

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

UPDATES ON THE SETTLEMENT OF THE CONVERTIBLE LOAN
- ASSIGNMENT OF RECEIVABLE

The board of directors (the “**Board**” or “**Directors**”) of SinoCloud Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 12 December 2016 and 9 February 2017 (“**Announcements**”), as well as the circular to shareholders of the Company dated 16 December 2016 (the “**Circular**”), in relation to the proposed settlement of the aggregate outstanding amount due and owing by Mr Lu Zhen Dong (the “**Borrower**”) to the Company under the convertible loan of HK\$78,084,000 (the “**Proposed Settlement**”).

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

1. INTRODUCTION

On 7 March 2017, the Company had announced that its wholly-owned subsidiary, SinoCloud Investment Holdings Limited (“**SinoCloud Investment**”) had entered into a sales and purchase agreement with Mr Zhang Dai and Mr Xu Yong (each, a “**Vendor**” and collectively, the “**Vendors**”) to acquire 18.0% equity interests in SinoCloud 01 Limited (the “**Proposed Acquisition**”) from the Vendors for an aggregate purchase consideration of HK\$36,000,000 (equivalent to RMB32,400,000) (“**Purchase Consideration**”). The Purchase Consideration will be satisfied in full by way of an assignment of receivable in favour of the Vendors. Please refer to the aforementioned announcement made by the Company today for further details on the Proposed Acquisition.

Further to the Announcements, the Board wishes to inform that the Company and SinoCloud Investment had, on 7 March 2017 (the “**Execution Date**”), entered into an assignment of receivable agreement (“**Assignment Agreement**”) with the Borrower, the Trustee and the Vendors, to assign the Amount Due to the Company of HK\$36,000,000 (or RMB32,400,000) to the Vendors to satisfy in full the Purchase Consideration (the “**Assignment of Receivable**”).

2. ASSIGNMENT OF RECEIVABLE AND USE OF PROCEEDS

Pursuant to the Assignment Agreement, the Company had agreed to transfer to the Vendors, the right to collect the Amount Due to the Company pursuant to the Disposal SPA, with effect from the Execution Date. Please refer to the table below for the proportion of the amount assigned to each of the Vendors:

Name of Vendor	Assignment of Receivable	
	(HK\$'000)	(RMB'000)
Zhang Dai	24,050	21,645
Xu Yong	11,950	10,755
Total	36,000	32,400

Completion of both the Proposed Settlement and the Proposed Acquisition had taken place on the Execution Date.

As set out in the Circular, the proceeds from the Proposed Settlement are intended to be used for the expansion of the Group's internet data centre business in the PRC. Accordingly, the Assignment of Receivable is in line with the intended use of the proceeds from the Proposed Settlement. The Board is of the view that the Assignment of Receivable will expedite the completion of the Proposed Acquisition and the Proposed Settlement. The Assignment of Receivable is not expected to have any material financial effects on the Company and the Group for the current financial year ending 31 March 2017.

3. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has, and to the best of the Directors' knowledge, there are no controlling Shareholders of the Company, who have, any interest, direct or indirect, in the Assignment of Receivable.

4. SERVICE CONTRACTS OF DIRECTORS

No person is proposed to be appointed as a director of the Company in connection with the Assignment of Receivable. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

5. 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 Assignment 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.

6. 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 Assignment of Receivable, 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

7 March 2017

*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.