This summary aims to give you an overview of the information contained in this Listing Document. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Shares are set out in the section headed "Risk Factors" in this Listing Document. You should read that section carefully before you decide to invest in the Shares.

OVERVIEW

We are one of the leading one-stop integrated water and wastewater treatment solutions providers in the PRC. In 2009, we were ranked first among the "Top Ten Outstanding Engineering Companies" by China Water (中國水網). We offer services covering the full value chain of the water and wastewater treatment industry — from the design and construction of water and wastewater treatment facilities, to the operation and maintenance of water and wastewater treatment facilities and the manufacture of water and wastewater treatment equipment. We place significant emphasis on our in-house design capability and the innovative adaptation and application of technologies to offer customized, cost-effective and practical solutions for the diverse challenges presented by the treatment of municipal and industrial water and wastewater in the PRC. In 2009, we were awarded the 2009 Key Environmental Protection Practical Technology Certificate by the China Association of Environmental Protection Industry (中國環境保護產業協會) for our application of the rim-flow secondary sedimentation technology and the SDN coking coal wastewater treatment technology.

We started our business as a provider of turnkey water and wastewater treatment project design and construction services in the PRC in the Engineering, Procurement and Construction (EPC) project format. For these projects, we design and construct water and wastewater facilities for operation by our customers upon completion. Our customers are responsible for the construction costs and pay us for our services in installments in accordance with the progress of the construction. We are not required to make any capital investment in these projects. During the Track Record Period, we carried out all of our EPC projects for customers located in the PRC.

While our water and wastewater EPC project business in the PRC accounted for the majority of our revenue in the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, we have expanded our business significantly both in terms of scope and geographical coverage during the Track Record Period. In 2007, we diversified our business to undertake water and wastewater projects in the Build, Operate and Transfer (BOT) project format, initially commencing this business by way of minority investments with the BSE Group and, since 2008, through wholly or majority-owned project companies. The BOT project business model differs from our EPC project business model in terms of risk profile and the operational and financial requirements it places on us. Under BOT project arrangements, we are responsible for the costs of construction of the water or wastewater treatment facilities and the operation of the facilities during the concession period, which may be up to 30 years. During such period we receive tariff payments based on the volume of water or wastewater treated (with a guaranteed minimum treatment amount). We are also responsible for the costs of maintenance and repair of the treatment facilities under our management.

Dovetailing with our expansion into the BOT project business, we have also expanded into the operation and maintenance (O&M) project business. In December 2006, we expanded our business into O&M services by taking a minority interest in an O&M project company in Shanghai. In late 2009, we began to undertake O&M projects on a wholly-owned basis and entered into O&M contracts with eight local governments in Hainan Province, the PRC.

We also expanded our business by diversifying into equipment manufacturing. In July 2008, we acquired Hi-Standard, a manufacturer of standard and customized equipment for water and wastewater treatment.

Moreover, we are also expanding our business internationally. In 2009, we entered into our first major EPC contract for a customer outside the PRC — a SAR342 million (equivalent to approximately RMB620 million) upgrade and construction contract with Marafiq, a state-linked power and water utility provider in Saudi Arabia. We had commenced the construction of the project as of the Latest Practicable Date, and we currently expect to complete this contract by the end of 2011.

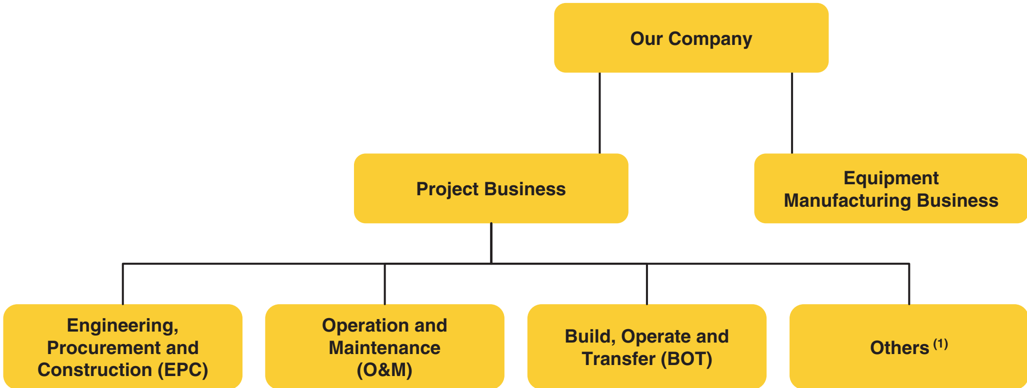
We plan to continue to expand our BOT project business and international EPC project business in the future, and also plan to further develop our equipment manufacturing business by commencing the manufacture of reverse osmosis membranes, nanofiltration membranes and modules for use in water and wastewater treatment facilities. Currently, we do not have any concrete plans for the construction of the membrane production facilities. We cannot give you any assurance that we will commence the construction of such production facilities or as to when such production facilities will commence operation.

