

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

ISSUANCE OF 12.0% UNSECURED CONVERTIBLE BONDS DUE 2019 OF AN AGGREGATE PRINCIPAL AMOUNT OF S\$2,256,000

- SUPPLEMENTAL AND AMENDMENT AGREEMENTS

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of SinoCloud Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 28 November 2017 (the “**Announcement**”) in relation to the two separate convertible bond agreements (the “**Convertible Bond Agreements**”) entered into by the Company with Lam Cho Ying Terence Joe (“**Mr Lam**”) and Soo Kok Beng Peter (“**Mr Soo**”) (together, the “**Bondholders**”) respectively on 28 November 2017.

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcement.

- 1.2 The Board wishes to announce that the Company had, on 9 January 2018, entered into two separate supplemental and amendment agreements (the “**Supplemental and Amendment Agreements**”) with Mr Lam and Mr Soo respectively, to vary the terms and conditions of the Convertible Bond Agreements.

2. AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BOND AGREEMENTS

- 2.1 Pursuant to the Supplemental and Amendment Agreements, the amendments to each of the Convertible Bond Agreements are as follows:

- 2.2 The existing Condition 8.2 of Schedule 2 to the Convertible Bond Agreement shall be amended by deleting and/or inserting the following words, which is reproduced herein in its entirety with the relevant amendments underlined and italicised for reference:

“8.2 **Redemption upon Maturity:** The Bonds which are not previously redeemed or cancelled by the Company shall be redeemed by the Company at 100% of their Principal Amount together with all accrued and unpaid interest that was scheduled to be paid to the Redemption Date, on the date falling two (2) years from the Issue Date (the “**Maturity Date**”). The Bonds may not be redeemed prior to the Maturity Date other than in accordance with the Conditions herein. ~~The Company shall deliver to the Bondholder a notice of the maturity of the Bonds no later than one (1) month before the Maturity Date.~~ *The Company shall ensure that the Maturity Date shall be announced, and notice of such Maturity Date be sent to all Bondholders at least 1 month before such date.*”

- 2.3 The existing Condition 9.4 of Schedule 2 to the Convertible Bond Agreement shall be deleted in its entirety and replaced by a new Condition 9.4, which is reproduced herein in its entirety:

“9.4 The Conversion Price will be subject to the adjustments as follows:

- (a) Consolidation, Subdivision or Reclassification: If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of issued Shares immediately before such alteration; and
B is the aggregate number of issued Shares immediately after such alteration. Such adjustment shall become effective on the date the alteration takes effect.

(b) Capitalisation of Profits or Reserves:

- (i) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves (except any Scrip Dividend (as defined below)) and which would not have constituted a Capital Distribution (as defined below), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of issued Shares immediately before such issue; and
B is the aggregate number of issued Shares immediately after such issue.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined below) of such Shares exceeds the amount of the Relevant Cash Dividend (as defined below) or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the aggregate number of issued Shares immediately before such issue;
B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
C is the aggregate number of Shares issued by way of such Scrip Dividend;

or by making such other adjustment as the independent international merchant bank or investment advisor ("**Independent Investment Bank**") shall consider to be fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (c) Capital Distributions: If and whenever the Company shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price fails to be adjusted under Condition 9.4(b) above), the Conversion Price shall be adjusted

by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day (as defined below) preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value (as defined below) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date. For the avoidance of doubt, when the Capital Distribution is by means of a distribution of dividend, only such portion of the dividend or distribution which exceeds the amounts referred to in the definition of Capital Distribution in this Condition 9.4 (the “**excess portion**”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in determining the Fair Market Value of the portion of the Capital Distribution attributable to one Share.

- (d) Rights Issues of Shares or Options over Shares: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Relevant Stock Exchange (as defined below).

- (e) Rights Issues of Other Securities: If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class

by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Relevant Stock Exchange.

- (f) Issues at less than Current Market Price: If and whenever the Company shall issue (otherwise than as mentioned in Condition 9.4(d) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares) or issue or grant (otherwise than as mentioned in Condition 9.4(d) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

- (g) Other Issues at less than Current Market Price: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance

with the terms applicable to such securities themselves falling within this Condition 9.4(g), if and whenever the Company (otherwise than as mentioned in Condition 9.4(d), Condition 9.4(e) or Condition 9.4(f)), or (at the direction or request of or pursuant to any arrangements with the Company), any other company, person or entity shall issue any securities (other than the Bond excluding for this purpose any further bonds which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (h) Modification of Rights of Conversion etc.: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 9.4(g) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as the Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 9.4(h) or Condition 9.4(g).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (i) **Other Offers to Shareholders:** The issue, sale or distribution by or on behalf of the Company or (at the direction or request of or pursuant to any arrangements with the Company) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 9.4(d), Condition 9.4(e), Condition 9.4(f) or Condition 9.4(g)).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and
B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

- (j) **Other Events:** If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 9.4, or the Company determines that an adjustment made pursuant to this Condition 9.4 is inappropriate or incorrect, the Company shall, at its own expense, request the Independent Investment Bank, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect or if an adjustment is inappropriate and should not be made and upon such determination such adjustment shall be made and shall take effect in accordance with such determination or such adjustment shall not be made (as the case may be).

