CIRCULAR DATED 12 JUNE 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled "**DEFINITIONS**".

If you have sold or transferred all your ordinary shares in the capital of SinoCloud Group Limited (the "**Company**") held through CDP, you need not forward this Circular, Notice of Special General Meeting and the enclosed Proxy Forms to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, Notice of Special General Meeting and the enclosed Proxy Forms to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, Notice of Special General Meeting and the enclosed Proxy Forms to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to page 12 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor, ZICO Capital Pte. Ltd., for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this Circular. 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.

SINOCLOUD

SINOCLOUD GROUP LIMITED

(Company Registration No. 34050)
(Incorporated in Bermuda on 13 August 2003)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE POTENTIAL MATERIAL DILUTION OF EFFECTIVE EQUITY INTEREST IN A PRINCIPAL SUBSIDIARY, GUIYANG ZHONGDIAN GAOXIN DIGITAL TECHNOLOGIES LIMITED

IMPORTANT DATES AND TIMES

Last date and time for lodgement of proxy forms	:	26 June 2017 at 2.30 p.m.
Date and time of Special General Meeting	:	28 June 2017 at 2.30 p.m.
Place of Special General Meeting	:	Room 307, Level 3 32 Maxwell Road #03-01 Maxwell Chambers Singapore 069115

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For the purposes of this Circular, the following definitions apply throughout, unless the context otherwise requires:

"**Ascribed Value**"	:	Has the meaning ascribed to it in Paragraph 2.2 of this Circular
"**Bermuda Companies Act**"	:	The Company Act 1981 of Bermuda, as amended, modified or supplemented from time to time
"**Board**" or "**Directors**"	:	The directors of the Company as at the date of this Circular, and "**Director**" means any one of them
"**Catalist**"	:	The Catalist Board of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 12 June 2017 in relation to the Potential Dilution
"**Companies Act**"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	SinoCloud Group Limited
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or (b) in fact exercises control over the Company
"**Further Injection**"	:	Has the meaning ascribed to it in Paragraph 2.2 of this Circular
"**FY**"	:	Financial year ended or ending 31 March, as the case may be
"**Group**"	:	The Company and its subsidiaries, collectively
"**Guiyang Fund**"	:	Guiyang Gaoxin Big Data Fund Company (贵阳高新大数据产业投资合伙企业 (有限合伙))
"**Guiyang Zhongdian**"	:	Guiyang Zhongdian Gaoxin Digital Technologies Limited (贵阳中电高新数据科技有限公司)
"**Initial Acquisition**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
"**Initial Guiyang Fund Investment**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
"**Initial Investment Sum**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
"**IDC**"	:	internet data centre

"**Latest Practicable Date**"	:	8 June 2017, being the latest practicable date prior to the printing of this Circular
"**LPS**"	:	Loss per Share
"**NTA**"	:	Net tangible assets
"**Potential Dilution**"	:	Has the meaning ascribed to it in Paragraph 2.2 of this Circular
"**PRC**"	:	People's Republic of China
"**Register**"	:	The register of members of the Company
"**RMB**"	:	Renminbi, being the lawful currency of the PRC
"**Second Acquisition**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
"**Securities Account**"	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**Securities and Futures Act**"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"**SGM**"	:	The special general meeting of the Shareholders, notice of which is set out on page 14 of this Circular
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
"**Shares**"	:	Issued and paid-up ordinary shares of par value US$1.00 each in the capital of the Company
"**Shenzhen Co**"	:	Shenzhen Zhongdian Lechu Data Technology Co., Ltd. (深圳中电乐触数据科技有限公司)
"**SinoCloud 01**"	:	SinoCloud 01 Limited
"**SinoCloud Data**"	:	SinoCloud Data (Guiyang) Limited (中云数据 (贵阳) 有限公司)
"**SinoCloud HK**"	:	SinoCloud 01 (HK) Limited
"**SinoCloud Investment**"	:	SinoCloud Investment Holdings Limited
"**Sponsor**"	:	ZICO Capital Pte. Ltd.
"**subsidiary**"	:	A corporation which is for the time being a subsidiary of the Company within the meaning of Section 5 of the Companies Act

"**Substantial Shareholder**"	:	A person who has an interest (directly or indirectly) of 5% or more of the total issued share capital of the Company
"**Third Acquisition**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
"**VIE Arrangements**"	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular

Currencies, Units and Others

"**HK$**"	:	Hong Kong dollars, being the lawful currency of Hong Kong
"**RMB**"	:	Renminbi, the lawful currency of the PRC
"**S$**"	:	Singapore dollars, being the lawful currency of Singapore
"**US$**"	:	United States dollars, being the lawful currency of the United States
"**%**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Bermuda Companies Act, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall have the meaning ascribed to it under the Companies Act, the Bermuda Companies Act, the Catalist Rules or any statutory or regulatory modification thereof, as the case may be.

