

**SINOTEL TECHNOLOGIES LTD.**

(Incorporated in Singapore)

(Company Registration Number: 200614275R)

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**INCORPORATION OF SUBSIDIARY**

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The Board of Directors of Sinotel Technologies Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to announce that XBell Union Communication (Beijing) Co., Ltd., a wholly owned subsidiary of the Company, has incorporated a wholly owned subsidiary in Beijing, People's Republic of China, known as XBell Technology (Beijing) Co., Ltd (西伯尔信通科技(北京)有限公司) ("XBell Technology").

The principal business activity of XBell Technology is in the provision of customised applications and solutions across the telecommunication value chain in People's Republic of China. The initial registered capital of XBell Technology is RMB1 million which was funded by internal resources.

The incorporation of XBell Technology is not expected to have any material impact on the Company's net tangible assets or earnings per share for the current financial year ending 31 December 2010.

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their shareholdings in the Company.

By Order of the Board

Jia Yue Ting  
Executive Chairman  
25 June 2010