



NEWS RELEASE

ARMARDA IPO OFFER TRANCHE 16.8 TIMES SUBSCRIBED

Singapore, May 20, 2004 – Armarda Group Limited (“Armarda” or “the Group”), a service provider to the PRC banking and financial industry, has announced today that the offer tranche of its initial public offer (“IPO”) was 16.8 times subscribed.

At the close of the offer at 12 noon on May 19, 2004, over 2,400 applications were received for shares available for its public offer tranche. In total, these subscribers applied for approximately 50.7 million Offer Shares.

The placement tranche of approximately 57 million shares has been fully taken up, with application monies received for these Placement Shares amounting to approximately S\$15.4 million.

Based on the total Invitation size of 60 million New Shares and the total valid applications amounting to 107.7 million Shares, the IPO is approximately 1.8 times subscribed.

In connection with its listing on the SGX-ST Dealing and Automated Quotation System (the “SGX SESDAQ”), Armarda offered 60 million New Shares at S\$0.27 each. The Invitation comprised 3 million Offer Shares by way of public offer and 57 million Placement Shares.

Said Mr Graham Valentine, Chief Executive Officer of Armarda, “The response to our IPO was encouraging amid the prevailing weak market sentiment. This signals investors’ confidence and belief in Armarda’s long term prospects in the PRC banking and finance sector where we are strongly positioned to address the huge

market potential. Besides enhancing our profile in the region, our IPO will also enable us to tap into the capital markets to strengthen our capabilities and propel Armarda into the next phase of growth.”

Armarda plans to use the estimated net proceeds of S\$13.5 million raised from its IPO as follows:

- approximately S\$2.0 million for the expansion of the Group’s geographical presence in the PRC through the establishment of new offices;
- approximately S\$4.0 million for the expansion of the Group’s business through hiring suitably skilled consultants and developing new business methodologies and training programs;
- approximately S\$5.4 million to expand the range of services the Group provides and intellectual property rights through strategic partnerships or alliances, acquisitions or joint ventures; and
- the balance for working capital purposes.

SBI E2-Capital Pte Ltd is the Manager for Armarda’s IPO. Trading of the shares is expected to commence at 9.00 am on May 21, 2004.

About Armarda Group Limited

Armarda provides an integrated suite of IT consulting, IT support and business transformation services for the banking and financial services industry in the PRC.

Under the Group’s IT consulting services business, Armarda provides IT strategy review and formulation, IT infrastructure architecture and technology integration to banks and financial institutions.

Armarda also provides IT support services to financial institutions by providing installation, technical and maintenance support to over 3,800 ATMs used in business operations. The Group also provides management services to its customers seeking to outsource certain aspects of ATM network management.

In addition, Armarda has developed a range of business transformation services to provide its clients with a fast, reliable and efficient way of transforming their businesses and organisations. This includes the formulation and implementation of its customers' business strategies to provide a strong foundation for optimizing their business operations.

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