



# SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

## FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014

The Board of Directors of Sinotel Technologies Ltd. is pleased to announce the consolidated results of the Group for the three-month period ended 31 March 2014.

### PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3) HALF-YEAR AND FULL YEAR RESULTS

#### 1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | <b>THE GROUP</b>       |                       |                         |
|--|------------------------|-----------------------|-------------------------|
|  | 1Q14                   | 1Q13                  | Increase/<br>(Decrease) |
|  | RMB '000               | RMB '000              | %                       |
| <b>Revenue</b>   | 44,290                 | 87,305                | (49.3)%                 |
| Cost of sales  | <u>(39,402)</u>        | <u>(81,241)</u>       | (51.5)%                 |
| <b>Gross profit</b>  | <b>4,888</b>           | <b>6,064</b>          | (19.4)%                 |
| Other income   | 2,051                  | 26                    | 7,788.5%                |
| Selling and distribution expenses                                    | (5,055)                | (5,578)               | (9.4)%                  |
| General and administrative expenses                                  | (26,849)               | (7,790)               | 244.7%                  |
| Finance costs  | <u>(98)</u>            | <u>(951)</u>          | (89.7)%                 |
| <b>Loss before income tax</b>  | <b>(25,063)</b>        | <b>(8,229)</b>        | 204.6%                  |
| Income tax expense   | 4,550                  | 3,129                 | 45.4%                   |
| <b>Loss for the period</b>   | <b>(20,513)</b>        | <b>(5,100)</b>        | 302.2%                  |
| <b>Other comprehensive income/(loss) for the period, net of tax:</b> |                        |                       |                         |
| Items that will be reclassified subsequently to profit or loss:      |                        |                       |                         |
| Currency translation differences arising from consolidation          | 34                     | (280)                 |                         |
| <b>Total comprehensive loss for the period</b>                       | <b><u>(20,479)</u></b> | <b><u>(5,380)</u></b> |                         |

These figures have not been audited.



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Company Registration No. 200614275R

### Loss before income tax

Loss before income tax is determined after charging/(crediting) the following:

|  | <b>THE GROUP</b> |                 |
|--|------------------|-----------------|
|  | <b>IQ14</b>      | <b>IQ13</b>     |
|  | <b>RMB '000</b>  | <b>RMB '000</b> |
| Interest income  | 11               | (16)            |
| Interest expense                                       | 87               | 941             |
| Allowance for doubtful trade receivables               | 22,025           | -               |
| Write-back of allowance for doubtful trade receivables | (119)            | -               |
| Foreign exchange (gain)/loss                           | (28)             | 11              |
| Amortisation of intangible assets                      | 14               | 933             |
| Operating lease expenses                               | 232              | 1,250           |
| Amortisation of land use right                         | 56               | 56              |
| Depreciation of property, plant and equipment          | 9,438            | 11,033          |



# SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)

Company Registration No. 200614275R

## 1(b)(i) STATEMENTS OF FINANCIAL POSITION

|  | THE GROUP                     |                               | THE COMPANY                   |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | As at<br>31-Mar-14<br>RMB'000 | As at<br>31-Dec-13<br>RMB'000 | As at<br>31-Mar-14<br>RMB'000 | As at<br>31-Dec-13<br>RMB'000 |
| <b>Non-current assets</b>  |                               |                               |                               |                               |
| Property, plant and equipment  | 61,649                        | 71,079                        | 2                             | 3                             |
| Intangible assets  | 55                            | 67                            | -                             | -                             |
| Investment in subsidiary   | -                             | -                             | 376,600                       | 375,160                       |
|  | 61,704                        | 71,146                        | 376,602                       | 375,163                       |
| <b>Current assets</b>  |                               |                               |                               |                               |
| Inventories  | 320,093                       | 310,955                       | -                             | -                             |
| Trade receivables  | 600,286                       | 580,098                       | -                             | -                             |
| Other receivables  | 12,455                        | 24,335                        | 1                             | 1                             |
| Cash and cash equivalents  | 15,810                        | 21,364                        | 3,579                         | 5,904                         |
|  | 948,644                       | 936,752                       | 3,580                         | 5,905                         |
| <b>Disposal group assets classified as held for sale</b>                               | 31,400                        | 27,555                        | -                             | -                             |
|  | 980,044                       | 964,307                       | 3,580                         | 5,905                         |
| <b>Total assets</b>  | 1,041,748                     | 1,035,453                     | 380,182                       | 381,068                       |
| <b>Non-current liabilities</b>   |                               |                               |                               |                               |
| Deferred tax liabilities   | 14,288                        | 18,838                        | -                             | -                             |
| <b>Current liabilities</b>   |                               |                               |                               |                               |
| Trade payables   | 114,880                       | 91,739                        | -                             | -                             |
| Other payables   | 75,664                        | 51,275                        | 1,598                         | 2,067                         |
| Bank borrowings  | -                             | 20,000                        | -                             | -                             |
| Tax payable  | 9,103                         | 9,155                         | -                             | -                             |
|  | 199,647                       | 172,169                       | 1,598                         | 2,067                         |
| <b>Liabilities directly associated with disposal group classified as held for sale</b> | 3,912                         | 66                            | -                             | -                             |
|  | 203,559                       | 172,235                       | 1,598                         | 2,067                         |
| <b>Total liabilities</b>   | 217,847                       | 191,073                       | 1,598                         | 2,067                         |
| <b>Net assets</b>  | 823,901                       | 844,380                       | 378,584                       | 379,001                       |
| <b>Equity attributable to equity holders of the Company</b>                            |                               |                               |                               |                               |
| Share capital  | 454,325                       | 454,325                       | 454,325                       | 454,325                       |
| Translation reserve  | (4,168)                       | (4,202)                       | (11,948)                      | (17,891)                      |
| Accumulated profits/(losses)   | 373,744                       | 394,257                       | (63,793)                      | (57,433)                      |
| <b>Total equity</b>  | 823,901                       | 844,380                       | 378,584                       | 379,001                       |



