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

UPDATES ON THE SETTLEMENT OF THE CONVERTIBLE LOAN

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 announcement dated 12 December 2016 as well as the circular to Shareholders 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

The Board wishes to inform that, subsequent to the Special General Meeting of the Company held on 6 January 2017 whereby Shareholders approved the Proposed Settlement, Mr Gao Xiangjun (the "**Trustee**") had, on [date], entered into a sale and purchase agreement with an unrelated individual third party (the "**Buyer**") for the disposal of 100% equity interest in the Zhuhai Entity (including the Zhuhai Entity Effective Interest Attributable to the Company, of approximately 81.0% in the Zhuhai Entity) (the "**Disposal SPA**").

2. SALIENT TERMS OF THE DISPOSAL SPA

Pursuant to the Disposal SPA, the parties to the Disposal SPA have agreed that the Trustee (who is holding the entire equity interests in the Zhuhai Entity in trust for the Borrower pursuant to the Trust Arrangement) will transfer 100% of his equity interest in the Zhuhai Entity to the Buyer for a consideration sum of RMB40,000,000 ("**Consideration Sum**"), which shall be paid by the Buyer on or before 5 July 2017. In fulfilment of their obligations under the Settlement Agreement and as set out in section 3.2 of the Circular, [the Borrower and the Trustee] had sought the written approval of the Company on the terms of the Disposal and the Buyer.

Based on the Zhuhai Entity Effective Interest Attributable to the Company, the Company's share of the Consideration Sum would be RMB32,400,000 (equivalent to approximately HK$36,000,000, based on the exchange rate of RMB1.00 : HKD1.1111) ("**Amount Due to the Company**"). The Company has duly instructed the Buyer to deposit the Amount Due to the Company (either in RMB or HKD) into the Company's designated bank account. Upon confirmation of receipt of the full amount of the Amount Due to the Company, the Company will then release the Pledge on the Borrower's equity interests in the Zhuhai Entity for the completion of the Disposal SPA.

3. FURTHER ANNOUNCEMENTS

The Company will update Shareholders and make appropriate announcements in the event that there are any further material developments regarding the aforesaid matter, including but not limited to, the completion of the Proposed Settlement, within six (6) months from 6 January 2017, being the date of approval by Shareholders for the Proposed Settlement. Shareholders should consult their stock brokers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Chan Andrew Wai Men
Chairman and Chief Executive Officer

9 February 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 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.