

**CIRCULAR DATED 16 DECEMBER 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**This Circular is issued by SinoCloud Group Limited (the “Company”). Please read it carefully. If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.**

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

If you have sold or transferred all your Shares held through CDP, you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Special General Meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Your attention is drawn to pages 17 to 18 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

The SGX-ST has not examined or approved the contents of this Circular. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made or opinions expressed or reports contained in this Circular.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, ZICO Capital Pte. Ltd. for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this Circular, including the correctness of any of the statements or opinions made. The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

# SINO CLOUD

## SINOCLOUD GROUP LIMITED

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

### CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED SETTLEMENT OF THE AGGREGATE OUTSTANDING AMOUNT DUE AND OWING BY THE BORROWER TO THE COMPANY UNDER THE CONVERTIBLE LOAN OF HK\$78,084,000 (INCLUDING ACCRUED INTEREST DUE AND OWING TO THE COMPANY)**

#### IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	4 January 2017 at 10.00 a.m.
Date and time of Special General Meeting	:	6 January 2017 at 10.00 a.m.
Place of Special General Meeting	:	Room 307, Level 3, 32 Maxwell Road #03-01 Maxwell Chambers, Singapore 069115

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>“Audit Committee”</b>	:	The audit committee of the Company, comprising Lee Joo Hai, Phuah Lian Heng and Alexander Shlaen, as at the Latest Practicable Date
<b>“Board”</b>	:	The board of Directors of the Company, as at the date of the Latest Practicable Date, comprising Chan Andrew Wai Men, Luk Chung Po Terence, Chu Yin Ling Karen, Lee Joo Hai, Phuah Lian Heng and Alexander Shlaen
<b>“Borrower” or “Mr Lu”</b>	:	Lu Zhendong (卢振东)
<b>“Catalist Rules”</b>	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular dated 16 December 2016
<b>“Company”</b>	:	SinoCloud Group Limited
<b>“Convertible Loan”</b>	:	The convertible loan granted by the Company to the Borrower pursuant to the Convertible Loan Agreement (including its supplemental agreements)
<b>“Convertible Loan Agreement”</b>	:	The convertible loan agreement dated 25 March 2014 (and as supplemented from time to time) entered into between the Company (as the lender) and the Borrower, whereby the Company has the right (but not the obligation) to convert amounts outstanding under the Convertible Loan into direct equity interest in the Zhuhai Entity
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Deposits”</b>	:	The aggregate refundable deposits of HK\$50,050,000 paid by the Company to the Borrower, pursuant to the Deposit Agreement
<b>“Deposit Agreement”</b>	:	The deposit agreement dated 28 June 2013 (and as supplemented on 8 February 2014) and entered into between the Company and the Borrower
<b>“Depositor Proxy Form”</b>	:	Has the meaning ascribed to it in Section 13.1(b) of this Circular
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Disposal”</b>	:	The potential sale of either the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company
<b>“Disposal Consideration”</b>	:	The sale price of the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company, as the case may be

<b>“Disposal SPA”</b>	:	The sale and purchase agreement to be entered into between the Potential Buyer and the Borrower (or the Trustee) or the Zhuhai Entity (as the case may be) for the Disposal
<b>“FY”</b>	:	The financial year of the Company ended or ending 31 March
<b>“Group”</b>	:	The Company and its subsidiaries and associated companies
<b>“Latest Practicable Date”</b>	:	13 December 2016, being the latest practicable date prior to the printing of this Circular
<b>“LPS”</b>	:	Loss per share
<b>“Notice of SGM”</b>	:	The notice of the SGM as set out on pages 17 to 18 of this Circular
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Parties”</b>	:	The parties to the Settlement Agreement, being the Company, the Borrower and the Trustee
<b>“Potential Buyer”</b>	:	The buyer proposing to purchase the entirety of the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company (as applicable)
<b>“PRC Project”</b>	:	The telecommunication business of the PRC Project Company conducted under a restricted operating license in the PRC
<b>“PRC Project Company”</b>	:	The company established in the PRC that is undertaking the PRC Project, further details of which are described in Section 2.12 of this Circular
<b>“PRC Project Company Effective Interest Attributable to the Company”</b>	:	Approximately 35.9% interest in the PRC Project Company being held by the Zhuhai Entity which is attributable to the Company, as at the Latest Practicable Date
<b>“Proposed Settlement”</b>	:	The proposed settlement of the aggregate outstanding amount due and owing by the Borrower to the Company under the Convertible Loan of HK\$78,084,000 (comprising an outstanding principal sum of HK\$72,000,000 and total unpaid and accrued interest charge of HK\$6,084,000), as at the Latest Practicable Date
<b>“Settlement Agreement”</b>	:	The settlement agreement dated 12 December 2016 and entered into between the Company, the Borrower and the Trustee for the Proposed Settlement
<b>“Settlement Cash Proceeds”</b>	:	The HK\$36,000,000 payable by the Borrower to the Company, pursuant to the Proposed Settlement
<b>“SGM”</b>	:	The special general meeting of the Company
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

