SINOTEL TECHNOLOGIES LTD.
(Company Registration Number 200614275R)
(Incorporated in the Republic of Singapore)

AND

ADVANCE TECHNOLOGY HOLDING LTD
(Company Number 1863143)
(Incorporated in the British Virgin Islands)

JOINT ANNOUNCEMENT

PROPOSED VOLUNTARY DELISTING OF SINOTEL TECHNOLOGIES LTD.

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1. INTRODUCTION

On 12 March 2015, Advance Technology Holding Ltd (the "**Offeror**"), through its financial adviser, had made a mandatory conditional general cash offer (the "**Previous Offer**") to acquire all the issued ordinary shares (the "**Shares**") in the capital of Sinotel Technologies Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it.

The Previous Offer was declared to be unconditional in all respects on 7 April 2015. As at the close of the Previous Offer on 25 May 2015, the Offeror owned and controlled in aggregate 340,401,067 Shares, representing approximately 80.49% of the total number of issued Shares.

The Offeror and the Company now wish to jointly announce that the directors of the Company (the "**Directors**") have received a formal proposal from the Offeror to seek a voluntary delisting of the Company (the "**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual (the "**Delisting Proposal**").

Under the Delisting Proposal, subject to the requisite approval of the shareholders of the Company ("**Shareholders**") being obtained for the Delisting Proposal, Deloitte & Touche Corporate Finance Pte Ltd ("**Deloitte**"), for and on behalf of the Offeror, will make an exit offer in cash (the "**Exit Offer**") to purchase all the issued Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its nominees and parties acting or deemed to be acting in concert with it (the "**Offer Shares**").

The Directors, having considered the Delisting Proposal, have resolved that an extraordinary general meeting ("**EGM**") of the Company be convened in due course to seek the approval of Shareholders for the Delisting Proposal and that an application be made to the SGX-ST for the Delisting.

2. LISTING MANUAL PROVISIONS PERTAINING TO THE DELISTING

Under Rule 1307 of the SGX-ST Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

(a) the Company convenes an EGM to obtain the approval of its Shareholders for the Delisting Proposal;

(b) the resolution to delist the Company from the Official List of the SGX-ST to be proposed at the EGM (the "**Delisting Resolution**") is approved by a majority of at least 75 per cent. of the total number of issued Shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (please note that the Directors and the

controlling shareholders of the Company are not required to abstain from voting on the Delisting Resolution); and

(c) the Delisting Resolution is not voted against by 10 per cent. or more of the total number of issued Shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

In addition, Rule 1309 of the SGX-ST Listing Manual requires that if the Company is seeking to delist from the Official List of the SGX-ST:

(a) a reasonable exit alternative, which should normally be in cash, should be offered to Shareholders and holders of any other classes of listed securities to be delisted; and

(b) the Company should normally appoint an independent financial adviser ("**IFA**") to advise on the Exit Offer.

The Delisting and the Exit Offer will be conditional on, *inter alia*, the approval of Shareholders being obtained at the EGM for the Delisting Resolution. An application in respect of the Delisting will be made to the SGX-ST subject to the aforementioned condition being fulfilled.

3. THE EXIT OFFER

Rule 1309 of the Listing Manual requires that in connection with a delisting proposal, a reasonable exit alternative, which should normally be in cash, be offered to Shareholders.

The consideration for the Exit Offer will be made on the following basis:

For each Offer Share: S$0.128 in cash (the "Exit Offer Price")

The Offeror <u>does not</u> intend to revise the Exit Offer Price under any circumstances.

The Offeror will make a cash offer conditional upon obtaining the requisite approval of the Shareholders to acquire all the Offer Shares at the Exit Offer Price.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the date of this Joint Announcement ("**Joint Announcement Date**") and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

Shareholders may accept the Exit Offer in full or in part.

The Exit Offer will **<u>not</u>** be conditional upon a minimum number of acceptances being received by the Offeror.

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

Further details on the Exit Offer will be set out in the exit offer letter (the "**Exit Offer Letter**") to be issued by or for and on behalf of the Offeror to Shareholders containing, *inter alia*, the terms of the Exit Offer and the relevant acceptance forms.

