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

UNAUDITED FULL YEAR FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

- **Revenue from continuing operations and profit from discontinued operation**

The board of directors (the "**Board**") of the Company wishes to provide more details about the financial results of the continuing operations and discontinued operation for the financial period ended 31 March 2016 ("**FY2016**").

(i) Revenue from continuing operations

Revenue from the trading of IT equipment and provision of IT services business segments decreased from HK$9.5 million and HK$0.8 million respectively for the 12 months financial period ended 31 March 2015 ("**FY2015**") to nil in FY2016 due to the following:

(a) Revenue from the sale of RFID chips in China decreased from HK$5.6 million to nil following the expiry of the Group's exclusive distributorship agreement on 18 December 2014;

(b) Revenue from the sale of IT equipment in Hong Kong amounting to HK$3.9 million in FY2015 did not recur in FY2016 as the Group did not receive any orders due to the challenging industry conditions; and

(c) Revenue from the provision of IT services in Hong Kong decreased from HK$0.8 million to nil as the Group faced difficult market conditions.

(ii) Discontinued operation

Profit from discontinued operation in FY2016 amounted to HK$46.2 million, of which HK$37.7 million relates to (a) the reclassification of the exchange differences recognised in other comprehensive income to the profit from discontinued operation account; and (b) the reclassification of the accumulated translation reserve account in the statement of financial position to the discontinued operation account in the consolidated income statement. These reclassifications arose as a result of the completion of the disposal of subsidiaries and associates. In addition, an income of HK$9.7 million was recorded due to the waiver of inter-company balances owing by discontinued operations to the Group's continuing operations. The aforesaid profits were offset by operating losses of HK$1.3 million recorded by the discontinued operation during FY2016.

The operating losses from discontinued operations of HK$17.6 million in FY2015 consist of (a) the share of loss of associate of HK$1.7 million; (b) impairment of investment in associate of HK$3.2 million; (c) personnel expenses of HK$5.8 million; and (d) other expenses of HK$6.9 million. The operating losses from discontinued operations reduced significantly to HK$1.3 million in FY2016 as lower expenses were incurred in FY2016 compared to FY2015.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Chairman and Chief Executive Officer
3 June 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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