

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

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**EXECUTION OF REPAYMENT AGREEMENT IN RELATION TO LOANS AND GOODWILL DEPOSITS EXTENDED BY THE COMPANY TO CERTAIN VENDORS OF CHINA SATELLITE MOBILE COMMUNICATIONS GROUP LIMITED**

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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 Company’s announcements dated 29 May 2014, 14 August 2014, 30 September 2014 and 2 October 2015 in relation to, *inter alia*, loans and goodwill deposits extended by the Company to certain vendors of China Satellite Mobile Communications Group Limited (“**CSMCG**”) in connection with the proposed acquisition by the Company of up to 45.95% of the existing issued and paid-up ordinary shares in the capital of CSMCG, as well as the Company’s announcements dated 9 December 2015, 12 January 2016 and 6 May 2016 (the “**Announcements**”) in relation to the proposed settlement of the aggregate amount of HK\$43.8 million (the “**Outstanding Amount**”) due and owing to the Company in respect of the aforementioned loans and goodwill deposits.

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

## **1. INTRODUCTION**

Further to the Announcements, the Board wishes to inform that the Company had decided not to proceed with the acquisition of the Pledged Shares from Chong Choi Fu, Tong Chor Ho, Geng Qiu Sheng, Jin Da Gang and Liu Yong Ning (the “**Pledging Parties**”) and accordingly had, on 21 June 2017, entered into a repayment agreement with the Pledging Parties for the repayment of the Outstanding Amount (the “**Repayment Agreement**”).

Pursuant to the Repayment Agreement, the Company and the Pledging Parties agreed to the following repayment manner:

- (i) first repayment of HK\$1.5 million shall be payable by the Pledging Parties to the Company before 30 June 2017; and
- (ii) the remaining amount of HK\$42.3 million shall be payable by the Pledging Parties to the Company within six (6) months from the date of the Repayment Agreement,

(the “**Proposed Settlement**”).

The Proposed Settlement is not expected to have any impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 March 2018.

## **2. RATIONALE FOR THE PROPOSED SETTLEMENT**

After due and careful consideration of the latest available information on CSMCG’s business development, the Board is of the view that the Proposed Settlement is in the best interest of the Company and Shareholders. The Proposed Settlement enables the Company to focus its resources on the development of its core business, which is the internet data centres (“**IDC**”) business, and the business nature of CSMCG provides little synergy to the Company’s IDC business and is now considered non-core to the Group’s investment strategy. As such, the Company has decided not to acquire the Pledged Shares from the Pledging Parties.

### 3. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Settlement.

### 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 the Repayment 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, 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.

### 5. RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Settlement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Chan Andrew Wai Men  
Chairman and Chief Executive Officer  
21 June 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 Catalyst. 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.*