

ARMARDA GROUP LIMITED

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

PROPOSED PLACEMENT OF 123,125,000 NEW ORDINARY SHARES IN THE CAPITAL OF ARMARDA GROUP LIMITED (THE "COMPANY"), AT AN ISSUE PRICE OF S\$0.032 FOR EACH NEW ORDINARY SHARE OF HK\$0.20 EACH IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The Board of Directors (the "Directors") of the Company wishes to announce the proposed placement (the "Proposed Placement") of 123,125,000 new ordinary shares of HK\$0.20 in the capital of the Company (the "Placement Shares"), at an issue price of S\$0.032 for each Placement Share (the "Placement Price").

Details on the Proposed Placement are provided herein.

2. PROPOSED PLACEMENT

The Directors wish to announce that the Company has on 2 May 2009 entered into a placement agreement (the "Placement Agreement") with Zhou Xiao Ping, Chen Xi, Infinity Asia Group Limited, Tu Xiao Jing, Du Xiao Rui and Cou Tzi Meng (collectively, the "Placees"), pursuant to which the Placees have agreed to subscribe for a total of 123,125,000 Placement Shares at S\$0.032 for each Placement Share, in the proportion as set out against their respective names below.

Placees	Number of Placement Shares	% of existing issued share capital	% of enlarged issued share capital
Zhou Xiao Ping	15,625,000	4.0%	3.1%
Chen Xi	15,625,000	4.0%	3.1%
Infinity Asia Group Limited ("Infinity Asia")	16,875,000	4.4%	3.3%
Tu Xiao Jing	25,000,000	6.4%	4.9%
Du Xiao Rui	25,000,000	6.4%	4.9%
Cou Tzi Meng	25,000,000	6.4%	4.9%
Total	123,125,000	31.6%	24.2%

The Placement Shares, which will be priced at S\$0.032 each, represents a discount of 20.0% to the weighted average price of S\$0.040 for trades done on Catalist for the full market day on 29 April 2009. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued ordinary shares ("Shares") in the capital of the Company, except for any dividends, distributions or entitlements the record date of which falls before the date of issue of the Placement Shares.

The Placees were referred to the Company by the business associates of the executive Directors, namely Mr. Terence Luk Chung Po and Mr. Gao Xiangjun. The Directors understand that Infinity Asia is an investment holding company incorporated in Hong Kong and Gordon Yuen is the sole shareholder and director of the company. The Placees (with the exception of Infinity Asia) and the director and shareholder of Infinity Asia are mostly individuals involved in the information technology ("IT") sector in the People's Republic of China. No placement commission will be

payable for the Proposed Placement. Pursuant to the Placement Agreement, each of the Placees has represented that he/it is not any of the persons set out in Rule 812(1) of Section B: Rules of Catalist of the SGX-ST Listing Manual. In addition, each of the Placees has represented in the Placement Agreement that he or in the case of Infinity Asia, the director and shareholder of Infinity Asia, is not related to any of the Directors or the substantial shareholders of the Company.

In addition, pursuant to the Placement Agreement, each of the Placees has represented that he/it is not acting in concert with any other Placee and he/it does not act in accordance with the instructions of any other Placee.

Moratorium

Pursuant to the Placement Agreement, each of the Placees has undertaken to the Company that he/it will not, without the prior written consent of the Company, for a period of three (3) months after the date of completion of the Proposed Placement, among other things, offer, sell, pledge, charge, grant security or create encumbrances over, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Placement Shares.

Financial Effects of the Private Placement

As at the date of this announcement, the issued and paid-up ordinary share capital of the Company is approximately HK\$77,636,000 comprising 388,182,140 Shares. When completed and assuming that all the 123,125,000 Placement Shares are issued, the Proposed Placement will increase the existing issued and paid-up ordinary share capital of the Company by approximately 31.6% to approximately HK\$102,261,428 comprising 511,307,140 Shares.

Based on the consolidated balance sheet of the Company and its subsidiaries (the "**Group**") as at 31 December 2008, the issue of the Placement Shares will increase the number of Shares of the Company from 388,182,140 Shares to 511,307,140 Shares and decrease the consolidated net tangible asset ("**NTA**") per Share by 7.6 HK cents to 39.8 HK cents (on an enlarged basis).

As at the date of this announcement, the Directors are of the opinion that the Proposed Placement will not have a material effect on the earnings per share of the Company. As and when the net proceeds of the Proposed Placement are deployed, the effect on the earnings per share of the Company will depend on the then prevailing earnings per share of the Company and the returns or earnings generated from such deployment.

The Directors are of the opinion after taking into consideration the cash and cash equivalents, cash used in operations and available banking facilities of the Group, that the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement.

Use of Proceeds

The estimated net proceeds (the "**Net Proceeds**") from the Proposed Placement, after deducting estimated expenses, will amount to approximately S\$3.74 million.

The Company intends to utilise the Net Proceeds to finance the Group's investment opportunities or acquisitions of other third party IT consulting companies or companies synergistic to the Group's operations and competence as and when these arise. Save as previously announced, the Company has not, as at the date of this announcement, committed to any particular investment or acquisition as the case may be.

As and when any significant amount of the Net Proceeds is disbursed or deployed, the Company will make the necessary announcements on the SGXNET corporate announcement system ("SGXNET") and subsequently provide a status report on the use of such Net Proceeds in its annual report. Pending the deployment of the Net Proceeds for the uses identified above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

Conditions Precedent

The Proposed Placement is subject to certain conditions precedent more particularly set out in the Placement Agreement, including the confirmation in-principle of the continuing sponsor of the Company, the submission of the confirmation for an additional listing to the SGX-ST in connection with the listing and quotation of the Placement Shares on Catalist and the listing and quotation notice for the Placement Shares being obtained from the SGX-ST.

An application for the listing of and quotation for the Placement Shares will be made to the SGX-ST.

The approval of the Shareholders of the Company for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, whether on a pro rata or non pro rata basis, was obtained at the Annual General Meeting of the Company held on 25 April 2009. The Placement Shares represent approximately 31.6% of the existing issued share capital of the Company.

No Prospectus or Offer Information Statement to be Issued

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

3. INTEREST OF THE DIRECTORS, CONTROLLING SHAREHOLDERS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Placement Shares will be placed by the Company to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of Section B: Rules of Catalist of the SGX-ST Listing Manual. None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

4. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board of
Armarda Group Limited

Luk Chung Po, Terence
Executive Director
2 May 2009

*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, 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.

*The contact person for the Sponsor is Ms Foo Quee Yin
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