



SINOTEL TECHNOLOGIES LTD.

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

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

The Board of Directors of Sinotel Technologies Ltd. is pleased to announce the consolidated results of the Group for the nine-month period ended 30 September 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

	3Q 14	3Q 13	Increase/ (Decrease)	9-mth 14	9-mth 13	Increase/ (Decrease)
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	13,468	87,083	(84.5)%	73,717	225,649	(67.3)%
Cost of sales	(10,799)	(78,048)	(86.2)%	(62,500)	(207,969)	(69.9)%
Gross profit	2,669	9,035	(70.5)%	11,217	17,680	(36.6)%
Other income	10	1,065	(99.1)%	10,474	2,486	321.3 %
Selling and distribution expenses	(3,272)	(3,896)	(16.0)%	(14,568)	(13,143)	10.8 %
General and administrative expenses	(4,785)	(56,698)	(91.6)%	(49,363)	(90,389)	(45.4)%
Finance costs	(7)	(1,224)	(99.4)%	(113)	(3,419)	(96.7)%
Loss before income tax	(5,385)	(51,718)	(89.6)%	(42,353)	(86,785)	(51.2)%
Income tax credit	1,964	2,022	(2.9)%	3,691	7,460	(50.5)%
Loss for the period	(3,421)	(49,696)	(93.1)%	(38,662)	(79,325)	(51.3)%
Other comprehensive income/(loss) for the period, net of tax:						
<i>Items that are or may be reclassified subsequently to profit and loss:</i>						
- Currency translation differences arising from consolidation	26	17		71	(686)	
Total comprehensive loss for the period	(3,395)	(49,679)		(38,591)	(80,011)	

These figures have not been audited.



SINOTEL TECHNOLOGIES LTD.

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

Loss before income tax

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

	THE GROUP		THE GROUP	
	3Q14	3Q13	9-mth 14	9-mth 13
	RMB '000	RMB '000	RMB '000	RMB '000
Interest income	(10)	(266)	(44)	(1,676)
Interest expense	-	1,211	87	3,388
Allowance for doubtful trade receivables	-	51,656	35,054	51,656
Write-back of allowance for doubtful trade receivables	-	-	(119)	-
Foreign exchange loss/(gain)	7	(12)	(22)	40
Amortisation of intangible assets	36	79	78	1,944
Amortisation of land use right	-	56	93	168
Gain on disposal of a subsidiary	-	-	(8,391)	-
Operating lease expenses	456	371	1,592	2,316
Plant and equipment written off	7	11	7	11
Impairment of property, plant and equipment	-	-	-	18,796
Depreciation of property, plant and equipment	9,410	9,641	28,270	31,703



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 30-Sep-14 RMB'000	As at 31-Dec-13 RMB'000	As at 30-Sep-14 RMB'000	As at 31-Dec-13 RMB'000
Non-current assets				
Property, plant and equipment	42,844	71,079	2	3
Intangible assets	278	67	-	-
Investment in subsidiaries	-	-	375,224	375,160
	43,122	71,146	375,226	375,163
Current assets				
Inventories	320,063	310,955	-	-
Trade and bills receivables	608,856	580,098	-	-
Other receivables	13,915	24,335	1	1
Cash and cash equivalents	17,082	21,364	493	5,904
	959,916	936,752	494	5,905
Disposal group assets classified as held for sale	-	27,555	-	-
Total assets	1,003,038	1,035,453	375,720	381,068
Non-current liabilities				
Deferred tax liabilities	14,737	18,838	-	-
Current liabilities				
Trade payables	107,865	91,739	-	-
Other payables and accruals	65,544	51,275	1,830	2,067
Bank borrowings	-	20,000	-	-
Tax payable	9,103	9,155	-	-
	182,512	172,169	1,830	2,067
Liabilities directly associated with disposal group assets classified as held for sale	-	66	-	-
Total liabilities	197,249	191,073	1,830	2,067
Net assets	805,789	844,380	373,890	379,001
Equity attributable to equity holders of the Company				
Share capital	454,325	454,325	454,325	454,325
Currency translation reserve	(4,131)	(4,202)	(16,967)	(17,891)
Accumulated profits/(losses)	355,595	394,257	(63,468)	(57,433)
Total equity	805,789	844,380	373,890	379,001



SINOTEL TECHNOLOGIES LTD.

