

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

**PROPOSED ACQUISITION OF REMAINING 25% OF THE ISSUED AND PAID-UP SHARE
CAPITAL OF CHINA RFID LIMITED (“CRL”) BY ARMARDA HOLDINGS LIMITED**

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, being a 100% owned subsidiary company of the Company (the “**Purchaser**” or “**Armarda**”), has on 13 December 2010 (the “**Signing Date**”), entered into a sale and purchase agreement (the “**Agreement**”) with Mr You Shui Dong (the “**Vendor**”), pursuant to which the Purchaser will acquire (the “**Proposed Acquisition**”) from the Vendor, the balance of 25% interest in China RFID Limited (“**CRL**”) not owned by the Purchaser for a total consideration of HK\$25 million (the “**Purchase Consideration**”). In essence, 250 shares in the capital of CRL (“**Sale Shares**”), representing 25% of the issued share capital of CRL will be acquired.

Upon completion of the Proposed Acquisition, the Purchaser’s interest in CRL will increase from 75% to 100% and CRL will become a wholly-owned subsidiary of the Purchaser.

2. INFORMATION ABOUT THE PROPOSED ACQUISITION

2.1 Information about CRL

CRL is a British Virgin Islands company incorporated in May 2008, which will have exclusive rights to procure and sell radio frequency identification (“**RFID**”) chip modules. CRL is a 75% owned subsidiary of the Purchaser and the Vendor owns the remaining interest of 25%.

Pursuant to an exclusive procurement contract, which CRL has signed with Smart Asia Technologies Limited (“**Smart Asia**”) for three (3) years, CRL will be the sole distributor of RFID chip modules (“**NXP RFID Chips**”) from NXP Semiconductors Hong Kong Limited (“**NXP**”) for a period of three (3) years. In addition, Smart Asia has an exclusive distributorship agreement with NXP for the sales of NXP’s RFID Chips in the People’s Republic of China (the “**PRC**”) for the electronic passport project for three (3) years.

In addition, CRL had entered into an exclusive supplier’s agreement with China Vision Intelligent Card Reader Co., Limited. (“**China Vision**”), to supply NXP RFID Chips for both the electronic passport and other electronic travel documents projects. China Vision had similarly entered into an agreement with Public Security Bureau of PRC to re-sell NXP RFID Chips for a period of two (2) years subject to further renewal.

During the first six months of 2010, the RFID Chips were tested in a pilot site with most of the technical issues resolved thereafter. Therefore, the application of the RFID Chips on electronic passport project was considered successful. It is expected that orders would be placed by the end user in the coming year. The first order is expected to be initially received by China Vision in the first quarter of 2011, and will then be placed to CRL for the supply of the RFID chips.

2.2 Information about China Vision

China Vision is a sino-foreign joint venture company incorporated in February 2002 in Shenzhen, PRC by Zhuhai Chang Sheng (珠海长盛), Univision Intelligent Surveillance Limited (联视智能), Shenzhen Zhong Lian Dun (深圳中联盾), UniVision Enterprise Shenzhen (联视电子工程深圳) which owned 18%, 24%, 34% and 24% equity interest of China Vision respectively. The major

shareholder of China Vision is Mr. You Shui Biao, brother of Mr. You Shui Dong who currently owns the 25% equity interest of CRL. The paid-up capital of China Vision is RMB37 million, which has been fully paid up by the existing shareholders in proportion to their respective shareholdings.

China Vision is engaged in the development and distribution of smart identification ("ID") card reader and other related products for the 2nd generation smart ID card project in the PRC. China Vision is a leading Chinese developer and manufacturer of RED reading and writing devices by way of being an original equipment manufacturer ("OEM") and original designer manufacturer ("ODM") providing complete RFID solutions for the PRC and the world market. The smart ID card is a specific application of the RFID technology using a decryption chip provided by the Public Security Bureau in the PRC.