We have grown rapidly during the Track Record Period. Our total revenue grew from RMB697.3 million for the year ended December 31, 2007 to RMB1,024.8 million for the year ended December 31, 2008, representing an increase of approximately 47.0%, and we recorded revenue of RMB1,293.5 million for the year ended December 31, 2009, representing a 26.2% increase from 2008. We recorded revenue of RMB234.0 million for the three months ended March 31, 2010, representing approximately a 72.9% increase against the same period in 2009. Our profit for the year and total comprehensive income attributable to owners of our Company also grew from RMB161.2 million in 2007 to RMB203.7 million in 2008, representing a 26.4% increase, and was RMB281.9 million in 2009, representing a 38.4% increase from 2008, and was RMB45.5 million for the three months ended March 31, 2010, representing a 150.7% increase against the same period in 2009. As a result of the significant development of our business during the Track Record Period and the expected further expansion and diversification of our business, our historical financial performance may not be indicative of our future performance. Please refer to the section headed "Risk Factors" for more information on the risks associated with our future development.

We were incorporated in Singapore as a holding company with our main business operations in the PRC. We were listed on the SGX-ST in October 2006 under the symbol E6E.SI. We believe that at that time, we were the only company in the water industry in the PRC to have IFC as a shareholder. IFC invested US$10 million in our Company in 2006. IFC held an approximately 8.1% shareholding in our Company as of the Latest Practicable Date (without taking into account Shares which may be allotted and issued upon conversion of the Convertible Bonds or exercise of options which have been granted under the Existing Share Option Scheme or which may be granted under the Share Option Scheme).

Core businesses

Our businesses can be divided into two business lines with four principal business units — EPC projects, O&M projects, BOT projects and equipment manufacturing:



Note:

(1) Others include projects in other commercial formats, which are variations of our EPC, BOT and O&M projects, and also include the provision of equipment procurement and design consultation services.

We set out further details of these business units below:

Engineering, procurement and construction project business (EPC)

We provide turnkey services on a contract basis for the design, construction and installation of water or wastewater treatment facilities and pipeline networks for our customers at a fixed contract price (subject to agreed variation orders). Upon completion, we deliver the project to our customers for their operation and bear no further responsibility for the maintenance or repair of the facilities upon the expiry of our warranty period, which is typically one year.

Our EPC Project business does not require us to make significant capital investments. We typically fund these projects with (i) up-front payments we receive from our customers, which usually range from 15% to 25% of the total contract price, (ii) payments we receive from our customers during construction based on the percentage of completion of the project, and (iii) from our internal resources.

Our EPC projects typically take between six and eighteen months to complete. We recognize revenue from our EPC projects on the basis of the percentage of completion of the projects, commencing when a legally binding contract is executed and when the total construction costs of the facilities under development can be reliably estimated.

During the Track Record Period, we completed more than 100 EPC projects, with contract values between RMB12,200 and RMB330,000,000, the vast majority of which were wastewater EPC projects. Our completed EPC projects had wastewater treatment capacities of up to 200,000 tonnes per day for municipal projects and up to 198,500 tonnes per day for industrial projects. Our EPC project business (excluding the engineering and construction work for our BOT projects) accounted for

100.0%, 84.1%, 79.2% and 83.4% of our revenue in the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively.

As of June 30, 2010, we had entered contracts with external customers for 24 EPC projects. Our total order book for our EPC projects as of that date was approximately RMB964.6 million (which excludes the engineering and construction work for our BOT projects and BT project), of which our new EPC project in Saudi Arabia accounted for approximately 64%.

Operation and maintenance project business (O&M)

In December 2006, we expanded our business into O&M services by taking a minority interest in an O&M project company in Shanghai. In late 2009, we entered into O&M contracts with eight local governments in Hainan Province, the PRC, on a bundled basis to manage and operate eight municipal wastewater treatment plants with a combined treatment capacity of 142,000 tonnes per day under five year concession terms.