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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 30 September 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB'000	RMB '000
Amount repayable in one year or less, or on demand	-	-	-	20,000

There was no bank borrowing as at 30 September 2014.



SINOTEL TECHNOLOGIES LTD.

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

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	THE GROUP		THE GROUP	
	3Q14	3Q13	9-mth 14	9-mth 13
	RMB'000	RMB '000	RMB '000	RMB '000
Cash flows from operating activities				
Loss before income tax	(5,385)	(51,718)	(42,353)	(86,785)
Adjustments for:				
Gain on disposal of a subsidiary	-	-	(8,391)	-
Depreciation of plant and equipment	9,410	9,641	28,270	31,703
Amortisation of intangible assets	36	79	78	1,944
Amortisation of land use right	-	56	93	168
Impairment of property, plant and equipment	-	-	-	18,796
Plant and equipment written off	7	11	7	11
Interest expense	-	1,211	87	3,388
Interest income	(10)	(266)	(44)	(1,676)
Currency translation differences	1	-	-	(5)
Operating profit/(loss) before working capital changes	4,059	(40,986)	(22,253)	(32,456)
Changes in working capital:				
Inventories	(172)	(5,568)	(9,108)	(42,768)
Trade receivables	(10,484)	51,844	(28,758)	103,778
Other receivables	(733)	33,813	10,441	(273)
Trade payables	(2,005)	6,696	16,126	(39,257)
Other payables and accruals	364	(47,152)	28,822	(44,140)
Cash used in operations	(8,971)	(1,353)	(4,730)	(55,116)
Unauthorised purchase amount recoverable	-	-	-	31,279
Income tax paid	(380)	-	(462)	(2,080)
Interest received	10	266	44	1,676
Net cash used in operating activities	(9,341)	(1,087)	(5,148)	(24,241)
Cash flows from investing activities				
Purchase of property, plant and equipment	(21)	(18)	(4,014)	(5,981)
Intangible assets acquired	-	-	(285)	-
Net cash inflow from disposal of a subsidiary	-	-	25,102	-
Proceed from disposal of property, plant and equipment	-	-	-	262
Net cash (used in)/generated from investing activities	(21)	(18)	20,803	(5,719)
Cash flows from financing activities				
Interest paid	-	(1,211)	(87)	(3,388)
Net repayment of bank loans	-	(54,700)	(20,000)	(51,731)
Uplift of pledged deposits	-	57,274	60	74,117
Net cash generated from/(used in) financing activities	-	1,363	(20,027)	18,998
Net (decrease)/increase in cash and cash equivalents	(9,362)	258	(4,372)	(10,962)
Cash and cash equivalents at beginning of the period	26,448	20,213	21,380	32,219
Effect of currency translation on cash and cash equivalents	(4)	24	74	(762)
Cash and cash equivalents at end of the period	17,082	20,495	17,082	20,495
Cash and cash equivalents represented by:				
Cash and bank balances	17,082	20,555	17,082	20,555
Less: Deposits pledged	-	(60)	-	(60)
	17,082	20,495	17,082	20,495



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

The Group				
	Share capital	Currency translation reserve	Accumulated profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013	454,325	(3,469)	480,487	931,343
Loss for the period	-	-	(79,325)	(79,325)
Other comprehensive loss for the period, net of tax:				
- currency translation differences arising from consolidation	-	(686)	-	(686)
Total comprehensive loss for the period	-	(686)	(79,325)	(80,011)
Balance at 30 September 2013	454,325	(4,155)	401,162	851,332
Balance at 1 January 2014	454,325	(4,202)	394,257	844,380
Loss for the period	-	-	(38,662)	(38,662)
Other comprehensive income for the period, net of tax:				
- currency translation differences arising from consolidation	-	71	-	71
Total comprehensive income/(loss) for the period	-	71	(38,662)	(38,591)
Balance at 30 September 2014	454,325	(4,131)	355,595	805,789