Provided That where the circumstances giving rise to any adjustment pursuant to this Condition 9.4 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 9.4 as may be advised by the Independent Investment Bank, to be in their opinion appropriate to give the intended result.

Calculation of Consideration Receivable: For the purpose of any calculation of the consideration receivable pursuant to Conditions 9.4(f), 9.4(g) and 9.4(h):

- (i) **Issue of Shares for Cash:** the aggregate consideration receivable in respect of Shares issued for cash shall be the amount of such cash, provided that in no case shall any deduction be made for any commission or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith.
- (ii) **Issue of Shares for Consideration in whole or in part other than Cash:** the aggregate consideration other than cash shall be decreased to be the fair value

thereof as determined by the Company and the Independent Investment Bank or if pursuant to the law of Singapore such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof.

- (iii) **Issue of Shares on Conversion or Exercise of Securities:** (1) the aggregate consideration receivable in respect of the Shares to be issued on the conversion or exchange of any securities shall be deemed to be the consideration received or receivable by the Company for any such securities, and (2) the aggregate consideration receivable in respect of the Shares to be issued on the exercise of rights of subscription attached to any securities shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Company for such securities which is attributed by the Company to such rights of subscription or, if no part of such consideration is so attributed or the Bondholders so require by written notice to the Company, the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue of such securities (as determined in good faith by the Independent Investment Bank), plus in the case of each of (1) and (2) above, the additional consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange of such securities, or on the exercise of such rights of subscription (the consideration in all such cases to be determined subject to the proviso in Condition 9.4(a) above, and (3) the consideration per Share receivable by the Company on the conversion or exchange of, or on the exercise of such rights of subscription attached to, such securities shall be the aggregate consideration referred to in (1) or (2) above (as the case may be) converted into Singapore Dollars if such consideration is expressed in a currency other than Singapore Dollars at such rate of exchange as may be determined in good faith by the Independent Investment Bank to be the spot rate prevailing at the close of business on the date of announcement of the terms of issue of such securities, divided by the number of Shares to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate."

2.4 Immediately after Condition 9.4 of Schedule 2 to the Convertible Bond Agreement, insertion of new Conditions 9.5, 9.6 and 9.7:

"9.5 For the purposes of Condition 9.4,

"Current Market Price" means, in respect of a Share at a particular date, the average closing market price quoted on the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of

such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

“Fair Market Value” means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an independent valuer, the fees of which shall be borne by the Company, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such independent valuer) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.

“Relevant Cash Dividend” means any cash dividend specifically declared by the Company.

“Relevant Stock Exchange” means at any time, in respect of the Shares, the SGX-ST.

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under Condition 9.4(c) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof) but without prejudice to any adjustment required in such circumstances to be made under Condition 9.4(b).

“Trading Day” means a Stock Exchange Business Day, provided that if no closing market price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 14 as soon as practicable after the determination thereof.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of an Independent Investment Bank, the fees of which shall be borne by the Company, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in their opinion appropriate in order to give such intended result.

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Company or any subsidiary of the Company pursuant to any employee share option scheme that is in compliance with the listing rules of the SGX-ST.

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 9.4(a) above.

9.6 **Rounding and Minor Adjustments:** On any adjustment, the resultant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustments shall be given to Bondholders in accordance with Condition 14 of the Agreement as soon as practicable after their determination.

9.7 If the Conversion Date falls on or before the record date for determining entitlement of Shareholders to any dividend or other distribution or of participation in any rights issue in respect of the Shares (notwithstanding the Conversion Date falling on the period of closure of register of members in connection with the determination of such entitlement), the converting Bondholder shall be entitled to a sum equal to any such dividend or other distribution to which he would have been entitled or to participate in such rights issue as if he had on that record date been such a Shareholder on record and the Company shall make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter or seven days after the Conversion Date (whichever is later)."

2.5 For the avoidance of doubt, the other terms and conditions of the Convertible Bond Agreements which have not been amended or varied in the Supplemental and Amendment Agreements shall remain valid, subsisting and enforceable.

3. 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 Supplemental and Amendment Agreements, the Issuance of Bonds, 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 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 and/or reproduced in this announcement in its proper form and context.

4. DOCUMENTS AVAILABLE 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 each of the Supplemental and Amendment Agreements, together with the Convertible Bond Agreements, will be made available for inspection during normal business hours at the principal office of the Company at Room 1301A, 13/F., Kowloon Centre, 33 Ashley Road, Tsim 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 announcement.

BY THE ORDER OF THE BOARD

Chan Andrew Wai Men

Chairman and Chief Executive Officer

9 January 2018

*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.