All discrepancies in the figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

References to "**you**", "**your**", and "**yours**" in this Circular are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST).

Any reference in this Circular to a paragraph is a reference to a paragraph of this Circular, unless otherwise stated.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SINOCLOUD GROUP LIMITED

(Company Registration No. 34050)
(Incorporated in Bermuda on 13 August 2003)

Board of Directors

Chan Andrew Wai Men (Chairman and Chief Executive Officer)
Luk Chung Po, Terence (Executive Director and Vice-Chairman)
Chu Yin Ling, Karen (Executive Director and Chief Financial Officer)
Zhang Dai (Executive Director)
Lee Joo Hai (Independent Director)
Phuah Lian Heng (Independent Director)
Alexander Shlaen (Independent Director)

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Office

Unit 1301A
13/F Kowloon Centre
33 Ashley Road
Tsim Sha Tsui Kowloon
Hong Kong

12 June 2017

To: The Shareholders of SinoCloud Group Limited

Dear Sir/Madam,

THE POTENTIAL MATERIAL DILUTION OF EFFECTIVE EQUITY INTEREST IN A PRINCIPAL SUBSIDIARY, GUIYANG ZHONGDIAN GAOXIN DIGITAL TECHNOLOGIES LIMITED

1. INTRODUCTION

1.1 Overview

On 9 June 2017, the Company announced the Potential Dilution, details of which are set out in Paragraph 2 of this Circular.

1.2 Special General Meeting

The Board is convening an SGM to be held on 28 June 2017 at 2.30 p.m. at Room 307, Level 3, 32 Maxwell Road, #03-01, Maxwell Chambers, Singapore 069115, to seek the approval of the Shareholders for the Potential Dilution.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to, explain the rationale for, and to seek the Shareholders' approval for, the Potential Dilution at the forthcoming SGM. The notice of the SGM is set out on page 14 of this Circular.

2. THE POTENTIAL DILUTION

2.1 Background

As at the Latest Practicable Date, the Company, through its wholly-owned subsidiary, SinoCloud Investment, owns 81.0% of the issued and paid-up share capital of SinoCloud 01, a company incorporated in the British Virgin Islands on 2 December 2014. Upon completion of the Third Acquisition (as described below), the Company, through SinoCloud Investment, will hold the entire issued and paid-up share capital of SinoCloud 01. As at the Latest Practicable Date, (i) SinoCloud 01 owns the entire issued and paid-up capital of SinoCloud HK, a company incorporated in Hong Kong on 5 March 2015; and (ii) SinoCloud HK is the owner of 100% of the equity interests in SinoCloud Data, a wholly foreign-owned enterprise established in the PRC on 27 May 2015.

Prior to the Initial Guiyang Fund Investment (as described below), Shenzhen Co holds 100% equity interests in Guiyang Zhongdian. Shenzhen Co is a company established in the PRC on 17 November 2014 as a limited liability company, and is wholly-owned by Zhang Dai, Xu Yong, Bi Wei Na and Xu Yu Chi, who hold 32.5%, 32.5%, 17.5% and 17.5% of its equity interests, respectively.

Guiyang Zhongdian is a company established in the PRC on 28 April 2014 as a limited liability company. Guiyang Zhongdian is principally engaged in the business of operating IDC services, cloud computing and big data services in the Guiyang region, Guizhou province, the PRC.

Pursuant to a series of contractual arrangements entered into by SinoCloud Data, Shenzhen Co and Guiyang Zhongdian, all of the operating and economic rights, interests, benefits, risks and liabilties and the effective control and management over Guiyang Zhongdian held by Shenzhen Co, are transferred to, owned or managed or controlled by, or ceded to or vested in, SinoCloud Data, on a sole and exclusive basis, to the maximum extent legally possible ("**VIE Arrangements**"), given the restrictions on foreign ownership of companies that are engaged in value-added telecommunications business in the PRC.