The Company				
	Share capital	Currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013	454,325	7,905	(67,789)	394,441
Loss for the period	-	-	8,805	8,805
Other comprehensive loss for the period, net of tax:				
- currency translation differences arising from consolidation	-	(20,706)	-	(20,706)
Total comprehensive (loss)/income for the period	-	(20,706)	8,805	(11,901)
Balance at 30 September 2013	454,325	(12,801)	(58,984)	382,540
Balance at 1 January 2014	454,325	(17,891)	(57,433)	379,001
Loss for the period	-	-	(6,035)	(6,035)
Other comprehensive income for the period, net of tax:				
- currency translation differences arising from consolidation	-	924	-	924
Total comprehensive income/(loss) for the period	-	924	(6,035)	(5,111)
Balance at 30 September 2014	454,325	(16,967)	(63,468)	373,890



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 30 September 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 30 September 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		THE GROUP	
	3Q14 RMB '000	3Q13 RMB '000	9-mth 14 RMB '000	9-mth 13 RMB '000
Loss after income tax	(3,421)	(49,696)	(38,662)	(79,325)
Loss per share (in RMB cents):				
Basic and diluted	(0.8)	(11.8)	(9.1)	(18.8)

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 30-Sep-14	As at 31-Dec-13	As at 30-Sep-14	As at 31-Dec-13
Net assets (RMB'000):	805,789	844,380	373,890	379,001
Net asset value per share (in RMB cents)	190.5	199.7	88.4	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 (3Q14 vs 3Q13 and 9-mth 14 vs 9-mth 13)

	THE GROUP							
	3Q14	3Q13	Variance	Increase/ (Decrease)	9-mth 14	9-mth 13	Variance	Increase/ (Decrease)
	RMB '000	RMB '000	RMB '000	%	RMB '000	RMB '000	RMB '000	%
Sales of equipment	-	52,867	(52,867)	(100.0)%	31,904	159,675	(127,771)	(80.0)%
Services related projects	12,583	12,426	157	1.3 %	38,220	37,452	768	2.1 %
System integration	885	21,790	(20,905)	(95.9)%	3,593	28,522	(24,929)	(87.4)%
	<u>13,468</u>	<u>87,083</u>	<u>(73,615)</u>	<u>(84.5)%</u>	<u>73,717</u>	<u>225,649</u>	<u>(151,932)</u>	<u>(67.3)%</u>

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

(i) Revenue

Revenue for 3Q14 decreased by RMB73.6 million (84.5%) compared to 3Q13 mainly due to decrease in sales of equipment of RMB52.9 million and system integration of RMB20.9 million. The decrease arose from decrease in sales in Beijing, Shanxi Province and Henan Province.

The decrease was partially offset by the increase in service related projects of RMB0.2 million.

Revenue for 9-mth 14 decreased by RMB151.9 million (67.3%) compared to 9-mth 13. The decrease was mainly due to:

- (a) Decrease in sales of equipment of RMB127.8 million arising from decrease in sales in Beijing, Tianjin, Hebei Province, Shanxi Province and Henan Province; and
- (b) Decrease in system integration of RMB24.9 million arising from decrease in sales in Beijing.

The decrease was partially offset by the increase in revenue from services related projects of RMB0.8 million.



SINOTEL TECHNOLOGIES LTD.

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

(ii) Cost of Sales and Gross Profit

Gross profit for 3Q14 decreased by RMB6.4 million (70.5%) compared to 3Q13 mainly due to decrease in sales of equipment and system integration. The decrease was offset by increase in gross margin from 10.4% in 3Q13 to 19.8% in 3Q14.