Under an O&M services contract, we operate and maintain existing water or wastewater treatment facilities in exchange for a monthly fee. The fee we receive for the provision of O&M services typically includes a guaranteed tariff based on a guaranteed minimum treatment volume together with an additional tariff for water or wastewater treated in excess of the minimum volume. We are therefore entitled to receive payment for the minimum volume stipulated in the O&M service contract even if the volume of water or wastewater actually treated by us is less than the minimum volume and the contractual tariff. An O&M operator is usually appointed for an agreed period and may be reappointed upon the expiry of the agreed contractual term. During the term of our appointment, we are responsible for all of the costs of repair and maintenance of the treatment facilities. We are not required to make any capital investment in the water and wastewater treatment facilities under our O&M contract arrangements.

We had commenced operation of one of our O&M projects in Hainan as of March 31, 2010 and therefore recorded revenue of RMB0.7 million in our operation and maintenance segment attributable to our O&M projects for the first quarter of 2010 and did not record any revenue in that segment attributable to our O&M projects for the three years ended December 31, 2009. As of June 30, 2010, the remaining seven of the wastewater treatment plants of the Hainan O&M project were in trial operation.

Build, operate and transfer project business (BOT)

Leveraging our EPC project expertise and the extensive experience of the BSE Group, a member of the Controlling Shareholder Group, in water and wastewater BOT projects and facilities management, we have diversified our business into the BOT project business to increase the proportion of our recurring revenue. This diversification has occurred in stages. Initially, we commenced this business by way of minority investments with the BSE Group in 2007 and, since 2008, through wholly or majority-owned project companies. We also believe that the long term relationship we establish with local governments during the term of the concession period of our BOT projects will position us well to identify and tender for new potential projects offered by relevant local governments in the future.

We undertake BOT projects by investing in, designing, constructing and installing water or wastewater treatment facilities and thereafter operating the facilities for a term of up to 30 years upon completion. We are responsible for the costs of repair and maintenance of the treatment facilities during the term of our concession. Upon the expiry of our appointment, we are required to transfer the facility to our customer for nil consideration, but we may be reappointed under a bidding process to continue the operation and maintenance of the facility at the end of the term of the concession.

As of June 30, 2010, we had eleven BOT projects, with budgeted investment amounts ranging from RMB36.1 million to RMB151.0 million per project. As at the same date, the total budgeted investment amount for our existing BOT projects was RMB1,060.1 million and the total outstanding budgeted investment amount (i.e. the unfunded total budgeted investment amount) was approximately RMB572.1 million, to be funded over the next two years. We typically fund the construction of our BOT project facilities from a combination of internal resources and external borrowings. We therefore expect our external borrowings to increase substantially in the future when compared to levels recorded during the Track Record Period in order to fund our expanding BOT projects business. We also plan to use proceeds from the issue of the Convertible Bonds to fund our BOT project business expansion. As of June 30, 2010, we had unrestricted bank balances and cash of approximately RMB1,357.0 million. As of July 31, 2010, we had entered into long term amortization loans with PRC banks for two of our BOT projects for an aggregate amount of approximately RMB55.0 million, with amortization schedules of five and six years. On May 28, 2010, we entered into an amortization loan of US$34 million with a term up to 2019 with IFC for the purpose of funding the four BOT projects carried out by Anyang Mingbo, Guangxi Liqing, Hancheng Yiqing and Fushun Qingxi. The loan is secured by the revenue payable to those project companies and our equity interests in those project companies. The loan carries an interest rate of six months LIBOR +3.5% per annum. Please refer to the section headed "Financial Information — Indebtedness" for more information on the IFC loan.

We separate our BOT projects into two phases, the construction phase and the operational phase, for the purposes of recording the revenue from these projects. Revenue from the construction phase is included in the turnkey projects and services segment in our accounts, while revenue from the operational phase and relevant assets in the BOT project companies are included in the operation and maintenance segment in our accounts. Based on our existing BOT projects, the construction phase accounts for approximately 12% to 42% of our total revenue for our BOT projects, while the operational phase accounts for the remainder of the total revenue from these projects.

BOT projects are significantly more capital intensive and have a different risk profile compared to EPC projects, as we have to make substantial capital investment for the construction of the water and wastewater treatment facility but typically only receive payment from our customer during the operational phase of the BOT project. Based on our internal forecast, we expect that we will need to operate the treatment facilities for a typical BOT project for approximately ten years before we can recover the cash outflow incurred for the construction of the project treatment facilities. In accordance with IFRS, we recognize revenue during the construction phase of our BOT projects on a percentage of completion basis, in the same way as we recognize revenue for our EPC projects. We recognized revenue from the construction phase of a BOT project based on our experience from comparable EPC construction contracts. The determination of our revenue recorded for these projects during the construction phase requires subjective judgments by our management based on their experience. The amount of revenue recognized from the construction phase of a BOT project is also accounted for as a service concession receivable to be settled during the term of the concession of the BOT project, which can be up to 30 years. As a result, the revenue we record during the construction phase of our BOT projects is not matched by cash inflow during the same period. We recognize revenue from the operational phase of a BOT project based on tariff payments in the same way as we recognize revenue for our O&M projects.