2.3 Information about NXP

NXP is a wholly-owned subsidiary of NXP Group. NXP Group is a leading semiconductor company founded by Philips more than 50 years ago. Headquartered in Europe, the company has about 33,500 employees working in more than 20 countries and posted sales of USD 6.3 billion (including the Mobile and Personal business) in 2007. NXP creates semiconductors, system solutions and software that deliver better sensory experiences in televisions, set-top boxes, identification applications, mobile phones, cars and a wide range of other electronic devices.

2.4 Information about Smart Asia

Smart Asia, a Hong Kong based company, will be the exclusive party for procurement of the required RFID chip modules from NXP. In addition, Smart Asia will be granted an exclusive distributorship by NXP for the distribution of the NXP RFID Chips for use in the electronic passport and other electronic local travel documents project in the PRC. Based on information provided and available to the Company, and save for the supply of the NXP RFID Chips pursuant to the procurement contract, the Directors are not aware of any business or commercial connection or relationship between the Vendor and Smart Asia.

2.5 Background information about the Vendor

Mr You Shui Dong aged 43, merchant and primarily engaged in IT technology business with extensive experience in security surveillance system and smartcard application for over 10 years. He is the brother of Mr You Shui Biao who is currently the major shareholder of China Vision.

3. PRINCIPAL TERMS AND SALIENT FEATURES OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration

The purchase consideration payable by the Purchaser to the Vendor for the purchase of the Sale Shares shall be HK\$25 million (the "**Purchase Consideration**").

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

- HK\$17.5 million in cash ("**Cash Consideration**") out of which a refundable deposit of HK\$12.5 million ("**Deposit**") shall be paid by the Purchaser upon signing of the Agreement into a designated account which cannot be utilised or drawn for other purposes prior to completion ("**Completion**") of the Proposed Acquisition. On Completion, the Deposit shall be released to the Vendor and the Purchaser shall pay the balance of the Cash Consideration being the amount of HK\$5 million to the Vendor. In the event that Completion does not take place on the date of Completion for whatsoever reason, the Vendor shall refund the Deposit to the Purchaser within three (3) business days of the date on which Completion was to take place; and

- HK\$7.5 million fully paid-up ordinary shares in the capital of the Company (“**Shares**”) at HK\$0.15 per Share (or approximately S\$0.025 per Share) (“**Share Consideration**”) representing 50,000,000 Shares (“**Consideration Shares**”).

The issue price for each Consideration Share represents a discount of approximately 25.8% to the weighted average price of the Shares as transacted on 10 December 2010.

The Consideration Shares represent approximately 5.18% and 4.93% of the existing issued share capital of 964,640,474 Shares and the enlarged issued share capital of 1,014,640,474 Shares.

The Purchase Consideration was agreed upon following arms’ length negotiations between the Purchaser and the Vendor and on a willing-buyer and willing-seller basis. The Company had assessed and determined the value of CRL on the basis of a 10-year cash flow forecast based on the estimates of demand for NXP RFID Chips for use in electronic passports and travel documents, at a discount rate of approximately 19.76% as at the date of the acquisition of the 75% equity interest in CRL in December 2009. In view of current market condition, business development and potential revenue for the project, the Company had re-evaluated the consideration for the Proposed Acquisition, together with the recommendation from the professional party, Vigers Appraisal & Consulting Limited while applying the same methodology as mentioned above.

Although the terms of the Proposed Acquisition are largely similar to those of the Purchaser’s acquisition of the 75% interest in the CRL (which was announced on 24 December 2009 and completed on 7 January 2010), the HK\$0.15 issue price per Consideration Share for the Proposed Acquisition was agreed between the parties after taking into consideration, *inter alia*, the current market price of the Shares and the latest announced financial results of the Group.

Based on the above deliberations and negotiations with the Vendor, the Directors are satisfied that the Purchase Consideration is fair and reasonable.

In relation to the value of the assets to be acquired, the book value of approximately 25% of the net asset value (“**NAV**”) and net tangible asset value (“**NTA**”) of CRL are approximately US\$250 and US\$250 respectively, as reflected in the latest management accounts of CRL as at 30 September 2010.

