

**SINOTEL TECHNOLOGIES LTD.**

(Incorporated in Singapore)

(Company Registration Number: 200614275R)

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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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Sinotel Technologies Ltd. (the “Company” and together with its subsidiaries, the “Group”) was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) with effect from 4 March 2015.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors (the “Board”) of the Company wishes to provide the following updates:

**Financial Position**

Please refer to the announcement of the unaudited financial statements of the Group for the financial period ended 31 March 2015 released on 29 April 2015, for the update of the Group’s financial position as at 31 March 2015.

**Material Development and Future Direction**

The telecommunication industry of the People’s Republic of China (the “PRC”) remains under downward pressure as a result of intense competition from various industrial players, as well as rising costs caused by inflation. Concurrently, the on-going effort of the telecommunication companies in the PRC to implement cost-saving initiatives to lower costs and boost earnings erodes the Group’s margins. As such, the Group continues to experience a slowdown in its core business, compounded by the slower collection from its customers.

The Group expects the sluggish trend to persist in the coming year. As such, it will be holding back any aggressive expansion plans until the external business environment improves.

Additionally, a mandatory conditional general cash offer was made by the major shareholder, Jia Yue Ting, through Advance Technology Holding Ltd (the “Offeror”) to acquire all the issued and paid-up ordinary shares in the capital of the Company that are not already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it (the “Offer”). The Offer will close at 5.30 p.m. on 8 May 2015, or such later date(s) as may be announced by or on behalf of the Offeror.

By Order of the Board

Jia Yue Ting  
Executive Chairman  
29 April 2015