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

THE PROPOSED CONSOLIDATION OF EVERY 100 EXISTING ISSUED AND UNISSUED ORDINARY SHARES OF PAR VALUE HK$0.001 EACH IN THE CAPITAL OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) CONSOLIDATED SHARE OF PAR VALUE HK$0.10 EACH IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO THE CONSOLIDATED SHARES RESULTING FROM THE PROPOSED SHARE CONSOLIDATION TO BE DISREGARDED

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1. INTRODUCTION

The board of directors ("**Directors**") of the Company ("**Board**") wishes to announce that the Company is proposing to undertake a share consolidation exercise to consolidate every 100 issued and unissued ordinary shares of par value HK$0.001 each in the capital of the Company ("**Existing Shares**") as at a books closure date to be determined by the Directors ("**Books Closure Date**"), into one (1) consolidated ordinary share of par value HK$0.10 each in the capital of the Company ("**Consolidated Shares**"), fractional entitlements to the Consolidated Shares resulting from the Proposed Share Consolidation (as defined herein) to be disregarded ("**Proposed Share Consolidation**").

2. THE PROPOSED SHARE CONSOLIDATION

2.1. Under the Proposed Share Consolidation, every 100 Existing Shares registered in the name of each registered holder of issued ordinary shares in the Company ("**Shares**") ("**Shareholder**") (not being a depositor), or standing to the credit of the securities account of each depositor maintained with The Central Depository (Pte) Limited, as at the Books Closure Date, will be consolidated into one (1) Consolidated Share, fractional entitlements to the Consolidated Shares resulting from the Proposed Share Consolidation to be disregarded.

2.2. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

2.3. As at the date of this announcement, the Company has an issued and paid-up share capital of 7,540,813,474 Shares and has no outstanding share options to any Director(s) or employee(s) of the Company. In order to facilitate the Proposed Share Consolidation, the Company proposes to conduct a repurchase of up to 100 Existing Shares for cancellation ("**Repurchase**"). Following such repurchase and assuming that the Company repurchased 74 Existing Shares, the Company will have 7,540,813,400 Existing Shares, and following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of 75,408,134 Consolidated Shares.

2.4. As at the date of this announcement, there is an aggregate of up to 3,445,381,820 new Existing Shares to be allotted and issued pursuant to outstanding convertible bonds issued by the Company ("**Convertible Bonds**") and consideration shares arising from potential acquisitions by the Company ("**Consideration Shares**").

2.5. On the assumption that, on or before the Books Closure Date, all the outstanding Convertible Securities are converted and/or exercised, and all the Consideration Shares that are required to be allotted and issued are allotted and issued by the Company, following the implementation of the Proposed Share Consolidation and assuming that the Company repurchased 74 Existing Shares, the Company will have an enlarged issued and paid-up share capital of 109,861,948 Consolidated Shares (subject to rounding).

2.6. Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractional entitlement of a Consolidated Share arising from the Proposed Share Consolidation shall be disregarded. All fractions of a Consolidated Share arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to, aggregating all or any of the fractions of Consolidated Shares and selling the aggregated fractions of Consolidated Shares and the net proceeds (after the deduction of the expenses of such sale) thereof paid to the Company for the Company's benefit. The Company shall, where necessary, consult its legal and/or financial adviser(s) when dealing with the fractional Consolidated Shares resulting from the Proposed Share Consolidation. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

2.7. Shareholders holding less than 100 Existing Shares as at the Books Closure Date will not be entitled to participate in the Proposed Share Consolidation and will not be entitled to any Consolidated Shares. Such Shareholders will no longer be Shareholders upon completion of the Proposed Share Consolidation. No allotment of the Consolidated Shares will be made to such Shareholders. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of 100 Existing Shares prior to the Books Closure Date.

2.8. The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to the Repurchase, the rounding and the dealing of the fractions of Consolidated Shares as described above.

2.9. Shareholders should note that the Proposed Share Consolidation could result in odd lots and Shareholders holding odd lots of Consolidated Shares could face practical difficulties with their Consolidated Shares. To mitigate the impact of this problem, the Company will be making arrangements for the trading of odd lots of the Consolidated Shares, details of which will be set out in the Circular (as defined in paragraph 6 of this announcement).

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) **Reduction of volatility of the Share price**

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in low-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, low-priced shares are generally more prone to speculation and market manipulation. Given its susceptibility to speculation and market manipulation, low-priced shares are generally more volatile as compared to higher-priced shares. The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and thereby reducing the fluctuation in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(b) **Increase in the Market Interest and Attractiveness of the Company and its Shares**

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible assets of each Consolidated Share would be higher than the trading price and net tangible assets of each Existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. The Proposed Share Consolidation may also increase the profile of the Company amongst institutional investors and the coverage of the Company amongst research houses and fund managers.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. ADJUSTMENTS TO CONVERTIBLE SECURITIES AND CONSOLIDATED SHARES

The Company will, where applicable, make the relevant adjustments to the new Shares to be issued pursuant to the Convertible Bonds and Consideration Shares, to take into account the effects of the Proposed Share Consolidation. Further announcement(s) will be made by the Company in respect of any such adjustments as and when appropriate.

5. APPROVALS AND CONDITIONS

5.1. The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at a special general meeting to be convened ("**SGM**"), and the receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for the Consolidated Shares (including the new Consolidated Shares to be issued upon exercise and/or conversion of the outstanding Convertible Securities and/or allotment and issuance of the Consideration Shares) on Catalist.

5.2. An application will be made to the SGX-ST for permission for the dealing in, listing of and quotation for the Consolidated Shares on Catalist. An appropriate announcement on the application and the outcome of the application will be made in due course.

6. DESPATCH OF CIRCULAR

A circular containing, *inter alia*, the notice of the SGM and the details of the Proposed Share Consolidation ("**Circular**") will be despatched to Shareholders in due course.

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers about the action they should take.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Executive Director and Chairman
25 June 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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.

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