4. INFORMATION ON THE OFFEROR AND THE CONCERT PARTIES

The Offeror is a special purpose vehicle incorporated in the British Virgin Islands on 17 February 2015 and has not carried on any business since its incorporation. It has an issued and paid-up share capital of US$50,000 comprising 50,000 ordinary shares with a par value of US$1 each.

The sole director of the Offeror is Ms Zhang Rong and the sole shareholder of the Offeror is Mr Jia Yue Ting. Mr Jia Yue Ting is the Executive Chairman of the Company while Ms Zhang Rong is the sister-in-law of Mr Jia Yue Ting.

As at the Joint Announcement Date, the Offeror owned and controlled in aggregate 340,401,067 Shares, representing approximately 80.49% of the total number of issued Shares. Mr Jia Yue Ting is deemed to be interested in all the Shares held by the Offeror under Section 7 of the Companies Act, Chapter 50 (the "**Companies Act**").

5. BENCHMARKING OF THE EXIT OFFER

The Exit Offer Price represents the following premium over the benchmark prices for the Shares:

Description	**Benchmark Price[(2)] (S$)**	**Premium of the Exit Offer Price to the Benchmark Price**
Last traded price of the Shares on the SGX-ST on 24 November 2015, being the last trading day immediately prior to the Joint Announcement Date ("**Last Trading Day**")	0.085	50.6%
Volume weighted average price ("**VWAP**")[(1)] of the Shares traded on the SGX-ST for the one (1) month period up to and including the Last Trading Day	0.098	30.2%
VWAP of the Shares traded on the SGX-ST for the three (3) month period up to and including the Last Trading Day	0.089	45.8%
VWAP of the Shares traded on the SGX-ST for the six (6) month period up to and including the Last Trading Day	0.129	(0.7)%
VWAP of the Shares traded on the SGX-ST for the 12 month period up to and including the Last Trading Day	0.099	29.6%

Notes:

(1) Computed as the total value of transactions (for each transaction, the equity weighted price multiplied by volume) for that market day divided by the volume transacted for that market day. The figures are based on data extracted from Bloomberg L.P.

(2) Rounded to the nearest three decimal places.

6. IRREVOCABLE UNDERTAKING

The Offeror has irrevocably and unconditionally undertaken to the Company that in the event that the EGM is convened, it will (i) not transfer or dispose of any of its Shares at any time prior to the completion of the Exit Offer; and (ii) vote in favour of the Delisting Resolution at the EGM in respect of all of its Shares (the "**Undertaking**").

The Undertaking shall expire if the Delisting Resolution is not approved at the EGM or if the Exit Offer is withdrawn, lapses or closes.

Shareholders should note that, under Rule 1307(2) of the SGX-ST Listing Manual, the Directors and the controlling shareholders of the Company are not required to abstain from voting on the Delisting Resolution.

7. RULINGS FROM THE SECURITIES INDUSTRY COUNCIL

An application was made by the Company to the Securities Industry Council (the "**SIC**") to seek certain rulings in relation to the Delisting Proposal and the Exit Offer. The SIC ruled on 24 November 2015 that:

(a) the Exit Offer is exempted from compliance with the following provisions of the Singapore Code on Take-overs and Mergers:

(i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
(ii) Rule 22 on the offer timetable;
(iii) Rule 28 on acceptances; and
(iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to the following conditions:

(I) disclosure in the Exit Offer Letter of:

(i) the consolidated net tangible assets ("NTA") per Share of the Group based on the latest published accounts prior to the date of the Exit Offer Letter; and

(ii) particulars of all known material changes as at the latest practicable date which may affect the consolidated NTA per Share referred to in paragraph a(I)(i) above or a statement that there are no such known material changes; and

(II) the Exit Offer being kept open for at least:

(i) 21 days after the date of the despatch of the Exit Offer Letter, if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting has been obtained; or

(ii) 14 days after the date of the announcement of Shareholders' approval of the Delisting if the Exit Offer Letter is despatched together with the circular to be issued by the Company in connection with the Delisting (the "**Delisting Circular**"); and

(b) Mr Jia Yue Ting, the Executive Chairman of the Company, is exempted from the requirement to make a recommendation on the Exit Offer to the Shareholders as he faces a conflict of interests in doing so being a concert party of the Offeror by virtue of his interest in the Offeror. Mr Jia Yue Ting must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

8. RATIONALE FOR THE DELISTING

The Delisting Proposal was made by the Offeror to the Company and the Directors agreed to put forth the Delisting Proposal to Shareholders after careful consideration. The rationale for the Delisting is as follows:

(a) Low trading liquidity of Shares

The trading liquidity of the Shares on the SGX-ST has generally been thin.