3.2 Conditions of the Proposed Acquisition

The Proposed Acquisition is subject to, *inter alia*, the following:

- (a) the completion of a legal, financial and commercial due diligence conducted by the Purchaser and/or the Purchaser’s representatives on CRL and the results of the due diligence exercise being satisfactory to the Purchaser in its sole and absolute discretion;
- (b) the Purchaser obtaining, *inter-alia*, the consents and approvals from the board of directors of the Purchaser, the Sponsor of the Company and/or Shareholders of the Company required for the sale of the Sale Shares and to give effect to the transaction contemplated hereunder;
- (c) all other consents and approvals required under any and all applicable laws for the sale of the Sale Shares and to give effect to the transactions as contemplated in the agreement hereunder (including without limitation, such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendor or CRL is a party or by which the Vendor or CRL or its or their respective assets are bound) being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser in its sole and absolute discretion;
- (d) the Vendor warranties contained in the Agreement remaining true and not misleading in any respect at Completion, as if repeated at the completion of sales and purchase of the

Sales Shares ("**Completion**") and at all times between the date of the Agreement and Completion as set out in the agreement;

- (e) the Vendor having performed all of the covenants and agreements required to be performed or caused to be performed by the Vendor under the Agreement on or before the date of Completion;
- (f) all necessary or desirable actions, notifications, filings and registrations, approvals, permits and consents having been taken, given to, made with and obtained from the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere in respect of the sale and purchase of the Sale Shares, the allotment and issue of the Consideration Shares contemplated herein and the compliance in full to the satisfaction of the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or the British Virgin Islands or elsewhere of all conditions (if any) attaching or in relation thereto, where such conditions are required to be complied with by the date of Completion including where applicable the approval of the SGX-ST or the shareholders of the Company;
- (g) no new laws, regulations or rules having been promulgated, published or issued and/or having taken effect on or prior to the date of Completion, nor any of the parties, the Vendor or Purchaser having received on or prior to the date of Completion notice of any directive, injunction or other order, which restrains or prohibits the consummation of the transactions contemplated by this Agreement or there being no action on or prior to the date of Completion seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such directive, injunction or other order or action which is threatened;
- (h) no event or circumstance amounting to a material adverse change as set out in the Agreement having occurred or being likely to occur since the date of signing of the Agreement;
- (i) neither the Purchaser nor the Vendor having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Agreement and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or threatened; and
- (j) the Vendor's confirmation to the Sponsor and such confirmation being satisfactory to the Sponsor in its sole and absolute discretion, that the Vendor is not:
 - (1) acting in concert with Mr. John Wang, Madam Wu Tsai Yun and/or Mr. Li Gan, being the vendors ("**Earlier Vendors**") in relation to the 750 ordinary shares in the capital of the Company (representing 75% of the issued share capital of the Company) which the Earlier Vendors agreed to sell and the Purchaser agreed to acquire under the sale and purchase agreement dated 22 December 2009, which was completed on 7 January 2010 ("**75% Acquisition**");
 - (2) acting in accordance with or accustomed to act in accordance with the directions or instructions from any director (including an alternate director), the chief executive officer or any controlling shareholder (as defined in the Catalist Rules of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**")) or substantial shareholder (as defined in the Companies Act (Cap. 50)) of the Company; and
 - (3) an associate (as defined under the Catalist Rules) of, or otherwise related to any director (including an alternate director), the chief executive officer or any controlling (as defined in the Catalist Rules) of Armada Group Limited or substantial shareholder (as defined in the Companies Act (Cap. 50)) of the Company.

