SINOCLOUD GROUP LIMITED

(Company Registration No.: 34050)

(Incorporated in Bermuda on 13 August 2003)

APPROVAL BY SGX REGCO OF APPLICATION FOR WAIVER TO COMPLY WITH RULE 707(1) OF THE CATALIST RULES AND TO SEEK AN EXTENSION OF TIME TO HOLD THE ANNUAL GENERAL MEETING OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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1. INTRODUCTION

The board of directors (the "**Board**") of SinoCloud Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, through its sponsor, submitted an application on 29 September 2022 to the Singapore Exchange Regulation ("**SGX RegCo**") for waiver to comply with Rule 707(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and to seek a one-month extension of time to hold the Company's Annual General Meeting ("**AGM**") for the financial year ended 30 June 2022 ("**FY2022**") by 30 November 2022 (the "**Waiver**").

2. APPROVAL OF WAIVER APPLICATION

The SGX RegCo had, on 14 October 2022, informed the Company, through its sponsor, that based on the Company's submissions and representations to the SGX RegCo, it has no objection to the Waiver with regards to compliance with Rule 707(1) of the Catalist Rules, subject to the following:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 106 of the Catalist Rules and if the Waiver's conditions have been satisfied. If the Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

(b) the Board's confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation); and

(c) the Company convening its AGM for FY2022 by 30 November 2022,

(collectively, the "**Waiver's Conditions**").

The Waiver will not be effective if any of the Waiver's Conditions have not been fulfilled.

Following the disclosures in this announcement, the Company has fulfilled Waiver's Conditions (a) and (b), and will endeavour to comply with Waiver's Conditions (c).

3. REASONS FOR THE WAIVER APPLICATION

The Company is unable to complete the audit of the Group for FY2022 within the stipulated timeframe to convene its AGM by 31 October 2022 in accordance with Rule 707(1) of the Catalist Rules. Due to the recent sudden COVID-19 outbreak and lockdown in Guiyang and surrounding districts of Guizhou province in the People's Republic of China ("**PRC**") in early September 2022 until late September 2022 ("**Lockdown**"), the following matters were affected:

(a) <u>On-site visit of GYZD by external valuer</u>

For the purpose of the audit of FY2022, the Company has engaged a Hong Kong external valuer to carry out an impairment assessment of the non-current assets attributable to the Company's principal subsidiary in the PRC, Guiyang Zhongdian Gaoxin Digital Technologies Limited ("**GYZD**"), by estimating the recoverable amount of these assets based on value-in-use computation. Further, with the termination of the Expansion Project[1] during FY2022, the external valuer is thus required to visit GYZD physically to determine the salvage value of the Expansion Project. The Company has engaged the same external valuer based in Hong Kong as previous financial year as they are familiar with the Group's business model. However, due to the Lockdown, the on-site visit by the external valuer was postponed and the said valuation report has not been finalised as at the date of the Waiver application. The Lockdown had ended during the week of 25 September 2022, and the management of the Company has arranged for the external valuer to perform the on-site visit of GYZD after the PRC National Day Holiday (which starts on 1 October 2022 and ends on 7 October 2022).

(b) <u>Despatch of audit confirmations</u>

The Company was unable to obtain access to GYZD's company seal as it was kept by a staff who was affected by the Lockdown. Consequently, various documents requiring authorisation from the local management of GYZD were not executed as GYZD's company seal was not available for use. Such documents include, among others, audit confirmations for certain trade and other receivables/payables. While the Lockdown had ended during the week of 25 September 2022, and the local management of GYZD has executed the requested audit confirmations on 26 September 2022, this led to an inadvertent delay in the completion of the audit for FY2022.

[1] Relates to the expansion of hosting capacity of the internet data center in Guiyang, Guizhou province in the PRC, including the construction of additional 1,500 racks, and the construction of a call center to improve response time to customers and related software development.

(c) Closure of GYZD's office

During the Lockdown, GYZD's staff were required to stay at home and were unable to return to the office. This has caused delays in reporting to work by key personnel in GYZD.

As a result, it is envisaged that additional time is needed to complete the audit for FY2022.

4. CONFIRMATION BY THE BOARD

The Board confirms that the Company is not and will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

Pursuant to Section 71(1) of the Companies Act 1981 of Bermuda ("**Companies Act**"), the Company is required to convene a general meeting at least once in every calendar year. Accordingly, the Company is required to hold its AGM for FY2022 no later than 31 December 2022 under the Companies Act.

5. AGM

Pursuant to the Waiver's Conditions, the Company will convene its AGM for FY2022 by 30 November 2022 and will despatch the notice of AGM to the Company's shareholders in due course (via publication on SGXNet and the Company's corporate website).

Shareholders of the Company are advised to stay updated on the latest developments on the aforesaid matters through further announcement(s) to be made by the Company via SGXNet.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Executive Chairman
16 October 2022

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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 Catalist Rules.*

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 Mr Alex Tan, Chief Executive Officer, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.