“Shareholders”	:	The registered holders of Shares in the share capital of the Company
“Sponsor”	:	ZICO Capital Pte. Ltd., the continuing sponsor of the Company
“Trustee” or “Mr Gao”	:	Gao Xiangjun (高向军), who is holding the entire equity interests in the Zhuhai Entity in trust for the Borrower pursuant to the Trust Arrangement
“Trust Agreement”	:	The trust agreement dated 18 June 2013 and entered into between Mr Lu (as the beneficiary) and Mr Gao (as the Trustee)
“Zhuhai Entity”	:	The special purpose vehicle established in Zhuhai, the PRC, further details of which are described in Section 2.11 of this Circular
“Zhuhai Entity Effective Interest Attributable to the Company”	:	Approximately 81.0% equity interest in the Zhuhai Entity being held by the Trustee (on behalf of the Borrower) which is attributable to the Company, as at the Latest Practicable Date

#### **Currencies, Units and Others**

“HK\$”	:	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**Substantial Shareholder**” shall have the meaning ascribed to it in Section 81 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Bermuda Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Bermuda Companies Act or any statutory modification thereof, as the case may be.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

# SINOCLOUD GROUP LIMITED

(Company Registration Number 34050)  
(Incorporated in Bermuda)

## Board of Directors:

Chan Andrew Wai Men	(Chairman and Chief Executive Officer)
Luk Chung Po, Terence	(Deputy Chairman, Executive Director)
Chu Yin Ling, Karen	(Executive Director, Chief Financial Officer and Company Secretary)
Lee Joo Hai	(Independent Director)
Phuah Lian Heng	(Independent Director)
Alexander Shlaen	(Independent Director)

## Offices:

*Registered Office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal Office:*

Unit 1301A, 13/F, Kowloon  
Centre, 33 Ashley Road,  
Tsim Sha Tsui,  
Kowloon,  
Hong Kong

16 December 2016

To: The Shareholders of SinoCloud Group Limited

Dear Sir/Madam,

### **THE PROPOSED SETTLEMENT OF THE AGGREGATE OUTSTANDING AMOUNT DUE AND OWING BY THE BORROWER TO THE COMPANY UNDER THE CONVERTIBLE LOAN OF HK\$78,084,000 (INCLUDING ACCRUED INTEREST DUE AND OWING TO THE COMPANY)**

#### **1. INTRODUCTION**

- 1.1. On 12 December 2016, the Company announced that it had entered into the Settlement Agreement with the Borrower and the Trustee, in respect of the Convertible Loan. Please refer to Section 3 of this Circular for the salient terms of the Settlement Agreement. The Proposed Settlement is conditional upon and subject to the approval of the Shareholders at a SGM to be held on 6 January 2017.
- 1.2. The purpose of this Circular is to provide Shareholders with information relating to, the explanation of, the rationale for, and to seek Shareholders' approval for the Proposed Settlement. This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched by the Company) or for any other purpose.

#### **2. BACKGROUND**

- 2.1. Back in 2013, the Company was interested in participating in the PRC Project either through the provision of services, the supply of products, or the acquisition of direct equity interest in the PRC Project Company, upon fulfilment of certain milestones, including but not limited to, its securing of a telecommunication operating license from the relevant PRC authorities.
- 2.2. As previously stated in the Company's announcement dated 29 May 2014, the then-directors of the Company were of the view that the PRC Project would be a synergistic investment for the Group as it would be highly complementary to the mobile satellite business of the Company's associated company, China Mobile Satellite Communication Group Limited in the PRC. The PRC Project will allow the Group to further expand its presence and potentially increase its market share in the PRC telecommunication industry.

- 2.3. On 28 June 2013 and as supplemented on 8 February 2014, in line with the intention outlined in Section 2.1 above, the Company and the Borrower entered into the Deposit Agreement whereby the Company paid aggregate refundable Deposits of HK\$50,050,000 to the Borrower in connection with the Borrower's investment in approximately 44.3% equity interest in the PRC Project Company, via the Zhuhai Entity. As explained in the Company's announcement dated 29 May 2014, the Company (being a foreign investor in the context of the PRC) was not able to directly invest in the PRC Project Company (being a company principally engaged in carrying on telecommunication business under a restricted operating license in the PRC) due to the prevailing PRC government's policy which restricts foreign ownership in its telecommunication industry.
- 2.4. The Trust Agreement was entered into by the Borrower and the Trustee on 18 June 2013 pursuant to which the Trustee (who was then an executive director of the Company) had been appointed by the Borrower to act as the legal representative and sole director of the Zhuhai Entity, as well as to hold the Borrower's entire shareholding in the Zhuhai Entity on trust for the Borrower.

As previously stated in the Company's announcements dated 19 June 2014 and 15 June 2016, the then directors of the Company considered the aforesaid trust arrangement as one of the most effective measures to protect the interest of the Company under the then prevailing regulatory environment in the PRC, as the Trustee (notwithstanding that he had subsequently resigned as a director of the Company in January 2016) could act on the Company's behalf to (i) monitor the disbursement of money by the Zhuhai Entity into the PRC Project Company; (ii) review the financial statements of the PRC Project Company periodically; and (iii) ensure the execution of the intended business plans of the PRC Project Company.