Initial Acquisition

On 1 October 2015, the Company completed the acquisition of a 63.0% interest in SinoCloud 01 ("**Initial Acquisition**"). Please refer to the circular to Shareholders dated 24 August 2015 and the Company's announcements dated 15 March 2015, 20 March 2015, 14 July 2015, 30 July 2015, 24 August 2015, 2 September 2015, 10 September 2015 and 1 October 2015 for more details on the Initial Acquisition. Upon completion of the Initial Acquisition, the Company held a 63.0% effective interest in Guiyang Zhongdian through the VIE Arrangements and Shenzhen Co's 100.0% interest in Guiyang Zhongdian.

Second Acquisition

On 7 March 2017, the Company completed the acquisition of an additional 18.0% interest in SinoCloud 01 ("**Second Acquisition**"), resulting in a post-acquisition effective interest of 81.0% in Guiyang Zhongdian through the VIE Arrangements and Shenzhen Co's 100.0% interest in Guiyang Zhongdian. Please refer to the Company's announcement dated 7 March 2017 for more details of the Second Acquisition.

Initial Guiyang Fund Investment

On 16 May 2017, the Company announced that Guiyang Zhongdian and Shenzhen Co had entered into an investment agreement with Guiyang Fund, pursuant to which Guiyang Fund invested an aggregate of RMB54,000,000 ("**Initial Investment Sum**") in cash in Guiyang Zhongdian ("**Initial Guiyang Fund Investment**"). The Initial Investment Sum was injected into Guiyang Zhongdian as (i) registered and paid-up capital of RMB21,950,000; and (ii) share premium of RMB32,050,000. Subsequent to the Initial Guiyang Fund Investment, (i) Guiyang Fund held 18.0% equity interest in Guiyang Zhongdian; and (ii) Shenzhen Co's equity interest in Guiyang Zhongdian was accordingly reduced from 100.0% to 82.0% and correspondingly, as a result, the Company's effective interest in Guiyang Zhongdian, through the VIE Arrangements and Shenzhen Co's 82.0% interest in Guiyang Zhongdian, decreased from 81.0% to 66.42%.

Guiyang Fund was formed to invest in IDC-related companies in the PRC. It has a registered capital of RMB1 billion, with SDIC Taikang Trust Co., Ltd (国投泰康信托有限公司) committed over 50% of the registered capital and the remaining 50% of the registered capital from local technology companies in the PRC. The equity participation by Guiyang Fund in Guiyang Zhongdian is intended to enhance Guiyang Zhongdian's business network in the IDC market in the PRC, which will also facilitate the expansion of its customer base and participation in new IDC projects.

Third Acquisition

On 7 June 2017, the Company announced that it, through SinoCloud Investment, entered into a sale and purchase agreement for the acquisition by the Company of the remaining 19.0% interest in SinoCloud 01 ("**Third Acquisition**"). The purchase consideration for the Third Acquisition was HK$38,000,000, to be satisfied in full via the allotment and issuance of an aggregate of 3,392,857,143 new Shares at an issue price of S$0.002 each, to the vendors, namely Xu Yong, Bi Wei Na and Xu Yu Chi ("**Share Issuance**"). Please refer to the Company's announcement dated 7 June 2017 for more details of the Third Acquisition. As at the Latest Practicable Date, the Share Issuance pursuant to the Third Acquisition has yet to be completed. The Company intends to complete the Third Acquisition, such that its effective interest in Guiyang Zhongdian is increased accordingly, prior to the dilution of its effective interests in Guiyang Zhongdian pursuant to the Further Injection (as described below).

Upon completion of the Third Acquisition, the Company's effective interest in Guiyang Zhongdian will increase from 66.42% to 82.0% arising from its increased 100.0% interest in SinoCloud 01, via the VIE Arrangements and the Shenzhen Co's 82.0% interest in Guiyang Zhongdian.

2.2 The Potential Dilution

Further to the Initial Guiyang Fund Investment, Guiyang Zhongdian intends to undertake a corporate action which involves an increase in its share capital by up to RMB66,000,000, whereby its registered and paid-up capital will increase by up to RMB44,710,000 and the excess of RMB21,290,000 will be classified as share premium ("**Further Injection**"). Guiyang Zhongdian is still in discussion with potential investor(s) and has not identified specific investor(s) for purposes of the Further Injection. Accordingly, the Company shall update its Shareholders and provide relevant details on the transactions via SGXNET announcement(s), as and when Guiyang Zhongdian enters into the relevant investment agreement(s) for the Further Injection.

