

## SinoCloud's newly acquired Guiyang internet data centre begins to generate positive impact on top and bottom line

- SinoCloud's Guiyang internet data centre generated RMB 3.7 million in revenue and RMB 1.0 million in net profit each month during January and February of 2016
- It has a total capacity of 4,800 cabinets, and so far, 240 of the 660 cabinets in Phase I of the IDC has been utilised

Singapore, 23 March 2016 – Singapore Catalist-listed SinoCloud Group Limited ("SinoCloud" or the "Company" and together with its subsidiaries, the "Group"), an IT solution provider, is pleased to announce that following the acquisition of 63% equity interest in SinoCloud 01 Limited in October 2015, the Group's internet data centre business ("IDC") has begun to generate positive returns.

In January and February 2016, on a 100% basis, the newly acquired data centre business segment generated RMB 3.7 million of revenue, RMB 2.3 million of earnings before interest, taxes, and depreciation ("EBITDA") and RMB 1.0 million of net profit after tax per month in January and February 2016. After accounting for minority interests, the net profit after tax attributable to the Company's shareholders was RMB 0.6 million per month. These figures are unaudited and prepared in accordance with International Financial Reporting Standards.

On 1 October 2015, the Group completed the acquisition of a 63% effective interest in Guiyang Zhongdian Gaoxin Digital Technologies Limited ("Guiyang Zhongdian"), a Tier 4 data centre located in Guiyang, People's Republic of China ("PRC"). Guiyang Zhongdian is in the business of operating internet data centre services and businesses in the PRC. It is principally engaged in provision of a high performance IDC, cloud computing and big data services with a first-of-its-kind, robust Tier 4 standard<sup>1</sup> data storage facility.

The IDC, with a capacity of 4,800 cabinets, has commenced full operation in October 2014. Phase I of the IDC comprised of 660 cabinets and hosting up to 6,600 data servers. Its client list includes one of the largest food manufacturers and retailers in China, as well as other national and Guiyang-based enterprises.

The acquisition has enabled the Group to integrate and enhance its own platforms of enterprise cloud solutions. Going forward, the Group will be able to leverage on Guiyang Zhongdian's high performance data centre and growing customer base of private entities to strengthen its reach in the China market.

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<sup>1</sup> Note: Tier 1 to 4 data centre is a standardized methodology used to define uptime of a data centre. This is useful for measuring data centre performance, investment and return on investment. A Tier 4 data centre is considered as most robust and less prone to failures. Tier 4 is designed to host mission critical servers and computer systems, with fully redundant subsystems (cooling, power, network links, storage etc) and compartmentalised security zones controlled by biometric access controls methods. Naturally, the simplest is a Tier 1 data centre used by small businesses or shops. Specification of the different tiers:

- Tier 1 = Non-redundant capacity components (single uplink and servers).
- Tier 2 = Tier 1 + Redundant capacity components.
- Tier 3 = Tier 1 + Tier 2 + Dual-powered equipment and multiple uplinks.
- Tier 4 = Tier 1 + Tier 2 + Tier 3 + all components are fully fault-tolerant including uplinks, storage, chillers, HVAC systems, servers etc. Everything is dual-powered.

Mr. Andrew Chan, Chairman and CEO of SinoCloud, commented, “By leveraging on Guiyang Zhongdian’s data centre business and local network, the acquisition has allowed us to expand our business in the PRC and enhanced our existing operations in the areas of information technology and communications. We are pleased to have completed integration of the acquisition as evidenced by the positive financial contribution seen in the first two months of 2016.

As we continue to face a highly competitive IT industry, we remain vigilant and will continue to improve on our capabilities in order to diversify our customer base. This will allow us to sharpen our competitive edge to capture the growing market and fulfil our objective of enhancing shareholder value in the long term.”

**-The End -**

### **About SinoCloud Group Limited**

SinoCloud Group Limited, formerly known as Armarda Group Limited, has been listed on the Singapore Stock Exchange since 2004.

The Group started as an IT service provider in 2003, and diversified into various IT related investments in the past 10 years. The Group’s major investments include :

#### **Data Centers**

In October 2015, the Group completed the acquisition of a 63% effective interest in a Tier 4 level data centre in Guiyang which has a capacity of 4,800 cabinets. The Group will continue to focus on identifying data centre investment opportunities in the coming years.

#### **CSMCG**

In 2013, the Group acquired a 45% interest in China Satellite Mobile Communications Group Limited (“CSMCG”) which owns the right to distribute mobile satellite voice and data services for Thuraya, who provides global coverage of satellite communication services. CSMGC currently partners with China Telecom Satellite Communications (CTS) to provide Thuraya satellite services to its users in China.

#### **Financial PR Pte Ltd.**

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