- 2.5. On 25 March 2014, upon the PRC Project Company's fulfilment of certain milestones and the application for a telecommunication operating license from the relevant PRC authority, the Company entered into the Convertible Loan Agreement with the Borrower for the purpose of restructuring the Deposits into the Convertible Loan. Interest was chargeable on the Convertible Loan at 4.2% per annum.

As security for the Convertible Loan, the Borrower had pledged 94.5% out of his 100% beneficial equity interest in the Zhuhai Entity in favour of the Company (the "**Pledge**").

As stated in the Company's announcement dated 29 May 2014, none of the then-directors of the Company and then-controlling shareholders of the Company has any interest, direct or indirect, in the Convertible Loan, the Zhuhai Entity and the PRC Project Company.

- 2.6. On 23 July 2014, the Company increased the amount of the Convertible Loan by HK\$33,950,000, from HK\$50,050,000 to HK\$84,000,000. This was done to satisfy a capital call by the PRC Project Company from all its existing shareholders, based on their respective shareholdings in the PRC Project Company.
- 2.7. Pursuant to the terms of the Convertible Loan Agreement, the Company had the right, but not the obligation, to convert amounts outstanding under the Convertible Loan into a maximum of 94.5% direct equity interest in the Zhuhai Entity. The Zhuhai Entity is in turn the legal owner of approximately 44.3% equity interest in the PRC Project Company. As such, in the event that the Company converts the amounts outstanding under the Convertible Loan of HK\$84,000,000 into 94.5% equity interest in the Zhuhai Entity (assuming that such conversion was allowed under the PRC regulations), the Company would have an effective interest of approximately 41.9% in the PRC Project Company.
- 2.8. On 13 March 2015, the Company and its wholly-owned subsidiary, Armarda Holdings Limited, entered into an agreement with Mr Zhang Dai (duly authorised representative of the rest of the vendors of SinoCloud 01 Limited ("**Vendors**")) and the Borrower to assign HK\$12,000,000 of the Convertible Loan due and owing from the Borrower to the Company to Mr Zhang Dai, which will be applied to partially satisfy the purchase consideration due from the Company to the Vendors for the acquisition of 63% equity interests in SinoCloud 01 Limited ("**2015 Assignment**").



Further to the 2015 Assignment, the amount outstanding under the Convertible Loan was reduced from HK\$84,000,000 to HK\$72,000,000. Consequently, the Company has the right, but not the obligation, to convert the amounts outstanding under the Convertible Loan into a maximum of 81.0% direct equity interest in the Zhuhai Entity. In the event that the Company converts the amounts outstanding under the Convertible Loan of HK\$72,000,000 into 81.0% equity in the Zhuhai Entity (assuming that such conversion was allowed under the PRC regulations), the Company would have an effective interest of approximately 35.9% in the PRC Project Company.

2.9. The maturity date of the Convertible Loan was 25 March 2015, and such maturity date was extended by another 12 months to 25 March 2016 by mutual agreement between the Parties.

2.10. Pursuant to a binding Memorandum of Understanding dated 14 June 2016, the Parties agreed to enter into a settlement agreement to record their mutual agreement on the terms of settlement of the Convertible Loan Agreement (together with all supplemental agreements thereto) and repayment of the Convertible Loan.

#### 2.11. Zhuhai Entity

The Zhuhai Entity was set up in June 2013 as a special purpose vehicle solely as the investment vehicle for obtaining and holding approximately 44.3% equity interest of the PRC Project Company. It is 100% beneficially-owned by the Borrower, whose shares are held by Mr Gao as the Trustee, pursuant to the Trust Agreement.

As the Zhuhai Entity is a special purpose vehicle set up principally as an investment holding company to hold shares in the PRC Project Company, its only asset is its investment in the PRC Project Company.

#### 2.12. PRC Project Company

The PRC Project Company is principally engaged in carrying on telecommunication business under a restricted operating license. As at the Latest Practicable Date, the Zhuhai Entity has a direct equity interest of approximately 44.3% in the PRC Project Company.

Due to confidentiality and non-disclosure obligations imposed on the Company by the PRC Project Company, the Company was unable to, and is still unable to disclose the names and details of the Zhuhai Entity and the PRC Project Company. Notwithstanding this, the Directors confirm that the controlling shareholder of the PRC Project Company (other than the Zhuhai Entity) is a subsidiary of a large and reputable state owned enterprise in the PRC that has, amongst others, business activities in the telecommunication industry. The Directors also confirm that all key and material terms of the PRC Project have been duly disclosed in Sections 2.1 to 2.12 of this Circular.

### **3. SALIENT TERMS OF THE SETTLEMENT AGREEMENT**

#### 3.1. Details of the Proposed Settlement

As at the Latest Practicable Date, the aggregate amount outstanding under the Convertible Loan amounted to approximately HK\$78,084,000, comprising (i) the outstanding principal sum of the Convertible Loan of HK\$72,000,000; and (ii) the accrued and unpaid interest charge of approximately HK\$6,084,000.