Gross profit for 9-mth 14 decreased by RMB6.5 million (36.6%) compared to 9-mth 13 mainly due to decrease in sales of equipment and system integration. The decrease was offset by increase in gross profit margin from 7.8% in 9-mth 13 to 15.2% in 9-mth 14 which was due to increase in contribution from design services.

(iii) Other Income

Other income for 3Q14 decreased by RMB1.1 million (99.1%) compared to 3Q13 mainly due to decrease in government grant of RMB0.8 million and interest income of RMB0.3 million.

Other income for 9-mth 14 increased by RMB8.0 million (321.3%) compared to 9-mth 13 mainly due to:

- (a) gain on disposal of a subsidiary of RMB8.4 million; and
- (b) reversal of unclaimed liabilities relating to distribution of handsets business prior to 2007 of RMB1.2 million.

The increase was partially offset by decrease in interest income from fixed deposits of RMB1.6 million.

(iv) Operating Expenses

Selling and distribution expenses

Selling and distribution expenses for 3Q14 decreased by RMB0.6 million (16.0%) compared to 3Q13 mainly due to decrease in general expenses of RMB0.6 million.

Selling and distribution expenses for 9-mth 14 increased by RMB1.4 million (10.8%) compared to 9-mth 13 mainly due to increase in general expenses of RMB1.9 million and travelling expenses of RMB0.2 million.

The increase was partially offset by:

- (a) Decrease in staff costs of RMB0.6 million; and
- (b) Decrease in marketing expenses of RMB0.1 million.

General and administrative expenses

General and administrative expenses for 3Q14 decreased by RMB51.9 million (91.6%) compared to 3Q13 mainly due to:

- (a) Decrease in allowance for doubtful trade receivables of RMB51.6 million;
- (b) Decrease in staff costs of RMB0.2 million; and
- (c) Decrease in depreciation of plant and equipment of RMB0.2 million.

The decrease was partially offset by the increase in operating lease expenses of RMB0.1 million.



SINOTEL TECHNOLOGIES LTD.

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

General and administrative expenses for 9-mth 14 decreased by RMB41.0 million (45.4%) compared to 9-mth 13 mainly due to:

- (a) Decrease in allowance for doubtful trade receivables of RMB16.6 million;
- (b) Decrease in impairment of property, plant and equipment of RMB18.8 million;
- (c) Decrease in depreciation of plant and equipment of RMB3.4 million;
- (d) Decrease in operating lease expenses of RMB0.6 million;
- (e) Decrease in travelling expenses of RMB0.4 million;
- (f) Decrease in staff costs of RMB0.3 million;
- (g) Decrease in amortisation of intangible assets of RMB0.2 million;
- (h) Decrease in other expenses, including consultation and insurance expenses of RMB0.7 million; and
- (i) Increase in written back of doubtful debts of RMB0.1 million.

The decrease was partially offset by the increase in general expenses of RMB0.1 million.

(v) Finance Costs

Finance costs for 3Q14 and 9-mth 14 decreased by RMB1.2 million (99.4%) and RMB3.3 million (96.7%) respectively compared to the corresponding periods in 2013. This was mainly due to decrease in borrowings.

(vi) Income Tax

Reversal of income tax and deferred tax for 3Q14 decreased by RMB0.1 million (2.9%) mainly due to decrease in taxable loss.

Reversal of income tax and deferred tax for 9-mth 14 decreased by RMB3.8 million (50.5%) compared to 9-mth 13 mainly due to decrease in taxable loss.

(vii) Net Profit

As a result of the above, the loss for 3Q14 and 9-mth 14 were RMB3.4 million (3Q13: RMB49.7 million) and RMB38.7 million (9-mth 13: RMB79.3 million) respectively.



SINOTEL TECHNOLOGIES LTD.

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

B Statements of Financial Position (30 September 2014 vs 31 December 2013)

Non-Current Assets

Non-current assets as at 30 September 2014 were RMB43.1 million (31 December 2013: RMB71.1 million). The decrease was mainly due to depreciation charge of RMB28.3 million and partially offset by additions to intangible assets of RMB0.3 million.