The average daily trading volume and the respective percentage of the Shares for the 12 month, six (6) month, three (3) month period and one (1) month prior to and including the Last Trading Day are as follows:

Reference Periods	Average Daily Traded Volume[(1)]	Approximate percentage of total number of issued Shares[(2)]
Last 12 months	447,302	0.106%
Last six (6) months	137,085	0.032%
Last three (3) months	6,305	0.001%
Last one (1) month	8,124	0.002%
Last Trading Day	23,000	0.005%

Source: Bloomberg L.P.

Notes:

(1) The average daily trading volume is computed based on the total trading volume for all the market days (including market days when no Shares were traded, excluding off market transactions) for the relevant periods immediately prior to and including the Last Trading Day, divided by the total number of market days during the respective periods.

(2) Based on 422,915,000 Shares, being the total number of issued Shares as at the Joint Announcement Date. Rounded to the nearest three decimal places.

Based on the historical trading patterns, it is the Offeror's view that the low liquidity of the Shares is likely to continue and accordingly, the purpose of maintaining the Company's listing status for trading liquidity of the Shares does not appear to have been achieved.

The Exit Offer will provide a cash exit opportunity for those Shareholders who wish to realise the value of their investments in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares.

(b) Compliance costs of maintaining a listing

In maintaining its listed status on the Official List of the SGX-ST, the Company incurs additional compliance costs and resources as well as subjecting its corporate actions to various regulatory requirements associated with a SGX-ST listed company.

The Delisting Proposal, if proceeded with, will allow the Company to dispense with expenses relating to the maintenance of a listed status and to optimise the use of its management and capital resources on its business operations.

(c) Greater management flexibility

The Delisting will facilitate greater management flexibility in the utilisation and deployment of the resources of the Group. The Delisting will also allow the Company and

the Offeror to rationalise the management, resources and cost structure of the Group's businesses for greater efficiency and competitiveness.

(d) Difficulty in accessing to equity capital markets

A primary reason for companies to maintain a listing on the SGX-ST is to access the capital markets for fund-raising purposes. However, the Group has been loss making for the past three consecutive financial years ended 31 December 2012, 2013 and 2014 and has been placed on the SGX-ST's watch-list with effect from 4 March 2015. Given the current financial health of the Group, it is unlikely that the Company will be able to access the equity capital market to resuscitate its financial health, on a standalone basis, and therefore, it is not meaningful for the Company to maintain its listing status.

9. OFFEROR'S INTENTIONS FOR THE COMPANY

As the Group has been loss making for the past three years, the Offeror intends to take steps to consider a suitable rationalisation plan with a view to streamlining the businesses and operations of the Group, including cost-saving measures, should the Offeror be successful in delisting and privatising the Company. Save as aforesaid and other steps to be taken in connection with the ordinary course of business of the Group, the Offeror does not currently have any intention to: (a) propose any changes to the existing businesses of the Group, (b) discontinue the employment of employees of the Group, or (c) redeploy the fixed assets of the Group. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the best interests of the Group.

10. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror acquires not less than 90% of the total number of the issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from the Shareholders who have not accepted the Exit Offer at a price equals to the Exit Offer Price.

The Offeror intends to make the Company its wholly-owned subsidiary. **Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.**

In addition, Shareholders who have not accepted the Exit Offer will have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares. Such Shareholders who wish to exercise such a right should seek their own independent legal advice.

11. CONFIRMATION OF FINANCIAL RESOURCES

Deloitte, being the financial adviser to the Offeror in connection with the Exit Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer by Shareholders on the basis of the Exit Offer Price.

12. INDEPENDENT FINANCIAL ADVISER

The Company will be appointing an IFA to advise the directors of the Company who are considered independent in respect of the Delisting Proposal (the "**Independent Directors**"), on the Exit Offer. The IFA will issue its formal opinion in the Delisting Circular.