3.3 Shareholdings of the Vendor, the Earlier Vendors and the Substantial Shareholders

The table below shows, *inter-alia*, the shareholdings of the substantial shareholders, the Vendor and Earlier Vendors before and after the 75% Acquisition and the Proposed Acquisition and also takes into account the Placement (as defined below):

Name	Before the 75% Acquisition				After the 75% Acquisition and the Placement but before the Proposed Acquisition				After the Proposed Acquisition			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Luk Chung Po	8,876,255	1.74%	44,381,277 ⁽⁴⁾	8.68%	8,876,255	0.92%	44,381,227 ⁽⁴⁾	4.60%	8,876,255	0.87%	44,381,227 ⁽⁴⁾	4.37%
Compelling Vision Technology Limited	44,381,277	8.68%	-	-	44,381,277	4.60%	-	-	44,381,277	4.37%	-	-
Firich Enterprises Co., Ltd. ⁽⁵⁾	43,750,000	8.56%	-	-	43,750,000	4.54%	-	-	43,750,000	4.31%	-	-
Mr. Xu Jian	-	-	-	-	50,000,000	5.18%	-	-	50,000,000	4.93%	-	-
Mr. Yao Fei	-	-	-	-	50,000,000	5.18%	-	-	50,000,000	4.93%	-	-
Mr. Cao Xiang Hui	-	-	-	-	50,000,000	5.18%	-	-	50,000,000	4.93%	-	-
Mr. Miao Yong Xiang	-	-	-	-	50,000,000	5.18%	-	-	50,000,000	4.93%	-	-
Verilink Group Limited	-	-	-	-	50,000,000	5.18%	-	-	50,000,000	4.93%	-	-
Earlier Vendors												
Li Gan	-	-	-	-	10,000,000	1.04%	-	-	10,000,000	0.99%	-	-
John Wang	-	-	-	-	21,666,667	2.25%	-	-	21,666,667	2.14%	-	-
Wu Tsai Yun	-	-	-	-	21,666,667	2.25%	-	-	21,666,667	2.14%	-	-
Other Shareholders	414,299,608	81.03%			564,299,608	58.50%			564,299,608	55.62%		
Vendor												
Mr You Shui Dong	-	-	-	-	-	-	-	-	50,000,000	4.93%	-	-
Total	511,307,140	100.00%			964,640,474	100.00%			1,014,640,474	100.00%		

Notes:

- (1) Based on issued share capital of 511,307,140 prior to the 75% Acquisition.
- (2) Based on existing issued share capital of 964,640,474 Shares which includes the 400,000,000 Shares allotted and issued pursuant to the placement completed on 23 September 2010 (the "Placement").
- (3) Based on the enlarged issued share capital of 1,014,640,474 Shares.
- (4) Mr. Luk Chung Po holds 8,876,255 Shares through nominee company(ies). Mr. Luk Chung Po is deemed interested in the Shares held by Compelling Vision Technology Limited by virtue of Mr. Luk Chung Po's 100% shareholding in Compelling Vision Technology Limited.
- (5) Firich Enterprises Co., Ltd. Holds 43,750,000 Shares through nominee companies.

Shareholders should note that following the issuance of the Consideration Shares, their aggregate interest in the Company will decrease from approximately 58.50% to approximately 55.62%. The issuance of the Consideration Shares will not result in the Vendor becoming a substantial shareholder of the Company.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Company is confident of the use of NXP RFID chips in the electronic passport project and/or other applications in the PRC, and barring unforeseen circumstances this will result in CRL contributing to the financial performance and profits for the Group in the future. Accordingly, the Proposed Acquisition will enable the Company to have total control of CRL and to fully consolidate CRL's revenue, profit and cash flow into the consolidated financial statements of the Company.

5. FUNDING FOR THE PROPOSED ACQUISITION

The Cash Consideration of approximately HK\$17.5 million will be satisfied by the Group's internal resources.