Pursuant to the Settlement Agreement and subject to the terms and conditions set out therein, as full and final settlement of the aggregate amount outstanding under the Convertible Loan of HK\$78,084,000, the Company and the Borrower agreed to the following:-

- (a) the interest on the Convertible Loan will accrue up until 31 March 2016 and no further interest will be charged thereafter;
- (b) the Company shall waive and forgive HK\$42,084,000; and



- (c) the remaining HK\$36,000,000 shall be paid by the Borrower to the Company (“**Settlement Cash Proceeds**”) within six (6) months from the date of approval by Shareholders for the Proposed Settlement, and in any event, not later than one (1) month from the date of disposal of all of (and not part of) the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company,

(the “**Proposed Settlement**”).

The Proposed Settlement is conditional upon the approval of Shareholders to be obtained by or before 31 March 2017, failing which the Settlement Agreement will lapse and cease to have effect, unless otherwise extended by the Parties in writing. The Parties may extend the Settlement Agreement for a further period of six (6) months.

Prior to arriving at the Proposed Settlement, the Board had used its best endeavours to seek other means to recover the entire outstanding principal sum of the Convertible Loan from the Borrower. In the event that the Borrower is unable to pay the Settlement Cash Proceeds within the time stipulated in sub-paragraph (c) above, the Company will have to resort to legal recourse against the Borrower.

### 3.2. Other commercial terms and conditions

The Company recognises that in order for the Borrower to fulfil his payment obligations under the Settlement Agreement and repay the Settlement Cash Proceeds, he may be required to, either on his own accord or through the Trustee, dispose of the Zhuhai Entity Effective Interest Attributable to the Company or procure the disposal of the PRC Project Company Effective Interest Attributable to the Company (the “**Disposal**”).

Pursuant to the Settlement Agreement, the Parties have agreed to the following:-

- (a) the terms of the Disposal (including but not limited to, the Disposal Consideration, the expenses related to the Disposal and all terms stated in any agreements, notices, deeds and documents in connection with the Disposal) shall be subject to, and conditional upon the final approval of the Company in writing;
- (b) the execution of any Disposal SPA shall be conditional upon the Company’s written approval of (i) the Potential Buyer; and (ii) such Disposal SPA and all related transaction documentation; and
- (c) at the option of the Company, the Potential Buyer shall (i) deposit the Disposal Consideration into a bank account designated by the Company; or (ii) enter into an escrow arrangement jointly with the Company (the “**Escrow Arrangement**”) on terms to be mutually agreed between them and pursuant to which the Potential Buyer shall deposit, no later than the date of execution of the Disposal SPA, the entire Disposal Consideration, into an escrow account to be held jointly between the Potential Buyer and the Company.

Upon fulfilment of the above conditions, the Company will release the Pledge on the Borrower’s equity interests in the Zhuhai Entity on the date of completion of the Disposal in order to allow the Borrower, through the Trustee, to sell his equity interests in the Zhuhai Entity free from encumbrances.

### 3.3. Undertakings by the Borrower and the Trustee

The Borrower and the Trustee have also undertaken, and shall procure, in the event that the Disposal involves the sale of the PRC Project Company Effective Interest Attributable to the Company, the undertaking of the Zhuhai Entity, that:-

- (i) in the event that the amount of the Disposal Consideration is higher than the Settlement Cash Proceeds, the entire Disposal Consideration proceeds shall nonetheless be due and payable to the Company;

- (ii) the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company, whichever forms the subject of the Disposal, shall not be disposed of for less than HK\$36,000,000, net of expenses;
- (iii) in carrying out the Disposal, all of (and not part of) the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company shall be disposed of;
- (iv) they shall not sell the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company to any of (a) the associates of the Borrower or the Trustee; or (b) the associates of the Company, the Group, the Zhuhai Entity, or any directors or substantial shareholders of the Company, the Zhuhai Entity or their respective associates (as defined in the Catalist Rules);
- (v) the Borrower or the Trustee and the directors or substantial shareholders of the Company or the Zhuhai Entity shall not derive any personal gain or benefit from the Disposal; and
- (vi) upon the request of the Company, the Potential Buyer shall forthwith deposit the Disposal Consideration in the manner detailed in Section 3.2(c) above.

The Borrower is not, and was not, related to any of the Directors, chief executive officer or controlling shareholders of the Company, or their respective associates (as defined in the Catalist Rules).

- 3.4. The Board shall assess and deliberate on the proposed terms and conditions of the Disposal SPA, taking into account all relevant information in respect thereof, including but not limited to, the identity and credibility of the Potential Buyer, the amount of gross consideration for the Disposal, the estimated expenses to be incurred and the amount of net proceeds of the Disposal, to arrive at its views on whether the Disposal is on arm's length basis, normal commercial terms and in the best interest of the Company and its Shareholders, prior to providing its approval to the Borrower and the Trustee for the Disposal.

Upon finalisation of the terms of the Disposal, the Board will provide an update(s) to Shareholders via an announcement on the SGXNET with regards to the entering of any Disposal SPA (together with relevant information on the structure of the Disposal), the completion of the Proposed Settlement or the Disposal, as well as all other key terms and information necessary to allow Shareholders to be properly informed.

