

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

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**RESPONSE TO QUERIES REGARDING TRADING ACTIVITY**

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The board of directors (the “**Board**”) of SinoCloud Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 9 February 2017 regarding the unusual volume movements in the Company’s shares and wishes to respond to the queries as follows:

***Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 9 in Appendix 7A of the Catalist Rules for further examples.***

***- If yes, the information shall be announced immediately.***

Company’s Response

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies, which might explain the unusual volume movements in the Company’s shares today.

However, the Company would like to highlight the following:

- (a) As announced by the Company previously on 12 December 2016 and disclosed in the Company’s circular to shareholders of the Company (“**Shareholders**”) dated 16 December 2016 in respect of the Proposed Settlement (the “**Circular**”), the Company had, on 12 December 2016, entered into a settlement agreement with Mr Lu Zhen Dong (“**Mr Lu**”) and Mr Gao Xiangjun (as the trustee of Mr Lu) (the “**Trustee**”) for the repayment of the aggregate outstanding amount due and owing by him to the Company under the convertible loan of HK\$78,084,000 (the “**Proposed Settlement**”). The Proposed Settlement was duly approved by Shareholders at a special general meeting convened by the Company on 6 January 2017. The Company had, on 9 February 2017, announced that the Trustee had entered into a sale and purchase agreement with an unrelated individual third party for the disposal of 100% equity interest in the Zhuhai Entity (including the Zhuhai Entity Effective Interest Attributable to the Company) (the “**Disposal**”). The intention to pursue the Disposal had been duly discussed in Section 3.2 of the Circular.
- (b) As announced by the Company previously on 14 November 2016 and disclosed in the Circular, the Company is continually looking for other promising investment and management opportunities in internet data centre (“**IDC**”) assets and intends to use the cash proceeds from the Proposed Settlement of HK\$36.0 million for the expansion of the Group’s IDC business in the People’s Republic of China (“**PRC**”) and working capital purposes.

In line with the aforementioned expansion strategy, the Group is currently considering a potential acquisition of equity interests in a company which is in the IDC business in the PRC. The Board would like to caution, however, that there is no assurance that any definitive or binding agreement will be reached or that any transaction will materialise from the aforementioned. In the event there are any material developments, the Company will, in compliance with the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”), make an announcement at the appropriate time.

The Company is unable to conclusively attribute the information disclosed above to the unusual volume movements in the Company’s shares, as highlighted by the SGX-ST, and will, in compliance with its

obligations under the Catalist Rules make the relevant announcements on SGXNET if and when there are material developments.

**Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.**

Company's Response

The Company is not aware of any other possible explanation for the unusual volume movements in the Company's shares, as highlighted by the SGX-ST.

**Question 3: Can you confirm your compliance with the listing rules and, in particular, Catalist Rule 703?**

Company's Response

The Company confirms that it is in compliance with the listing rules of the SGX-ST and, in particular, Catalist Rule 703. The Board collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST.

**BY ORDER OF THE BOARD**

**Chan Andrew Wai Men**  
**Chairman and Chief Executive Officer**

**9 February 2017**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. 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. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*