Upon completion of the Further Injection, Guiyang Zhongdian's registered capital will increase from RMB121,950,000 as at the Latest Practicable Date, to up to RMB166,660,000, and paid-up capital will increase from RMB42,950,000 as at the Latest Practicable Date, to up to RMB87,660,000. The potential investor(s) pursuant to the Further Injection will hold equity interest of 26.8% in Guiyang Zhongdian after the Further Injection.

As Shenzhen Co does not intend to participate in the Further Injection, its 82.0% interest in Guiyang Zhongdian will be reduced to 60.0% after completion of the Further Injection. Accordingly, the Company's effective interest in Guiyang Zhongdian, through the VIE Arrangements, will therefore be reduced from 82.0%, prior to the Further Injection (but after the Third Acquisition), to not less than 60.0%, after the Further Injection and completion of the Third Acquisition, representing a maximum percentage reduction of 26.8% (the "**Potential Dilution**"). Based on the maximum amount to be raised of RMB66,000,000 and the maximum dilution of 26.8%, the proposed corporate action values Guiyang Zhongdian at RMB300,000,000 ("**Ascribed Value**"). Based on the unaudited financial statements of Guiyang Zhongdian for FY2017, the Ascribed Value represents a 2,784% premium to the NTA of Guiyang Zhongdian as at 31 March 2017.

Pursuant to Rule 805(2)(b) of the Catalist Rules, an issuer must obtain the prior approval of its shareholders in a general meeting if a principal subsidiary of an issuer issues shares that will or may result in a percentage reduction of 20.0% or more of the issuer's equity interests in the principal subsidiary. The Catalist Rules defines a principal subsidiary as "a subsidiary whose latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited pre-tax profits of the group (excluding minority interest relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of the group. In determining profits, exceptional and extraordinary items are to be excluded".

Based on the latest audited consolidated financial statements of the Group for FY2016, Guiyang Zhongdian's pre-tax profits accounted for more than 20.0% of the pre-tax profits of the Group. In addition, the Company considers Guiyan Zhongdian to be a major revenue contributor to the Group, given the Group's focus on its IDC related businesses. Taking into account the above, the

Company considers Guiyang Zhongdian to be a principal subsidiary of the Company. In accordance with Rule 805(2)(b) of the Catalist Rules, the Potential Dilution shall be subject to the approval of the Shareholders.

2.3 Rationale for the Potential Dilution

The funds from the Further Injection will allow Guiyang Zhongdian to expand its existing capacity in order to finance more IDC projects for its development in the IDC market, and further strengthen its financial position.

3. FINANCIAL EFFECTS OF THE POTENTIAL DILUTION

The pro forma financial effects of the Potential Dilution are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Potential Dilution.

The pro forma financial effects of the Potential Dilution have been computed based on the latest unaudited consolidated financial statements of the Group for FY2017, adjusted for the Initial Guiyang Fund Investment and the Third Acquisition assumed to have been completed in FY2017, with the following bases and assumptions:

(a) the financial effect on the Group's consolidated NTA per Share is computed based on the assumption that the Potential Dilution were completed on 31 March 2017;

(b) the financial effect on the Group's LPS is computed based on the assumption that the Potential Dilution were completed on 1 April 2016;

(c) adjusted for the expenses to be incurred in respect of the Potential Dilution, being mainly professional fees, estimated to be approximately HK$300,000; and

(d) an exchange rate of RMB1.00:HK$1.10.

NTA per Share

	Before the Potential Dilution	**After the Potential Dilution**
NTA[(1)] as at 31 March 2017 (HK$'000)	144,675	208,113
Number of Shares	14,310,670,617	14,310,670,617
NTA[(1)] per Share (HK$)	0.0101	0.0145

Note:

(1) NTA means total assets less the sum of total liabilities, intangible assets and non-controlling interest.