#### **4. BASES FOR CONSIDERATION IN ARRIVING AT THE PROPOSED SETTLEMENT**

The Proposed Settlement was arrived at by the Company and the Borrower on an arm's length basis and on normal commercial terms, after taking into account various factors including, but not limited to, the following:-

- (i) the telecommunication industry in the PRC continues to be highly regulated with limited market players. As such, there is a limited pool of potential buyers for the Zhuhai Entity Effective Interest Attributable to the Company and/or the PRC Project Company Effective Interest Attributable to the Company;
- (ii) potential investor sentiments through negotiations with various potential buyers for the Zhuhai Entity Effective Interest Attributable to the Company and/or the PRC Project Company Effective Interest Attributable to the Company;

- (iii) the net asset values (“**NAVs**”) and the losses incurred by the PRC Project Company, which can be attributed to the Company and based on the PRC Project Company’s audited financial statements for its financial years ended 31 December 2014 and 31 December 2015, are set out in the table below:-

	Value attributed to the Company		
	As at 1 January 2014	As at 31 December 2014	As at 31 December 2015
	RMB’ million	RMB’ million	RMB’ million
<b>NAV</b>	20.0	35.9	22.2
<b>Profit / (Loss)</b>	-	0.2	(8.5)

- (iv) the PRC Project Company did not yield much profit in 2014 and recorded substantial losses in 2015. Furthermore, competition has intensified in the telecommunication sector in the PRC. Hence, the Directors are of the view that there is no certainty that the PRC Project Company will become profitable, even with the additional funds it requires (as set out in Section 5(iii) of this Circular).

No independent valuation was conducted on the Zhuhai Entity and/or the PRC Project Company for the purpose of the Proposed Settlement as the Company does not have management control over the PRC Project Company and as such does not have the readily available or necessary information to conduct an independent valuation of the PRC Project Company.

As set out in the Independent Auditor’s Report in the Company’s annual report for FY2016 (“**AR2016**”), the Group had already considered the binding Memorandum of Understanding dated 14 June 2016 (details as set out in Section 2.10 of this Circular) and had provided an impairment of HK\$42,084,000 for the Convertible Loan (“**Impairment**”) in its audited financial statements for FY2016. Accordingly, the Group’s book value of the Convertible Loan currently amounted to HK\$36,000,000, which was equal to the amount of the Settlement Cash Proceeds under the Proposed Settlement. It is set out in the AR2016 Independent Auditor’s Report that in the event the Proposed Settlement is not approved at the SGM, there may be a possibility of further impairment of the Convertible Loan receivable of up to HK\$36,000,000.

In the event the actual Disposal Consideration is higher than the Settlement Cash Proceeds, such surplus sum (“**Surplus**”) shall be due and payable to the Company. In such an event, the Group will record the amount of Surplus as a reversal of the Impairment for the Convertible Loan in the financial year ending 31 March 2017. For the avoidance of doubt, save for the Surplus (if any), the Proposed Settlement will not have an impact on the net asset value and earnings/(loss) for the current financial year ending 31 March 2017.

Assuming that the Impairment had not been provided for in FY2016, the Proposed Settlement would have (a) resulted in further losses of HK\$42,084,000 in FY2016, representing approximately 59.7% of the adjusted audited net loss (adjusted for the impairment) for FY2016; and (b) represented approximately 11.7% of the adjusted audited net asset value of the Group (excluding non-controlling interest) (adjusted for the impairment) as at 31 March 2016.

## 5. RATIONALE FOR THE PROPOSED SETTLEMENT

The Board is of the view that the Proposed Settlement is in the best interest of the Company and its Shareholders, having considered the following factors:-

- (i) Although the Board was initially of the view that the investment in the PRC Project Company was viable and may generate significant investment returns, such investment returns have not materialised as the PRC Project Company did not yield much profit in 2014, and had in fact recorded substantial losses in 2015. As mentioned in Section 4 of this Circular, the Directors are of the view that there is no certainty that the PRC Project Company will become profitable, even with the additional funds it requires (as set out in part (iii) below).

- (ii) The Company has been focusing on investing in internet data centres (“IDCs”) since its first acquisition of an IDC in Guiyang, via the Company’s acquisition of SinoCloud 01 Limited which was completed in October 2015. The Company intends to continue with this strategy in the foreseeable future. The business nature of the PRC Project Company provides little synergy to the Company’s IDC business and is therefore considered non-core to the Group’s investment strategy.
- (iii) The PRC Project Company has indicated to its shareholders that it requires additional working capital, and is looking to increase its paid up capital via further capital injection in the near future. Given the Company’s strategy in the IDC investment and its limited resources, the Board is of the view that the Company should not further invest in the PRC Project Company.

The Proposed Settlement is part of the Company’s continued efforts by the new management team, led by its Chairman and Chief Executive Officer, Mr Andrew Chan Wai Men (who was first appointed as Non-Executive Chairman in November 2014, and re-designated to his current position in May 2015), to release the Company from loans and non-performing investments so that the Company can pursue other viable opportunities which are in line with its current business objectives, such as its investment in the IDC business.

Having carefully considered the above factors, the Board is of the view that the Proposed Settlement offers the Company an opportunity to exit from the PRC Project Company and recover as much funds as it can, which the Company can then utilise to invest in IDC business which the Board considers to offer better prospects.

