ARMARDA GROUP LIMITED

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

GOODWILL DEPOSIT OF HK$19.1 MILLION TO THE VENDORS

The board of directors ("**Board**") of Armarda Group Limited ("**Armarda**" or the "**Company**") refers to the announcement dated 29 May 2014 pertaining to *inter alia,* that (i) the Board is presently engaged in ongoing discussion with Zhang Jian Hua, Andrew Chan, Florence Liu, Venus Lui, Tse Chi Nang, Tony, Tong Chor Ho, Mathew, Chong Choi Fu, Patrick, Jin Da Gang, Geng Qiu Sheng, Liu Yong Ning, and Shing Man Lei (collectively, the "**Vendors**") on the possibility of acquiring the remaining 55% equity interest in China Satellite Mobile Communications Group Limited ("**CSMG**") and (ii) the Company has extended an interest free loan of approximately HK$24.7 million to certain Vendors ("**HK$24.7 million Loan**") to demonstrate the Company's interest in such further discussions and negotiations on a good faith basis. The HK$24.7 million Loan will be inter-alia secured by CSMCG shares held by certain Vendors (representing approximately 24.34% of CSMCG's total issued share capital), interest-free and repayable on demand in the event the parties decide not to proceed with the acquisition of further equity interest in CSMCG. In the event that the acquisition of further interest in CSMCG proceeds, the HK$24.7 million Loan will be offset against the consideration.

The Board wishes to update that the Company has on 23 July 2014 extended a goodwill deposit of HK$19.1 million (the "**Goodwill Deposit**") to certain of the Vendors. In view of the confidentiality of the matter and the on-going discussions, the Company has only received concurrence from the above-mentioned Vendors for the release of this announcement recently.

The Goodwill Deposit shall be interest-free and will be refunded in full to the Company in the event the parties decide not to proceed with the acquisition of further equity interest in CSMCG. Similar to the HK$24.7 million Loan, in the event that the acquisition of further interest in CSMCG proceeds, the Goodwill Deposit will be offset against the consideration.

The Directors are satisfied with the recoverability of both the HK$24.7 million Loan and the Goodwill Deposit given that, inter alia, the Company's and management's involvement in the business operations and activities of CSMCG as well as progress for the roll-out of CSMCG's activities, the purchase price for CSMCG shares pursuant to the previous acquisition of the 45% equity interest of CSMCG.

The Goodwill Deposit was fully funded from the proceeds raised from the placement ("**Placement**") of new ordinary shares in the capital of the Company ("**New Shares**"), which was announced on 19 June 2014.

Shareholders are advised notwithstanding the HK$24.7 million Loan and the Goodwill Deposit, to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the acquisition of further equity interest in CSMCG will materialize or whether the acquisition, if materialize, will result in CSMCG becoming the wholly-owned subsidiary of the Company. Shareholders should also note that the terms and conditions for the acquisition of any further equity interest in CSMCG (including but not limited to pricing, number of CSMCG shares to be acquired, and terms of payment) are currently being negotiated and that no definitive terms has been agreed upon and that it is not certain that parties to the transaction will agree on mutually acceptable terms and conditions. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

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
14 August 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.*

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.

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