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Company Registration No. 200614275R

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

|   | THE GROUP           |                       |                        |                       |
|---|---------------------|-----------------------|------------------------|-----------------------|
|   | As at 31 March 2014 |                       | As at 31 December 2013 |                       |
|   | Secured<br>RMB '000 | Unsecured<br>RMB '000 | Secured<br>RMB'000     | Unsecured<br>RMB '000 |
| Amount repayable in one year or less,<br>or on demand | -                   | -                     | -                      | 20,000                |

There were no bank borrowings as at 31 March 2014.

### Details of any collateral

As at 31 December 2013, the bank borrowings were secured by corporate guarantee from an affiliated company.



# SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

|   | <b>THE GROUP</b> |                 |
|---|------------------|-----------------|
|   | <b>1Q14</b>      | <b>1Q13</b>     |
|   | <b>RMB'000</b>   | <b>RMB '000</b> |
| <b>Cash flows from operating activities</b>                   |                  |                 |
| Loss before income tax  | (25,063)         | (8,229)         |
| Adjustments for:  |                  |                 |
| Depreciation of property, plant and equipment                 | 9,438            | 11,033          |
| Amortisation of intangible assets                             | 14               | 933             |
| Amortisation of land use right                                | 56               | 56              |
| Interest expense  | 87               | 941             |
| Interest income   | 11               | (16)            |
| Currency translation differences                              | (1)              | -               |
| Operating profit before working capital changes               | (15,458)         | 4,718           |
| Changes in working capital:                                   |                  |                 |
| Inventories   | (9,138)          | (5,569)         |
| Trade receivables   | (20,188)         | (4,252)         |
| Other receivables   | 11,911           | 15,860          |
| Trade payables  | 23,141           | (58,358)        |
| Other payables  | 28,212           | (5,321)         |
| Cash generated from/(used in) operations                      | 18,480           | (52,922)        |
| Unauthorised purchase amount recoverable                      | -                | 31,279          |
| Income tax paid   | (52)             | (2,067)         |
| Interest received   | (11)             | 16              |
| <b>Net cash generated from/(used in) operating activities</b> | <b>18,417</b>    | <b>(23,694)</b> |
| <b>Cash flows used in investing activities</b>                |                  |                 |
| Purchase of plant and equipment                               | (3,984)          | (5,694)         |
| Proceed from disposal of plant and equipment                  | -                | 262             |
| <b>Net cash used in investing activities</b>                  | <b>(3,984)</b>   | <b>(5,432)</b>  |
| <b>Cash flows from financing activities</b>                   |                  |                 |
| Interest paid   | (87)             | (941)           |
| Net (repayment)/repayment of bank loans                       | (20,000)         | 49,500          |
| Placement of pledged deposits                                 | -                | (31,279)        |
| <b>Net cash (used in)/generated from financing activities</b> | <b>(20,087)</b>  | <b>17,280</b>   |
| Net decrease in cash and cash equivalents                     | (5,654)          | (11,846)        |
| Cash and cash equivalents at beginning of the period          | 21,380           | 32,219          |
| Effect of currency translation on cash and cash equivalents   | 58               | (310)           |
| <b>Cash and cash equivalents at end of the period</b>         | <b>15,784</b>    | <b>20,063</b>   |
| <b>Cash and cash equivalents represented by:</b>              |                  |                 |
| Cash and cash equivalents on statement of financial position  | 15,810           | 125,519         |
| Disposal group classified as held for sales                   | 34               | -               |
| Less: Deposits pledged  | (60)             | (105,456)       |
|   | <b>15,784</b>    | <b>20,063</b>   |



# SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

## STATEMENTS OF CHANGES IN EQUITY

|   | <b>The Group</b>     |                            |                            |                |
|---|----------------------|----------------------------|----------------------------|----------------|
|   | <b>Share capital</b> | <b>Translation reserve</b> | <b>Accumulated profits</b> | <b>Total</b>   |
|   | <b>RMB'000</b>       | <b>RMB'000</b>             | <b>RMB'000</b>             | <b>RMB'000</b> |
| <b>Balance at 1 January 2013</b>                              | 454,325              | (3,469)                    | 480,487                    | 931,343        |
| Loss for the period   | -                    | -                          | (5,100)                    | (5,100)        |
| Other comprehensive loss for the period, net of tax:          |                      |                            |                            |                |
| - currency translation differences arising from consolidation | -                    | (280)                      | -                          | (280)          |
| Total comprehensive loss for the period                       | -                    | (280)                      | (5,100)                    | (5,380)        |
| <b>Balance at 31 March 2013</b>                               | 454,325              | (3,749)                    | 475,387                    | 925,963        |
| <b>Balance at 1 January 2014</b>                              | 454,325              | (4,202)                    | 394,257                    | 844,380        |
| Loss for the period   | -                    | -                          | (20,513)                   | (20,513)       |
| Other comprehensive income for the period, net of tax:        |                      |                            |                            |                |
| - currency translation differences arising from consolidation | -                    | 34                         | -                          | 34             |
| Total comprehensive income/(loss) for the period              | -                    | 34                         | (20,513)                   | (20,479)       |
| <b>Balance at 31 March 2014</b>                               | 454,325              | (4,168)                    | 373,744                    | 823,901        |

  

|   | <b>The Company</b>   |                            |                           |                |
|---|----------------------|----------------------------|---------------------------|----------------|
|   | <b>Share capital</b> | <b>Translation reserve</b> | <b>Accumulated losses</b> | <b>Total</b>   |
|   | <b>RMB'000</b>       | <b>RMB'000</b>             | <b>RMB'000</b>            | <b>RMB'000</b> |
| <b>Balance at 1 January 2013</b>                              | 454,325              | 7,905                      | (67,789)                  | 394,441        |
| Profit for the period   | -                    | -                          | 3,183                     | 3,183          |
| Other comprehensive loss for the period, net of tax:          |                      |                            |                           |                |
| - currency translation differences arising from consolidation | -                    | (7,433)                    | -                         | (7,433)        |
| Total comprehensive (loss)/income for the period              | -                    | (7,433)                    | 3,183                     | (4,250)        |
| <b>Balance at 31 March 2013</b>                               | 454,325              | 472                        | (64,606)                  | 390,191        |
| <b>Balance at 1 January 2014</b>                              | 454,325              | (17,891)                   | (57,433)                  | 379,001        |
| Loss for the period   | -                    | -                          | (6,360)                   | (6,360)        |
| Other comprehensive income for the period, net of tax:        |                      |                            |                           |                |
| - currency translation differences arising from consolidation | -                    | 5,943                      | -                         | 5,943          |
| Total comprehensive income/(loss) for the period              | -                    | 5,943                      | (6,360)                   | (417)          |
| <b>Balance at 31 March 2014</b>                               | 454,325              | (11,948)                   | (63,793)                  | 378,584        |



## **SINOTEL TECHNOLOGIES LTD.**

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2014 is 422,915,000 shares (31 December 2013: 422,915,000 shares).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the period and as at 31 March 2014.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 31 December 2013, except as disclosed in paragraph 5 below.



## SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and are effective for annual periods beginning on 1 January 2014. The adoption of the new or revised FRSs and INT FRSs does not result in any significant changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and prior periods.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|                                | THE GROUP |          |
|--------------------------------|-----------|----------|
|                                | 1Q14      | 1Q13     |
|                                | RMB '000  | RMB '000 |
| Loss after income tax          | (20,513)  | (5,100)  |
| Loss per share (in RMB cents): |           |          |
| Basic and diluted              | (4.9)     | (1.2)    |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year.**

|  | THE GROUP |           | THE COMPANY |           |
|--|-----------|-----------|-------------|-----------|
|  | As at     | As at     | As at       | As at     |
|  | 31-Mar-14 | 31-Dec-13 | 31-Mar-14   | 31-Dec-13 |
| Net assets (RMB'000):                    | 823,901   | 844,380   | 378,584     | 379,001   |
| Net asset value per share (in RMB cents) | 194.8     | 199.7     | 89.5        | 89.6      |





## SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)

Company Registration No. 200614275R

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### REVIEW OF PERFORMANCE

#### A Consolidated Statement of Comprehensive Income (1Q14 vs 1Q13)

|                           | THE GROUP     |               |                 |                         |
|---------------------------|---------------|---------------|-----------------|-------------------------|
|                           | 1Q14          | 1Q13          | Variance        | Increase/<br>(Decrease) |
|                           | RMB '000      | RMB '000      | RMB '000        | %                       |
| Sales of equipment        | 31,904        | 70,074        | (38,170)        | (54.5)%                 |
| Services related projects | 12,385        | 12,549        | (164)           | (1.3)%                  |
| System integration        | 1             | 4,682         | (4,681)         | (100.0)%                |
|                           | <u>44,290</u> | <u>87,305</u> | <u>(43,015)</u> | <u>(49.3)%</u>          |

*Note (1): Services related projects include design services, installation services, maintenance services and base station monitoring and diagnostics services*

#### (i) Revenue

Our revenue for 1Q14 decreased by RMB43.0 million (49.3%) compared to 1Q13. The decrease was due mainly to:

- (a) Decrease in sales of equipment of RMB38.2 million arising from decrease in sales in Tianjin and Hebei province;
- (b) Decrease in revenue from system integration of RMB4.7 million mainly due to no contribution from Beijing in 1Q14; and
- (c) Decrease in services related projects of RMB0.1 million.

#### (ii) Cost of Sales and Gross Profit

Gross profit for 1Q14 decreased by RMB1.2 million (19.4%) compared to 1Q13. The decrease was mainly due to decrease in revenue from RMB44.3 million in 1Q14 to RMB87.3 million in 1Q13.

#### (iii) Other Income

Other income for 1Q14 increased by RMB2.0 million (7,788.5%) compared to 1Q13. The increase was mainly due to grants received from Tianjin Eco-city Administrative Committee of RMB0.8 million and the reversal of the unclaimed liabilities relating to distribution of handsets business prior to 2007 of RMB1.2 million.



## **SINOTEL TECHNOLOGIES LTD.**

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

### **(iv) Operating Expenses**

#### **Selling and distribution expenses**

Selling and distribution expenses for 1Q14 decreased by RMB0.5 million (9.4%) compared to 1Q13. The decrease was mainly due to:

- (a) Decrease in staff costs of RMB0.2 million;
- (b) Decrease in office expenses of RMB0.7 million; and
- (c) Decrease in operating lease expenses of RMB0.1 million.

The decrease was offset by the increase in marketing expenses of RMB0.3 million and entertainment expenses of RMB0.2 million.

#### **General and administrative expenses**

General and administrative expenses for 1Q14 increased by RMB19.1 million (244.7%) compared to 1Q13. The increase was mainly due to allowance for doubtful trade receivables of RMB22.0 million.

The increase was offset by the decrease as below:

- (a) Decrease in depreciation of property, plant and equipment of RMB1.6 million;
- (b) Decrease in operating lease expenses of RMB0.9 million;
- (c) Decrease in entertainment expenses of RMB0.2 million and
- (d) Decrease in insurance expenses of RMB0.2 million.

### **(v) Finance Costs**

The finance costs for 1Q14 decreased by RMB0.9 million (89.7%) compared to 1Q13 due to decrease in borrowings in 1Q14.

### **(vi) Income Tax**

Income tax and deferred tax for 1Q14 decreased by RMB1.4 million (45.4%) compared to 1Q13.

### **(vii) Net Loss**

As a result of the above, our net loss for 1Q14 increased by RMB15.4 million (302.2%) compared to 1Q13.



## SINOTEL TECHNOLOGIES LTD.

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

### B Statements of Financial Position (31 March 2014 vs 31 December 2013)

#### Non-Current Assets

The non-current assets as at 31 March 2014 were RMB61.7 million (31 December 2013: RMB71.1 million). The decrease was mainly due to depreciation charge of RMB9.4 million.