Current Assets

Current assets as at 30 September 2014 were RMB959.9 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 as a result of the slowdown in certification of completion by our customers; and
- (b) Increase in trade receivables of RMB28.8 million.

Trade receivables as at 30 September 2014 were RMB608.9 million (31 December 2013: RMB580.1 million). The trade receivables increased by 5.0% despite a decrease in revenue of 67.3% was mainly due to slower in collection from customers.

The ageing analysis of trade receivables as at 30 September 2014 is as below:

	30 September 2014	31 December 2013
	RMB'000	RMB'000
Not past due	40,904	117,691
1 to 90 days	28,429	99,602
91 to 270 days	75,853	36,842
271 to 365 days	138,984	122,260
More than 365 days	415,881	259,963
	<u>700,051</u>	<u>636,358</u>
Less: Allowance for doubtful trade receivables	<u>(91,195)</u>	<u>(56,260)</u>
	<u>608,856</u>	<u>580,098</u>

The Directors of the Company have reviewed the collectability of trade receivables and made allowance for trade receivables accordingly. In view of the slow collection of certain trade receivables, the Directors of the Company may make further allowance for trade receivables in the fourth quarter of the current financial year ending 31 December 2014. The Company will make the necessary disclosure when it announces its full year results for the current financial year on or before 1 March 2015.

The increase was offset by decrease in other receivables of RMB10.4 million and cash and cash equivalent of RMB4.3 million.

Non-current Liabilities

Non-current liabilities as at 30 September 2014 consisted of deferred tax liabilities of RMB14.7 million (31 December 2013: RMB18.8 million).



SINOTEL TECHNOLOGIES LTD.

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

Current Liabilities

Current liabilities as at 30 September 2014 amounted to RMB182.5 million (31 December 2013: RMB172.2 million). The reasons for the increase were mainly due to:

- (a) Increase in trade payables of RMB16.1 million; and
- (b) Increase in other payables of RMB14.3 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 RMB38.6 million mainly due to the loss from operations.



SINOTEL TECHNOLOGIES LTD.

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

C. Consolidated Statement of Cash Flows (3Q14 vs 3Q13 and 9-mth 14 vs 9-mth 13)

In 3Q14, net cash of RMB9.3 million was used in operating activities. This was mainly due to:

- (a) Increase in inventories of RMB0.2 million;
- (b) Increase in trade receivables of RMB10.5 million;
- (c) Increase in other receivables of RMB0.7 million; and
- (d) Decrease in trade payables of RMB2.0 million.

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

- (a) Operating profit before income tax (after adjusting for non-cash items) of RMB4.1 million; and
- (b) Increase in other payables of RMB0.4 million.

In 9-mth 14, net cash of RMB5.1 million was used in operating activities. This was mainly due to:

- (a) Increase in inventories of RMB9.1 million;
- (b) Increase in trade receivables of RMB28.8 million; and
- (c) Loss before income tax (after adjusting for non-cash items) of RMB22.3 million.

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

- (a) Decrease in other receivables of RMB10.4 million;
- (b) Increase in trade payables of RMB16.1 million; and
- (c) Increase in other payables and accruals of RMB28.8 million.

Net cash inflow generated from investing activities in 9-mth 14 amounted to RMB20.8 million mainly due to net cash inflow from disposal of a subsidiary of RMB25.1 million. The net cash inflow was offset by additions of plant and equipment of RMB4.0 million and intangible assets of RMB0.3 million.

Net cash outflow of RMB20.0 million used in financing activities in 9-mth 14 was mainly due to repayment of borrowings of RMB20.0 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 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 due to 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.

11. If a decision regarding dividend has been made:

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

None.



SINOTEL TECHNOLOGIES LTD.

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

(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).



SINOTEL TECHNOLOGIES LTD.

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

14. 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 nine-month period ended 30 September 2014 of the Company and of the Group to be false or misleading in any material respect.

Jia Yue Ting

Li Zhen Yu



SINOTEL TECHNOLOGIES LTD.

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

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
10 November 2014