## 6. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures of the Proposed Settlement computed based on the Group’s latest unaudited consolidated financial results for the six (6) months ended 30 September 2016 (“2QFY2017”), in accordance with Rule 1006 of the Catalist Rules are as follows:-

Rule 1006	Bases	Relative figures
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	26.0% <sup>(1)</sup>
(b)	Net profit attributable to the assets disposed of, compared with the Group’s net profits	Not applicable
(c)	Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	30.2% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for a disposal, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s probable and proved reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not an acquisition of such assets	Not applicable

### Notes:-

- (1) Based on the aggregate amount outstanding under the Convertible Loan (including total unpaid and accrued interest charge) of HK\$78,084,000, and the adjusted audited net asset value of the Group (excluding non-controlling interest) (adjusted for the impairment made for the Convertible Loan of HK\$42,084,000 in FY2016) of HK\$300,099,000 as at 30 September 2016.
- (2) Based on the Settlement Cash Proceeds of HK\$36,000,000 (equivalent to approximately S\$6.59 million based on the exchange rate of S\$1: HK\$5.46 pursuant to the Settlement Agreement and the closing price of S\$0.002 for the Company’s shares traded on 8 December 2016 (being the last market day which shares of the Company were traded prior to the date of the Settlement Agreement), multiplied by the total number of 10,917,813,474 issued shares of the Company.

Pursuant to the Catalist Rules, in the case of a disposal, where any of the relative figures under Rule 1006 exceeds 5% but does not exceed 50%, such a transaction constitutes a “discloseable transaction”. Where the relative figures under Rule 1006 are more than 50% in the case of a disposal, such transaction constitutes a “major transaction” which is subject to the approval of shareholders.

Although the relative figures computed under Rule 1006(c) is more than 5% but less than 50% and the Proposed Settlement would not constitute a “major transaction”, the Company has nevertheless decided to subject the Proposed Settlement to the approval of Shareholders. As set out in Section 3.1 of this Circular, the Proposed Settlement is subject to and conditional upon the approval of Shareholders by or before 31 March 2017, failing which the Settlement Agreement will lapse and cease to have effect, unless otherwise extended by the Parties in writing. Accordingly, the Company is convening a special general meeting of Shareholders to seek their approval for the Proposed Settlement, and the Notice of SGM is set out on pages 17 to 18 of this Circular.

## 7. USE OF PROCEEDS

Upon completion of the Proposed Settlement, the Company will receive the Settlement Cash Proceeds of HK\$36,000,000 (assuming no Surplus). The Company intends to use the Settlement Cash Proceeds (including any Surplus) for the expansion of the Group’s IDC business in the PRC and working capital purposes.

## 8. FINANCIAL EFFECTS OF THE PROPOSED SETTLEMENT

The proforma financial effects of the Proposed Settlement are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Proposed Settlement.

The proforma financial effects of the Proposed Settlement have been computed based on the latest audited consolidated financial statements of the Group for FY2016 on the following bases and assumptions:

- (i) no additional impairment to the Convertible Loan is provided for in conjunction with the Proposed Settlement, as the Impairment of HK\$42,084,000 had already been provided for in the Group’s audited financial statements for FY2016;
- (ii) the Disposal Consideration is equal to the Settlement Cash Proceeds of HK\$36,000,000;
- (iii) the financial effect on the consolidated net tangible asset (“NTA”) per Share is computed based on the assumption that the Proposed Settlement was completed on 31 March 2016;
- (iv) the financial effect on the loss per Share (“LPS”) is computed based on the assumption that the Proposed Settlement was completed on 1 April 2015; and
- (v) expenses to be incurred in respect of the Proposed Settlement, being mainly professional fees, are estimated to be approximately HK\$0.5 million.

### 8.1. NTA per Share

The effects of the Proposed Settlement on the NTA per Share are as follows:

	Before the Proposed Settlement	After the Proposed Settlement
NTA <sup>(1)</sup> of the Group as at 31 March 2016 (HK\$’000)	156,780	156,280
Number of Shares	10,917,813,474	10,917,813,474
NTA <sup>(1)</sup> per Share (HK\$ cents)	1.44	1.43

**Note:**

- (1) NTA means total assets less the sum of total liabilities, intangible assets and non-controlling interest.

## 8.2. LPS

The financial effects of the Proposed Settlement on the LPS are as follows:

	Before the Proposed Settlement	After the Proposed Settlement
Net loss attributable to Shareholders of the Company for FY2016 (HK\$'000)	111,615	112,115
Weighted average number of Shares	9,105,157,736	9,105,157,736
LPS (HK\$ cents)	1.23	1.23

## 9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the information in the Register of Directors and Substantial Shareholders as maintained by the Company, were as follows:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>						
Chan Andrew Wai Men	457,671,000	4.19	-	-	457,671,000	4.19
Luk Chung Po, Terence	36,000,000	0.33	-	-	36,000,000	0.33
Chu Yin Ling, Karen	19,000,000	0.17	-	-	19,000,000	0.17
Lee Joo Hai	6,000,000	0.05	-	-	6,000,000	0.05
Phuah Lian Heng	5,000,000	0.05	-	-	5,000,000	0.05
Alexander Shlaen	-	-	-	-	-	-
<b>Substantial Shareholders</b>						
Lam Cho Ying Terence Joe	1,302,528,400	11.93	153,000,000 <sup>(1)</sup>	1.40	1,455,528,400	13.33
Bi Wei Na	652,200,000	5.97	-	-	652,200,000	5.97
Xu Yong	650,000,000	5.95	-	-	650,000,000	5.95

Note:-

(1) Mr Lam Cho Ying Terence Joe is deemed to be interested in the 153,000,000 Shares held by Alternus Capital Holdings Limited by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

## 10. INTERESTS IN THE PROPOSED SETTLEMENT

None of the Directors, and to the best of the Directors' knowledge, none of the Substantial Shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Settlement (other than through their respective shareholdings in the Company, if any).

