SINOTEL TECHNOLOGIES LTD.
(Incorporated in Singapore)
(Company Registration Number: 200614275R)

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

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 30 June 2015 released on 4 August 2015, for the update of the Group's financial position as at 30 June 2015.

Material Development and Future Direction

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.

By Order of the Board

Jia Yue Ting
Executive Chairman
4 August 2015