13. DISCLOSURES ON SHAREHOLDINGS AND DEALINGS

As at the Joint Announcement Date, the interests of the Offeror and the parties acting in concert with it in the capital of the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% [3]	Number of Shares	% [3]
Advance Technology Holding Ltd[1]	-	-	340,401,067	80.49
Jia Yue Ting[2]	-	-	340,401,067	80.49

Notes:

(1) Advance Technology Holding Ltd is deemed to be interested in an aggregate of 340,401,067 Shares held by a nominee company.

(2) Jia Yue Ting is deemed to be interested in an aggregate of 340,401,067 Shares held by the Offeror by virtue of Section 7 of the Companies Act.

(3) Computed based on the issued share capital of the Company of 422,915,000 Shares as at the Joint Announcement Date.

Save as disclosed above, as at the Joint Announcement Date, neither (a) the Offeror, (b) any of its concert parties nor (c) Deloitte:

(a) owns, controls or has agreed to acquire any Shares or securities which carry voting rights in the Company or are convertible into Shares or securities which carry voting rights in the Company, or rights to subscribe for, or options in respect of, such Shares or securities (collectively, the "**Relevant Securities**");

(b) has dealt for value in the Shares in the six (6) month period immediately preceding this Joint Announcement;

(c) save as disclosed in paragraph 6 above, none of the Offeror or its concert parties has received any irrevocable undertaking from any party to accept or reject the Exit Offer;

(d) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer; and

(e) has:

(i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;

(ii) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or

(iii) lent any Relevant Securities to another person.

In the interests of confidentiality, the Offeror has not made any enquiries in respect of certain other persons acting or deemed to be acting in concert with the Offeror in connection with the Exit Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course in the Exit Offer Letter.

14. OTHER INFORMATION

The Delisting Circular relating to the Delisting Proposal and the Exit Offer including, *inter alia*, further information regarding the Delisting Proposal, a notice of the EGM, the terms and conditions of the Exit Offer, and the advice of the IFA to the Independent Directors as well as the recommendation of the Independent Directors regarding the Exit Offer will be despatched to Shareholders in due course. It is expected that the Exit Offer Letter and the relevant acceptance form(s) will be despatched to Shareholders together with the Delisting Circular.

No immediate action is required of Shareholders on their part in respect of the Exit Offer. Shareholders will be advised on the procedure for accepting the Exit Offer when the Delisting Circular and the Exit Offer Letter are despatched.

In the meantime, Shareholders are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

15. OVERSEAS SHAREHOLDERS

The availability of the Exit Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (the "**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be contained in the Exit Offer Letter.

Where there are potential restrictions on sending the Exit Offer Letter to any overseas jurisdiction, the Offeror and Deloitte each reserves the right not to send such document to the relevant overseas jurisdictions. For the avoidance of doubt, the Exit Offer shall be made to all Shareholders including those to whom the Exit Offer Letter and the relevant acceptance forms will not be sent.

16. RESPONSIBILITY STATEMENTS

(a) The Directors of the Company

The Directors (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to the Offeror and its concert parties) are fair and accurate in all material aspects and that no material fact has been omitted which would make any statement in this Joint Announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror and its concert parties, the sole responsibility of the Board has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The Directors of the Company do not accept any responsibility for any information relating to or opinions expressed by the Offeror.

(b) The director of the Offeror

The director of the Offeror (including those who may have delegated detailed supervision of this Joint Announcement) has taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to the Company) are fair and accurate in all material aspects and that no material fact has been

omitted which would make any statement in this Joint Announcement misleading, and she accepts responsibility accordingly.

Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the director of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The director of the Offeror does not accept any responsibility for any information relating to or opinions expressed by the Company.

BY ORDER OF THE BOARD
Sinotel Technologies Ltd.

Li Zhen Yu

30 November 2015

BY ORDER OF THE BOARD
Advance Technology Holding Ltd.

Zhang Rong

30 November 2015

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements 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 and investors of the Company should not place undue reliance on such forward-looking statements, and none of the Company and/or the Offeror undertakes any obligation to update publicly or revise any forward-looking statements.