## 11. SERVICE CONTRACTS

No person will be appointed to the Board in connection with the Proposed Settlement and no service contracts in relation thereto will be entered into by the Company.



## 12. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 17 to 18 of this Circular, will be held on 6 January 2017 at 10.00 a.m. at **Room 307, Level 3, 32 Maxwell Road #03-01 Maxwell Chambers, Singapore 069115** for the purpose of considering and, if thought fit, passing, with or without any amendment, the ordinary resolution set out in the Notice of SGM.

## 13. ATTENDANCE BY SHAREHOLDERS AT THE SGM

13.1. The Company is incorporated in Bermuda and is subject to the Bermuda Companies Act and Bermuda law. Under the Bermuda Companies Act, only those persons who agree to become shareholders of a Bermuda company and whose names are entered on the register of members of such company may be recognised as shareholders, with rights to attend and vote at general meetings. Accordingly, Depositors would not be recognised as Shareholders and would not have a right to attend and to vote at general meetings of the Company. In the event that Depositors wish to attend and vote at general meetings of the Company, they would have to do so through CDP appointing them as proxy, pursuant to the Bye-Laws of the Company and the Bermuda Companies Act. In this regard, to enable the Depositors to attend and vote at the SGM, the Company has arranged with the CDP pursuant to the Bye-Laws of the Company as follows:

- (a) arrangements will be made for CDP to appoint each of the Depositors as its proxy/proxies to attend and vote at the SGM in respect of such number of Shares of the Company set out opposite their respective names in the Depository Register as at a time not earlier than 48 hours prior to the time of the SGM supplied by the CDP to the Company;
- (b) a Depositor who is an individual and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) as at a time not earlier than 48 hours before the time appointed for the SGM and is unable to attend the SGM personally and wishes to appoint a proxy/proxies to attend and vote on his behalf should complete, sign and deposit the proxy form ("**Depositor Proxy Form**") as attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event, deposited at the office of the Company's share transfer agent in Singapore, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof. A Depositor who is not an individual can only be represented at the SGM if its nominee/nominees is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions printed thereon.

13.2. If a Shareholder, who is not a Depositor, is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form ("**Shareholder Proxy Form**") as attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's share transfer agent in Singapore, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for holding the SGM. The completion and return of a proxy form by a Shareholder or Depositor shall not preclude him from attending and voting in person at the SGM in place of his proxy.

## 14. DIRECTORS' RECOMMENDATION

Having considered and reviewed, *inter alia*, the terms of the Proposed Settlement and the rationale for the Proposed Settlement, the Directors are collectively of the view that the Proposed Settlement is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Settlement at the SGM.



## **15. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been approved by all the Directors. The Directors (including any Director who may have delegated detailed supervision of the preparation of this Circular) have collectively and individually accepted full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Settlement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where the information in this Circular 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 such sources and/or reproduced in this Circular in its proper form and context.

## **16. DOCUMENTS FOR INSPECTION**

Whilst the registered office of the Company is in Bermuda, the principal office of the Company is in Hong Kong and the office of the Company's Share Transfer Agent is in Singapore. Taking into account that Hong Kong and Singapore are more accessible locations than Bermuda, a copy of the Settlement Agreement will be made available for inspection during normal business hours at the principal office of the Company at Unit 1301A, 13/F Kowloon Centre, 33 Ashley Road, Tsing Sha Tsui, Kowloon, Hong Kong and the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 for a period of three (3) months from the date of this Circular.

Yours faithfully

**Chan Andrew Wai Men**  
**Chairman and Chief Executive Officer**  
**SINOCLOUD GROUP LIMITED**

16 December 2016

## SINOCLOUD GROUP LIMITED

(Company Registration No. 34050)  
(Incorporated in Bermuda)

### NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of SINOCLOUD GROUP LIMITED (the “Company”) will be held on 6 January 2017 at 10.00 a.m. at **Room 307, Level 3, 32 Maxwell Road #03-01 Maxwell Chambers, Singapore 069115** and any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications the following Ordinary Resolution.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to shareholders of the Company dated 16 December 2016 (the “Circular”).

