

SINOCLOUD GROUP LIMITED
(THE “COMPANY”)
(Company Registration No.: 34050)
(Incorporated in Bermuda on 13 August 2003)

USE OF PROCEEDS FROM THE PLACEMENT OF 1,377,000,000 NEW ORDINARY SHARES

*Unless otherwise defined, terms used in this announcement shall bear the same meaning as defined in the Company’s announcements dated 16 October 2015 (the “**Announcement**”), 28 October 2015, 3 November 2015 and 3 February 2016 relating to the placement of an aggregate of 1,377,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.0035 per new ordinary share (the “**Placement**”).*

The board of directors (the “**Board**”) of the Company would like to provide an update on the usage of the net proceeds received by the Company of approximately HK\$26.7 million from the Placement (“**Net Proceeds**”). The following is a summary of the use of the Net Proceeds:

	Working capital purposes (HK\$'000)	Finance or fund acquisitions, purchases or investments (HK\$'000)	Total (HK\$'000)
Balance proceeds as disclosed in the announcement dated 3 February 2016	6,700	6,000	12,700
Less:			
• Amount utilised	4,000 ⁽¹⁾	1,000 ⁽²⁾	5,000
Balance as at 30 April 2016	2,700	5,000	7,700

Notes:

- (1) Comprised mainly operating expenses including but not limited to office overhead expenses and general professional fees.
- (2) In relation to professional fees incurred for (i) the acquisition of 63% equity interests in SinoCloud 01 Limited; and (ii) the proposed settlement of the loan and deposit extended to the vendors of China Satellite Mobile Communications Group Limited (“**CSMCG**”) by the acquisition of pledged shares representing 25.19% of the total issued share capital in CSMCG.

The above uses of the Net Proceeds are in accordance with the intended use as stated in the Announcement. The Company will make further announcements via SGXNet as and when the balance of the Net Proceeds are materially disbursed.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Chairman and Chief Executive Officer

26 May 2016

*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.

The contact person for the Sponsor is Ms Soo Hsin Yu, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.