LPS

	Before the Potential Dilution	**After the Potential Dilution**
Net loss attributable to Shareholders for FY2017 (HK$'000)	45,950	50,567
Weighted average number of Shares	14,310,670,617	14,310,670,617
LPS (HK$)	0.0032	0.0035

4. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Interests in the Company

The interests of the Directors and Substantial Shareholders of the Company in the Shares, based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, (i) as at the Latest Practicable Date; and (ii) upon completion of the Third Acquisition (whereby the Share Issuance of 3,392,857,143 Shares pursuant to the Third Acquisition is completed, and assuming there being no other allotment and issuance of new Shares by the Company from the Latest Practicable Date up to the date of completion of the Third Acquisition), are as follows:-

	As at the Latest Practicable Date		Upon completion of the Third Acquisition	
	No. of Shares	%[1]	No. of Shares	%[1]
Directors				
Chan Andrew Wai Men	457,671,000	4.19	457,671,000	3.20
Luk Chung Po, Terence	36,000,000	0.33	36,000,000	0.25
Chu Yin Ling, Karen	19,000,000	0.17	19,000,000	0.13
Zhang Dai	260,000,000	2.38	260,000,000	1.82
Lee Joo Hai	6,000,000	0.05	6,000,000	0.04
Phuah Lian Heng	5,000,000	0.05	5,000,000	0.03
Alexander Shlaen	-	-	-	-
Substantial Shareholders				
Lam Cho Ying Terence Joe	1,455,528,400	13.33	1,455,528,400	10.17
Xu Yong	650,000,000	5.95	1,730,357,143	12.09
Bi Wei Na	350,000,000	3.21	1,506,250,000	10.53
Xu Yu Chi	245,000,000	2.24	1,401,250,000	9.79
Other Shareholders	7,433,616,074	68.09	7,433,616,074	51.94
TOTAL	**10,917,813,474**	**100.0**[2]	**14,310,670,617**	**100.0**[2]

Notes:

(1) Calculated as a percentage of the total number of issued Shares as at the Latest Practicable Date.

(2) The percentage does not add up due to rounding.

For the avoidance of doubt, the Further Injection does not involve allotment and issuance of new Shares by the Company and as such, will not result in any changes to the shareholding structure of the Company.

4.2 Interests in the Potential Dilution

Save for Zhang Dai (Executive Director of the Company) who holds 32.5% equity interest in Shenzhen Co as at the Latest Practicable Date, none of the Directors has, and to the best of the Directors' knowledge, there are no Controlling Shareholders of the Company, who have, any interest, direct or indirect, in the Potential Dilution, save for their respective shareholdings in the Company.

4.3 Service contract

No person is proposed to be appointed as a Director of the Company in connection with the Potential Dilution. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

5. DIRECTORS' RECOMMENDATIONS

Save for Zhang Dai (Executive Director of the Company) who holds 32.5% equity interest in Shenzhen Co as at the Latest Practicable Date, none of the Directors is deemed to be interested for the purpose of making a recommendation to the Shareholders in respect of the Potential Dilution.

The Board, having considered, among others, the terms of and rationale for the Potential Dilution, is of the view that the Potential Dilution is in the interests of the Company. Accordingly, the Board (save for Zhang Dai who has abstained from making a recommendation in view of his direct interest in Shenzhen Co as mentioned above) recommends that the Shareholders vote in favour of the Resolution as set out in the Notice of SGM.

6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on page 14 of this Circular, will be held on 28 June 2017 at 2.30 p.m. at Room 307, Level 3, 32 Maxwell Road, #03-01, Maxwell Chambers, Singapore 069115, for the purpose of considering and, if thought fit, passing with or without any modifications, the resolution set out in the Notice of SGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

The Company is incorporated in Bermuda and is subject to the Bermuda Companies Act and Bermuda law. Under the Bermuda Companies Act, only those persons who agree to become shareholders of a Bermuda company and whose names are entered on the register of members of such company may be recognised as shareholders, with rights to attend and vote at general meetings. Accordingly, Depositors would not be recognised as Shareholders and would not have a right to attend and to vote at general meetings of the Company. In the event that Depositors wish to attend and vote at general meetings of the Company, they would have to do so through CDP appointing them as proxy, pursuant to the Bye-Laws of the Company and the Bermuda Companies Act. In this regard, to enable the Depositors to attend and vote at the SGM, the Company has arranged with the CDP pursuant to the Bye-Laws of the Company as follows:

(a) arrangements will be made for CDP to appoint each of the Depositors as its proxy/proxies to attend and vote at the SGM in respect of such number of Shares of the Company set out opposite their respective names in the Depository Register as at 72 hours before the SGM; and

(b) if a Depositor is unable to attend the SGM and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and deposit the proxy form (Depositor Proxy Form) as attached to this Circular in accordance with the instructions printed thereon at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, as soon as possible and, in any event, at least 48 hours before the time appointed for holding the SGM. A Depositor who is not an individual can only be represented at the SGM if its nominee/nominees is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form in accordance with the instructions printed thereon.