#### **AS ORDINARY RESOLUTION: THE PROPOSED SETTLEMENT OF THE AGGREGATE OUTSTANDING AMOUNT DUE AND OWING BY THE BORROWER TO THE COMPANY UNDER THE CONVERTIBLE LOAN OF HK\$78,084,000 (INCLUDING ACCRUED INTEREST DUE AND OWING TO THE COMPANY)**

THAT:

- (a) approval be and is hereby given for the proposed settlement of the aggregate amount outstanding under the Convertible Loan of approximately HK\$78,084,000, comprising the outstanding principal sum of HK\$72,000,000, and the accrued and unpaid interest charge of approximately HK\$6,084,000 as at 31 March 2016, due and owing by Lu Zhendong (卢振东) to the Company on the following terms:
- (i) that the interest on the Convertible Loan will accrue up until 31 March 2016 and no further interest will be charged thereafter;
  - (ii) that the Company waives and forgives approximately HK\$42,084,000; and
  - (iii) that the remaining HK\$36,000,000 shall be repayable by Lu Zhendong within six months from the date of approval of this proposed settlement by the Shareholders at this SGM and in any event no later than one month from the date of disposal of all of (and not part of) the Zhuhai Entity Effective Interest Attributable to the Company or the PRC Project Company Effective Interest Attributable to the Company,
- (the “Proposed Settlement”), and
- (b) the Directors of the Company and each of them be authorized to take any and all steps, to effect and complete the Proposed Settlement and do all such acts and things required in connection therewith including but not limited to approving, negotiating, signing, executing and delivering all such documents and approving any amendments, alterations or modifications to any document and affixing the common seal of the Company to any such documents (if necessary) in connection with the Proposed Settlement and/or any other transactions contemplated thereby and/or as they or he may consider necessary, desirable or expedient to give effect to this Resolution as they may deem fit, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate.

By Order of the Board

Chu Yin Ling, Karen  
Executive Director and Company Secretary

Singapore  
16 December 2016

Notes:

1. If a Shareholder who is not a Depositor (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), is unable to attend the SGM and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and return the proxy form (the **"Shareholder Proxy Form"**) as attached to the Circular in accordance with the instructions printed thereon. With the exception of The Central Depository (Pte) Limited (**"CDP"**) who may appoint more than two proxies, a Shareholder entitled to attend and vote at the SGM who holds two or more Shares is entitled to appoint no more than two proxies to attend and vote on his behalf. A proxy need not be a Shareholder.
2. Where a form of proxy appoints more than 1 proxy (including the case where such appointment results from a nomination by the CDP), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
3. If a Depositor who is an individual and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) as at a time not earlier than 48 hours before the time appointed for the SGM and is unable to attend the SGM personally and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and deposit the proxy form (the **"Depositor Proxy Form"**) as attached to the Circular in accordance with the instructions printed thereon.
4. A Depositor who is not an individual can only be represented at the SGM if its nominee/nominees is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form as attached to this Circular in accordance with the instructions printed thereon.
5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the SGM.
6. To be valid, the Shareholder Proxy Form or the Depositor Proxy Form, together with the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of such power or authority, must be deposited at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof. Detailed instructions can be found on the Shareholder Proxy Form and the Depositor Proxy Form.
7. The completion and return of a Shareholder Proxy Form by a Shareholder who is not a Depositor, or a Depositor Proxy Form by a Depositor who is an individual, shall not preclude him from attending and voting in person at the SGM if he wishes to do so, in place of his proxy/proxies.
8. Shareholders of the Company (and their respective Appointees) are requested NOT to wear singlets, running shorts and slippers at *Maxwell Chambers*, the venue of the Special General Meeting of the Company. Your co-operation in complying with *Maxwell Chambers'* dress code is greatly appreciated or otherwise, you may be denied entry into the building.

**Personal Data Privacy:**

Where a Shareholder of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, the Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the **"Sponsor"**), ZICO Capital Pte. Ltd. for compliance with the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this notice.*

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

*The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*

## **IMPORTANT NOTICE**

The Company is incorporated in Bermuda and is subject to the Bermuda Companies Act and Bermuda laws. Under the Bermuda Companies Act, only those persons who agree to become shareholders of a Bermuda company and whose names are entered on the register of members of such company may be recognised as shareholders, with rights to attend and vote at general meetings. Accordingly, Depositors would not be recognised as Shareholders and would not have a right to attend and to vote at general meetings of the Company. In the event that Depositors wish to attend and vote at general meetings of the Company, they would have to do so through the CDP appointing them as proxy, pursuant to the Bye-Laws of the Company and the Bermuda Companies Act. In this regard, to enable the Depositors to attend and vote at the SGM, arrangements will be made for the CDP to appoint as the CDP's proxy/proxies each of the Depositors whose names are shown in the records of the CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by the CDP to the Company. Depositors who are individuals and who wish to attend and vote at the SGM need not take any action and can attend and vote at the SGM without the lodgement of any proxy form.

A Depositor who is an individual and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) as at a time not earlier than 48 hours before the time appointed for the SGM and is unable to attend the SGM personally and wishes to appoint a proxy/proxies to attend and vote on his behalf should complete, sign and deposit the Depositor Proxy Form as attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time for holding the SGM or at any adjournment thereof. A Depositor who is not an individual can only be represented at the SGM if its nominee/nominees is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions printed thereon.

If a Shareholder, who is not a Depositor, is unable to attend the SGM and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and deposit the proxy form (Shareholder Proxy Form) in accordance with the instructions printed thereon at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, as soon as possible and, in any event, at least 48 hours before the time appointed for holding the SGM.

The completion and return of a Shareholder Proxy Form by a Shareholder who is not a Depositor or a Depositor Proxy Form by a Depositor shall not preclude him from attending and voting in person at the SGM in place of his proxy.