On 26 August 2010, the Company announced the placement of 400,000,000 ordinary shares ("Placement Shares") in the capital of the Company at an issue price of HK\$0.10 each. The Placement was completed on 23 September 2010. On 4 November 2010, the Company announced that approximately HK\$12.5 million out of the HK\$39 million received from the placement of the Placement Shares has been used as a refundable acquisition deposit ("**Deposit**") for a potential acquisition. The Deposit will be used to satisfy part of the Cash Consideration for the Proposed Acquisition. The Deposit has been kept in a designated account which cannot be utilised or drawn for other purposes, prior to completion of the Proposed Acquisition. In the event that the Proposed Acquisition does not take place on the completion date for whatever reasons, the Vendor shall refund the Deposit to the Company. The Directors are satisfied that the arrangements for the designated account are sufficient to safeguard the Company's interest and Deposit.

6. 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 Net Tangible Assets ("**NTA**") per share of the Group, based on the Group's audited consolidated balance sheet as at financial year ended 31 December 2009 ("**FY2009**"), and the assumptions as summarized 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 ") (HK\$ million)	97.984	80.484
Number of Shares ⁽²⁾	511,307,140	561,307,140 ⁽⁴⁾
Consolidated NTA per Share ⁽³⁾ (HK\$)	0.19	0.14

Notes:

(1) Assuming that the Proposed Acquisition was completed as at the end of FY2009.

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

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

(4) The number of Shares do not include the 400,000,000 Shares issued pursuant to the Placement and the 53,333,334 Shares issued pursuant to the 75% Acquisition.

For illustrative purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the loss per Share (“LPS”), based on the Group’s audited consolidated profit after income tax for FY2009 and the assumptions as summarized herein and in the accompanying notes.

Loss per Share	Before the Proposed Acquisition	After the Proposed Acquisition ⁽¹⁾
(Loss) attributable to Shareholders (HK\$' million)	(97.813)	(97.813)
Number of shares ⁽²⁾	511,307,140	561,307,140 ⁽⁴⁾
Consolidated LPS ⁽³⁾ (HK\$)	(0.19)	(0.17)

Notes:

- (1) Assuming that the Proposed Acquisition was completed as at the beginning of FY2009.
- (2) Assuming none of the share options issued and outstanding in the Company was exercised.
- (3) Consolidated LPS is based on the loss after taxation and minority interests attributable to Shareholders and the number of Shares issued as described above.
- (4) The number of Shares do not include the 400,000,000 Shares issued pursuant to the Placement and the 53,333,334 Shares issued pursuant to the 75% Acquisition.

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 summarized above.

7. RELATIVE FIGURES IN CHAPTER 10 RULE 1006 OF THE SINGAPORE EXCHANGE 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 Part IV Rule 1006 of the Catalist Rules exceeds 5.0%, the transaction is a discloseable transaction and 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 of the Proposed Acquisition computed based on the Group’s latest announced consolidated financial results for the 9 months ended 30 September 2010 (“9M2010”) in accordance with Part IV Rule 1006 of the Catalist Rules are as follows:-

Rule 1006

(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⁾	N.M.
(c)	Aggregate value of the consideration given, compared with the issuer's market capitalization ⁽⁴⁾	14.2%
(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	5.2%

Notes:

- (1) Not applicable as there is no disposal of assets.
- (2) Net profits defined to be profit or loss before income tax, minority interests and extraordinary items.
- (3) Not meaningful as the Group made a net loss of approximately HK\$101.9 million in 9M2010, furthermore, profit before tax of CRL relative to the Group will not be meaningful as it is was only incorporated in May 2008 and formed for the sole purpose of the e-passport project and to undertake the procurement and supply of RFID chips and pilot testing has just recently been completed with bulk orders expected in 2011. There was no operation in CRL for 9M2010.
- (4) The Company's market capitalisation of approximately HK\$195.1 million is based on its total number of issued Shares of 964,640,474 Shares and the weighted average price of S\$0.03416 per Share on 10 December 2010, being the last market day preceding the date of Agreement and at an exchange rate of S\$1 = HK\$5.92 as at 10 December 2010.

