SINOCLOUD GROUP LIMITED

(Company Registration No.: 34050)

(Incorporated in Bermuda on 13 August 2003)

ANNUAL GENERAL MEETING FOR FY2021
- RESPONSE TO QUERIES FROM A SHAREHOLDER

The board of directors (the "**Board**" or the "**Directors**") of SinoCloud Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Annual Report of the Company ("**Annual Report 2021**") for the financial year ended 30 June 2021 ("**FY2021**") and the Notice of Annual General Meeting which was issued on 13 October 2021. Due to some technical issues, the Company was only notified today that there were questions received from a shareholder of the Company ("**Shareholder**"). The following is the response from the Board to the questions from the Shareholder.

The Company had, on 28 October 2021, announced on SGXNET its response to the queries received from Securities Investors Association (Singapore) ("**SIAS**") in respect of the Annual Report 2021 ("**Response to SIAS Questions**"). Shareholders are advised to read the Response to SIAS Questions for information.

Unless otherwise defined, all capitalised terms in the Company's response shall have the same meaning as ascribed to them in the Annual Report 2021.

QUESTION 1

Have the customers that have entered into a repayment plan with the Group followed the repayment plan so far? In particular, customer A and B; page 157 of the annual report?

Company's response

As disclosed on page 157 of Annual Report 2021, the Group only entered into a repayment plan with Customer A in June 2019 to settle outstanding balance due. Customer A had defaulted on the repayment schedule since February 2020. As of date of the Annual Report 2021, the Group was in the process of negotiating a revised repayment schedule and had not reached an agreement with Customer A. Accordingly, Management provided full impairment on the credit impaired balances due from Customer A. No repayment plans were entered into with Customer B, Customer C and Customer D. Further details on the progress of the Group's recovery of amounts due from the aforesaid customers have been duly set out on page 157 of Annual Report 2021.

QUESTION 2

Why did the revenue from data centre service fall by about 60% from 2020 to 2021?

Company's response

The Company refers to its responses to Questions 2(i) and 2(ii) of the Response to SIAS Questions. As stated therein, Guiyang Tech had focused its resources on obtaining contracts from private companies in the past, and the sentiments of such companies are more sensitive to the economic and legal environments. The substantial decrease in revenue in FY2021 was mainly attributable to reduction in hosting services from private customers.

QUESTION 3

What is challenging about maximizing the utilization rate of the available racks of the data center?

Company's response

Please refer to the Company's responses to Questions 2(i) and 2(ii) of the Response to SIAS Questions.

QUESTION 4

Page 146 of the annual report, why did the Group's entire major customer base have a complete turnover from 2020 to 2021?

Company's response

Customers A to D are private customers, and based on Guiyang Tech's past dealings with them, these customers have poor historical repayment records, details as set out on page 157 of Annual Report 2021. Accordingly, the Group had made conscious efforts to move away from these customers and terminated IDC service contracts with them.

Customers E and F are customers in the government bureau that Guiyang Tech had newly solicited during the year. In FY2021, the Management has focused its resources on obtaining government bureau contracts and expects such contracts to improve the Group's financial performance in the coming years.

QUESTION 5

What is the current operating capacity of GYZD, 660 racks?

Company's response

As set out in the Company's response to Question 2(v) of the Response to SIAS Questions, as at 30 June 2021, Guiyang Tech utilised 225 racks out of 660 racks, with utilisation rate of approximately 34.1%.

QUESTION 6

Why is the Group focused on diversification when its core asset is underperforming, and going into other sectors may be unfamiliar, costly; very risky when cash flow is so tight?

Company's response

On a continual basis, the Board evaluates the Group's business operations of Guiyang Tech in IDC business and its financial performance. At the same time, the Board also explores on an ongoing basis any other business opportunities that can diversify the Group's investment profile to avoid over-concentration on a single business and geographical location. In order to enrich the investment profile, the Group may undertake equity fund raising exercises to raise funds for any potential investments and to minimize cash flow pressure on the Group.

QUESTION 7

What is the one or two things of main focus for the current financial year?

Company's response

Please refer to the Company's response to Question 6 above.

By Order of the Board
SinoCloud Group Limited

Chan Andrew Wai Men
Executive Chairman
29 October 2021

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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**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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.