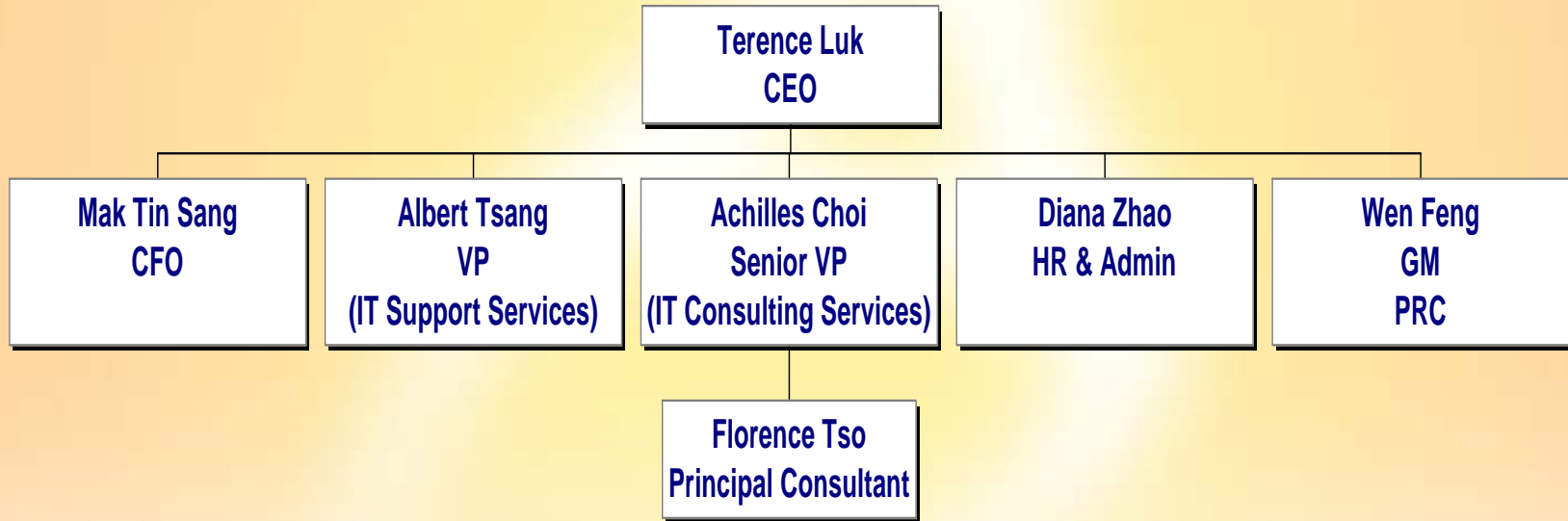
Competitive Analysis - Weakness

- Project based revenue and profit model
 - Relatively unstable
- Heavy dependence on a few accounts and one off projects
 - e.g. Slow down of business due to recent heavy IPO activities of Bcomm, Bcon
- Lack of business focus

Proposed Strategic Changes

- Focus on building business in the PRC
- Focus on :
 - ATM business (IT Support Services)
 - Software products & IT Consultancy (IT Consulting Services)
- Restructure to increase efficiency
- Localization of businesses

Management Team



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Mission – Over Next Three Years

- To become one of the largest ATM related services players in China/HKSAR
- To be the leader in core-banking multi-channel integration
- To be the leading Content Management Software partner

Strategy

- Focus on high growth markets and products (e.g. ATM industry)
- Focus on developing recurring revenue businesses
- Leverage on existing skill set and infrastructure
- Restructure company into efficient business units
- Aggressive M&A to ramp up business

Action Plans

2005

- Explore M&A with key ATM service partners
 - Aim to become one of the largest players by 2007
- Build on ATM outsourcing business & model
 - Increase no. of ATMs, recurring transactions and switching based revenue
- Develop multi-channel application software with strategic partners
- Initial roll out of ECM software
- 3 independent business units/JVs

Action Plans

2006

- Continued teaming strategy for ATM growth
 - Initial roll out of Outsourcing model
- Enter into the highly profitable ATM/POS servicing market in HKSAR
- Roll out of ECM software
- Initial roll out of Multi-channel software
- Explore entry into transaction switching business with strategic partners

Action Plans

2007

- Establish position as one of the largest ATM service players in China/HKSAR and continue teaming action
- Set up pilot switching center
- Full roll out of ECM software products
- Explore entry into Cash in Transit (CIT) business

Summary

- Plans targeted at achieving consistent and sustainable growth after business realignment



Thank You



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