Pursuant to Chapter 10 Part IV Rule 1005 of the Catalist Rules, the Proposed Acquisition is considered in aggregate with the 75% Acquisition which was completed on 7 January 2010. The relative figures in accordance with Part IV Rule 1006 of the Catalist Rules (subject to SGX's discretion on whether the aggregation was correctly applied and its discretion to direct the Sponsor to aggregate other transaction) are as follows:-

Rule 1006

(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⁾	N.M.
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalization ⁽⁴⁾	89.0%
(d)	The aggregate number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue ⁽⁵⁾	15.3%

Notes:

- (1) Not applicable as there is no disposal of assets.
- (2) Net profits defined to be profit or loss before income tax, minority interests and extraordinary items.
- (3) Not meaningful as the Group made a net loss of approximately HK\$101.9 million in 9M2010, furthermore, profit before tax of CRL relative to the Group will not be meaningful as it is was only incorporated in May 2008 and formed for the sole purpose of the e-passport project and to undertake the procurement and supply of RFID chips and pilot testing has just recently been completed with bulk orders expected in 2011. There was no operation in CRL for 9M2010.
- (4) 89.0% represents the aggregation of consideration of approximately HK\$85.6 million pertaining to the 75% Acquisition as per the announcement dated 24 December 2009 and the Purchase Consideration of approximately HK\$27.6 million (based on the market value of the Consideration Shares on 10 December 2010) for the Proposed Acquisition divided by the market capitalization on the market day proceeding the signing date of the 75% Acquisition. The market capitalization is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding signing date of the 75% Acquisition.
- (5) 15.3% represents the aggregation of 53,333,334 Shares issued pursuant to the 75% Acquisition as per the announcement dated 24 December 2009 and 25,000,000 Consideration Shares (adjusted based on the issue price of HK\$0.30 pursuant to the 75% Acquisition) and divided by the total number of Shares in issue of 511,307,140 at signing date of the 75% Acquisition.

Rule 1006(b) is not meaningful as the Group made a net loss of approximately HK\$101.9 million in 9M2010. Furthermore, as CRL was only incorporated in May 2008 and formed for the sole purpose of the e-passport project and to undertake the procurement and supply of RFID

chips and pilot testing has just recently been completed with first order expected in 2011, the comparisons may not be meaningful.

As the relative figure set out in Rule 1006(c) above exceeds 75%, the Proposed Acquisition constitutes a major transaction under Chapter 10 of the Catalist Rules if aggregated with the 75% Acquisition on the basis as described above and will be subject to approval of the Shareholders of the Company at a general meeting.

In addition, as certain of the relative figures computed pursuant to Rule 1006 as outlined above is negative, Rule 1006 may still be applicable at the discretion of the Exchange. The Exchange will be consulted and an appropriate announcement made in due course.

8. EXTRAORDINARY GENERAL MEETING

The Company intends to seek Shareholders' approval for the Proposed Acquisition and a circular to Shareholders (the "**Circular**") setting out further information on the Proposed Acquisition, together with a notice of the extraordinary general meeting to be convened, will be despatched to Shareholders in due course.

9. FUTURE CORPORATE DEVELOPMENTS

Through CRL, the Group may develop additional RFID application in the area of medical cards, banking IT applications etc. with China Vision. Such development, if any, will be led by the Group to leverage on the Group's technology expertise.

10. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors of the Company 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 of) have any interest, direct or indirect, in the Proposed Acquisition.

11. SERVICE CONTRACTS OF DIRECTORS

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

12. 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 Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda and at the office of the Company's sponsor, Asian Corporate Advisors Pte. Ltd., at 112 Robinson Road #03-02 Singapore 068902 for a period of three (3) months from the date of this announcement.

13. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this announcement) have collectively and individually accepted full responsibility for the accuracy of the information given in this announcement and confirm that, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this announcement are accurate and fair in all material aspects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading.

BY ORDER OF THE BOARD

Luk Chung Po, Terence
Executive Director
13 December 2010

*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.

*The contact person for the Sponsor is Mr H K Liau.
Telephone number: 6221 0271*