

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

UPDATE ON THE REPAYMENT OF LOANS AND GOODWILL DEPOSITS EXTENDED BY THE COMPANY TO CERTAIN VENDORS OF CHINA SATELLITE MOBILE COMMUNICATIONS GROUP LIMITED

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Company's announcements dated 9 December 2015 and 12 January 2016 (the "Announcements").

The board of directors (the "**Board**") of Sinocloud Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Announcements in relation to the Proposed Settlement and convening of a special general meeting ("**SGM**") to seek approval from the Shareholders for, *inter alia*, the acquisition of the Pledged Shares by the Company from the Pledging Parties pursuant to the terms of the Proposed Settlement.

Further to the Announcements, the Board wishes to update Shareholders that China Satellite Mobile Communications Group Limited ("**CSMCG**") is currently in the midst of discussions with Thuraya Telecommunications Company ("**Thuraya**") and China Telecom Satellite Communications Co. Ltd. ("**CTS**") in relation to certain changes or updates to CSMCG's existing business arrangement or collaboration with such parties, which, if it materialises, may have certain impact on, *inter alia*, the business or operations of CSMCG.

CSMCG has an existing agreement with Thuraya where Thuraya agrees to supply CSMCG with satellite air-time and satellite mobile devices or equipment required by CSMCG for its provision of mobile satellite communication services, while CSMCG has an existing agreement with CTS for, *inter alia*, undertaking sales of mobile satellite products and air-time as well as providing technical services. The aforementioned discussions with Thuraya and CTS contemplate, *inter alia*, the extension of such existing agreement(s) to include voice and data services for satellite mobile telecommunication.

In view of the foregoing, the Company has decided to convene the SGM to seek Shareholders' approval for the acquisition of the Pledged Shares from the Pledging Parties pursuant to the terms of the Proposed Settlement only after the aforementioned discussions are finalised and further assessment of the implications to the Proposed Settlement, so as to enable Shareholders to have more updated information for purposes of considering the same.

The Company will update Shareholders and make the appropriate announcements in the event that there are any further material developments regarding the above subject matter. Shareholders are advised to read this announcement and any further announcements by the Company carefully. 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

6 May 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant*

*rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). 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.

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