#### Current Assets

Current assets as at 31 March 2014 were RMB948.6 million (31 December 2013: RMB936.8 million). The increase was mainly due to:

- (a) Increase in inventories of RMB9.1 million. The increase in inventories was mainly due to increase in work-in-progress. This was caused by the slowdown in certification of completion by our customers; and
- (b) Increase in trade receivables of RMB20.2 million.

Trade receivables as at 31 March 2014 were RMB600.3 million (31 December 2013: RMB580.1 million). The trade receivables increased by 3.5% despite a decrease in revenue of 49.3% was mainly due to slower in collection from customers.

The ageing analysis of trade receivables as at 31 March 2014 is as below:

|  | 31 March 2014 | 31 December 2013 |
|--|---------------|------------------|
|  | RMB'000       | RMB'000          |
| Not past due                                   | 69,469        | 117,691          |
| 1 to 90 days                                   | 94,995        | 99,602           |
| 91 to 270 days                                 | 107,644       | 36,842           |
| 271 to 365 days                                | 49,043        | 122,260          |
| More than 365 days                             | 357,301       | 259,963          |
|  | <hr/>         | <hr/>            |
|  | 678,002       | 636,358          |
| Less: Allowance for doubtful trade receivables | (78,166)      | (56,260)         |
|  | <hr/>         | <hr/>            |
|  | 600,286       | 580,098          |

The Directors of the Company have reviewed the collectability of trade receivables and allowance for trade receivables was made accordingly.

The increase was offset by:

- (a) Decrease in other receivables of RMB11.9 million; and
- (b) Decrease in cash and cash equivalents of RMB5.6 million.



## **SINOTEL TECHNOLOGIES LTD.**

(Incorporated in Singapore on 28 September 2006)  
Company Registration No. 200614275R

### **Non-Current Liabilities**

Non-current liabilities as at 31 March 2014 consisted of deferred tax liabilities of RMB14.3 million (31 December 2013: RMB18.8 million).

### **Current Liabilities**

Current liabilities as at 31 March 2014 amounted to RMB199.6 million (31 December 2013: RMB172.2 million). The main reasons for the increase were as below:

- (a) Increase in other payables and accruals of RMB24.3 million; and
- (b) Increase in trade payables of RMB23.1 million.

The increase was offset by the decrease in bank borrowings of RMB20.0 million.

### **Shareholders' equity**

Shareholders' equity of the Group decreased by approximately RMB20.5 million mainly due to loss from operations of RMB20.5 million.



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Company Registration No. 200614275R

### **C. Consolidated Statement of Cash Flows (1Q14 vs 1Q13)**

In 1Q14, net cash of RMB18.4 million was generated from operating activities. This was mainly due to:

- (a) Increase in trade payables of RMB23.1 million;
- (b) Increase in other payables of RMB28.2 million; and
- (c) Decrease in other receivables of RMB11.9 million.

However, the cash inflow above was offset by the cash outflow as below:

- (a) Increase in inventories of RMB9.1 million;
- (b) Increase in trade receivables of RMB20.2 million; and
- (c) Loss before income tax (after adjusting for non-cash items) of RMB15.5 million.

Net cash outflow used in investing activities in 1Q14 amounting to RMB4.0 million was mainly due to additions for plant and equipment.

Net cash outflow of RMB20.1 million used in financing activities in 1Q14 was mainly due to repayment of borrowings of RMB20.0 million and bank interest payment of RMB0.1 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to the shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group continues to experience a slowdown in its core businesses since the cost saving initiatives introduced by the Telcos coupled with the slower collection from Telcos.

Barring a significant change in the overall environment of the telecommunications industry in the PRC, this trend is likely to persist in the coming quarters.



## **SINOTEL TECHNOLOGIES LTD.**

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**11. If a decision regarding dividend has been made:**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended)**

None.

- (b)(i) Amount per share**

Not applicable.

- (ii) Previous corresponding period**

Not applicable.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) The date the dividend is payable**

Not applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend is recommended for the financial period reported on.

**13. If the Group has obtained a general mandate from shareholders for interested person transaction, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no interested person transaction mandate has been obtained, a statement to that effect.**

The company does not have any general mandate from shareholders pursuant to Rule 920(1)(a)(ii).



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### **PART II      ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

Not applicable.

**BY ORDER OF THE BOARD**

**Jia Yue Ting  
Executive Chairman  
7 May 2014**



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### **Negative assurance confirmation on interim financial results under Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, Jia Yue Ting and Li Zhen Yu, being two Directors of the Company, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results for the three-month period ended 31 March 2014 of the Company and of the Group to be false or misleading in any material respect.

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Jia Yue Ting

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Li Zhen Yu