

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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES – ADJUSTMENT TO FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (“FY2016”)

The board of directors (the “**Board**”) of the Company and together with its subsidiaries (the “**Group**”) refers to its unaudited full year financial results announcement for FY2016 released via the SGXNET dated 30 May 2016 (“**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce that, subsequent to the release of the Unaudited Financial Results, reclassifications were made in the Consolidated Income Statement and Consolidated Statement of Cash Flows of the audited financial statements of the Group for FY2016 (the “**Audited Financial Statements**”).

The variances between the Unaudited Financial Results and the Audited Financial Statements, along with the corresponding explanations, are set out below.

	Unaudited Financial Statements	Audited Financial Statements	Variance	%	Explanation for the variances
	HK\$'000	HK\$'000	HK\$'000		
Consolidated Income Statement					
Continuing Operations					
Other income	4,407	9,096	4,689	106	To reclassify foreign exchange translation gains previously included as part of other expenses into other income, in order to provide clarity to users of financial statements and for compliance in accordance with the International Financial Reporting Standard 1 (IFRS 1), para 102.
Employee benefits expense	(9,371)	(10,021)	(650)	7	To reclassify salaries and contribution previously included as part of cost of purchases into employee benefits expense, in order to provide clarity to users of financial statements and for compliance in accordance with the International Financial Reporting Standard 1 (IFRS 1), para 102.
Cost of purchases	(5,971)	Nil	5,971	(100)	To reclassify cost of purchases into operating lease expenses, other expenses and employee benefits expense, in order to provide clarity to users of financial statements and for compliance in accordance with the International Financial Reporting Standard 1 (IFRS 1), para 102.

	Unaudited Financial Statements	Audited Financial Statements	Variance	%	Explanation for the variances
	HK\$'000	HK\$'000	HK\$'000		
Operating lease expenses	Nil	(5,216)	(5,216)	NM	To reclassify operating lease expenses previously included as part of cost of purchases and other expense in order to provide clarity to users of financial statements and for compliance in accordance with the International Financial Reporting Standard 1 (IFRS 1), para 102.
Other expenses	(16,242)	(21,035)	(4,793)	30	To reclassify foreign exchange translation gain into other income, and reclassify operating lease expenses previously included as part of cost of purchases into other expenses, in order to provide clarity to users of financial statements and for compliance in accordance with the International Financial Reporting Standard 1 (IFRS 1), para 102.
Loss on disposal of subsidiaries	(343)	Nil	343	(100)	To reclassify loss on disposal of subsidiaries into profit from discontinued operations for compliance in accordance with the International Financial Reporting Standard (IFRS 5).
Profit/ (Loss) from discontinued operations	46,163	45,820	(343)	(1)	

Consolidated Statement of Cash Flows

Cash flow from operating activities

Loss/ (Profit) on disposal of subsidiaries	343	(37,361)	(37,704)	NM	To derecognise the translation reserve from balance sheet to profit/(loss) from discontinued operations in the consolidated income statement.
Trade and other receivables	(37,415)	1,149	38,564	(103)	
Trade and other payables	(4,018)	(4,878)	(860)	21	
Increase in due from an associate	(7,779)	Nil	7,779	(100)	To reclassify the increase of amount due from an associate from operating activities to investment activities in the Audited Financial Statements as the nature of this balance is mainly for inter-company funding.
Net cash used in operating activities	(25,166)	(16,653)	8,513	(34)	Due to the variances set out above.

	Unaudited Financial Statements	Audited Financial Statements	Variance	%	Explanation for the variances	
	HK\$'000	HK\$'000	HK\$'000			
Cash flow from investing activities						
Due from an associate (non-trade)	Nil	(7,780)	(7,780)	NM	To reclassify the increase of amount due from an associate from operating activities to investment activities in the Audited Financial Statements as the nature of this balance is mainly for inter-company funding.	
Net cash used in investing activities	(1,315)	(9,828)	(8,513)	NM	Due to the variance set out above.	
Statement of Financial Position – The Company						
Non-current assets						
Amount due from subsidiaries (non-trade)	Nil	33,756	33,756	NM	Amounts due from subsidiaries are unsecured with no fixed terms of repayment. The Company expects that these amounts will not be repaid within one year. Accordingly, these have been classified as non-current.	
Current assets						
Amount due from subsidiaries (non-trade)	33,756	Nil	(33,756)	NM		

NM: Not meaningful

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Chairman and Chief Executive Officer
5 July 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Ms Soo Hsin Yu, Partner, SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.) at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.