If a Shareholder, who is not a Depositor, is unable to attend the SGM and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and deposit the proxy form (Shareholder Proxy Form) in accordance with the instructions printed thereon at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, as soon as possible and, in any event, at least 48 hours before the time appointed for holding the SGM.

The completion and return of a Shareholder Proxy Form by a Shareholder who is not a Depositor or a Depositor Proxy Form by a Depositor shall not preclude him from attending and voting in person at the SGM in place of his proxy.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Potential Dilution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

SinoCloud Group Limited
For and on behalf of the Board of Directors

Chan Andrew Wai Men
Chairman and Chief Executive Officer

SINOCLOUD GROUP LIMITED

(Registration No.: 34050)
(Incorporated in Bermuda)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of SINOCLOUD GROUP LIMITED (the "**Company**") will be held at Room 307, Level 3, 32 Maxwell Road, #03-01, Maxwell Chambers, Singapore 069115 on 28 June 2017 at 2.30 p.m. (Singapore time) and at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution.

All capitalised terms used in this Notice which are not defined herein shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 12 June 2017 (the "**Circular**").

ORDINARY RESOLUTION – THE POTENTIAL DILUTION

That:

(a) approval be and is hereby given for a material dilution of up to 26.8% of the Company's effective equity interest in Guiyang Zhongdian Gaoxin Digital Technologies Limited; and

(b) the Directors of the Company and each of them be authorised to take any and all steps, to complete and do all such acts and things including but not limited to approving, negotiating, signing, executing and delivering all such documents and approving any amendments, alterations or modifications to any document and affixing the common seal of the Company to any such documents (if necessary) in connection with the Potential Dilution and/or any other transactions contemplated thereby and/or as they or he may consider necessary, desirable or expedient to give effect to this Resolution as they may deem fit, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate.

BY ORDER OF THE BOARD

Chu Yin Ling, Karen
Company Secretary
Singapore, 12 June 2017

Notes:

1. If a Shareholder who is not a Depositor (as defined in Section 81SF of the Securities and Futures Act, (Chapter 289) of Singapore), is unable to attend the SGM and wishes to appoint a proxy/proxies to attend and vote on his behalf, he could complete, sign and return the proxy form ("**Shareholder Proxy Form**") as attached to the Circular in accordance with the instructions printed thereon. With the exception of The Central Depository (Pte) Limited (the "**CDP**") who may appoint more than two (2) proxies, a Shareholder entitled to attend and vote at the SGM who holds two (2) or more shares is entitled to appoint no more than two (2) proxies to attend and vote on his behalf. A proxy need not be a Shareholder.

2. Where a form of proxy appoints more than one (1) proxy (including the case where such appointment results from a nomination by the CDP), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. If a Depositor who is an individual and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Chapter 289) of Singapore) as at a time not earlier than 48 hours before the time appointed for the SGM and is unable to attend the SGM personally and wishes to appoint a proxy/proxies to attend and vote on his behalf, he should complete, sign and deposit the proxy form (the "**Depositor Proxy Form**") as attached to the Circular in accordance with the instructions printed thereon.

4. A Depositor who is not an individual can only be represented at the SGM if its nominee is/are appointed as CDP's proxy/proxies. To appoint its nominee/nominees as proxy/proxies of the CDP and to enable its nominee/nominees to attend and vote at the SGM, such Depositor should complete, execute and deposit the Depositor Proxy Form as attached to this Circular in accordance with the instructions printed thereon.

5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the SGM.

6. To be valid, the Shareholder Proxy Form or the Depositor Proxy Form, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof. Detailed instructions can be found on the Shareholder Proxy Form and Depositor Proxy Form.

7. The completion and return of a Shareholder Proxy Form by a Shareholder who is not a Depositor, or a Depositor Proxy Form by a Depositor, shall not preclude him from attending and voting in person at the SGM if he wishes to do so, in place of his proxy/proxies.

8. Shareholders of the Company (and their respective proxies) are requested NOT to wear singlets, sandals, running shorts and slippers at Maxwell Chambers, the venue of the SGM. Your co-operation in complying with Maxwell Chambers' dress code is greatly appreciated or otherwise, you may be denied entry into the building.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), ZICO Capital Pte. Ltd., for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this notice.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

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.