For the years ended December 31, 2008 and 2009 and the three months ended March 31, 2010, the total costs of the EPC construction work for our BOT projects were RMB98.2 million (which included our costs for acting as EPC contractor for the Xi'an City Chang'an District Wastewater Treatment Project, the Xi'an City Hu County Wastewater Treatment Project and the Anyang City Wastewater Treatment Project prior to the acquisition of the relevant project companies by our Group), RMB99.4 million and RMB9.0 million, respectively. We recognized total revenue of approximately RMB66.4 million (which excluded RMB103.4 million of revenue we recognized under EPC services for the construction work we performed as EPC contractor for the projects referred to above prior to the acquisition by our Group of the relevant project companies), RMB169.5 million and RMB16.0 million in connection with our BOT projects for the years ended December 31, 2008 and 2009 and the three months ended March 31, 2010, respectively, accounting for approximately 6.5%, 13.1% and 6.8% of our total revenue during the same periods, respectively. However, the cash tariff payments we received from our customers for our BOT projects during the same periods were nil, RMB3.5 million and RMB0.9 million, respectively. For more information on our recognition of revenue for our BOT projects and the associated risks, please refer to the sections headed "Financial Information — Description of Selected Line Items of Statements of Comprehensive Income — Revenue — Turnkey projects and services — BOT Projects" and "Risk Factors — We typically only receive payment in connection with the revenue recognized from the construction of our BOT projects on receipt of cash tariff payments during the operational phase of these BOT projects and we may not have the cash inflow matching the revenue recognized during the construction phase".

Of our BOT projects, four had commenced commercial operation, two were in trial operation, two were under construction and three had not yet commenced construction as of the Latest Practicable Date.

Other businesses

We also provide equipment procurement and design consultation services and undertake projects in other formats, such as our BT project in Daye City in Hubei Province, the PRC.

Equipment Manufacturing Business

We also manufacture standard and customized water and wastewater treatment equipment for use in our projects and for sale to external PRC customers, and also sell a small quantity of such equipment to overseas customers. In July 2008, we acquired a 100% equity interest in Hi-Standard, through which we conduct our equipment manufacturing business. Hi-Standard's key products include grit removers, sludge scrapers, sludge dehydrators, oxidation ditches and SBR equipment. Hi-Standard owns 19 patented technologies, including high-efficiency sedimentation tank technology, vortex flow mixer and electrophoresis dehydration technologies.

Hi-Standard owns an approximately 46,700 square meter environmental equipment factory and office premises in Beijing, China. The factory is outfitted with modern manufacturing equipment. We generated revenue from external sales of equipment produced by Hi-Standard of RMB102.7 million, RMB125.4 million and RMB33.6 million in the years ended December 31, 2008 (for the period after our acquisition of Hi-Standard in July 2008) and December 31, 2009, and the three months ended March 31, 2010, respectively.

Future development of our business

We are actively pursuing international expansion opportunities for our EPC project business outside of the PRC. We expect international EPC projects to contribute a greater percentage of our revenue in the future. We entered into our first international EPC contract in 2009 with Marafiq, a state-linked power and water utility provider, in Saudia Arabia, which we currently expect to complete at the end of 2011. We are currently also considering a number of other potential EPC projects in Taiwan, Bangladesh and Vietnam. While we have no current intention to pursue projects in BOT or other investment formats outside the PRC, we may in future consider undertaking such projects outside the PRC if presented with suitable opportunities. During the Track Record Period, we have not recorded any revenue from international EPC or other projects outside the PRC.

We expect BOT projects to become an increasingly important part of our business and to constitute a greater portion of our revenue in the future. We intend to utilize approximately 60% of the net proceeds from the issue of the Convertible Bonds to invest in existing and prospective BOT projects. As at the Latest Practicable Date, other than the eleven BOT projects in which we are currently engaged, we had not entered into any binding agreements for BOT projects. Details of our eleven BOT projects are set out in “Business — Our Water and Wastewater Treatment Business — Our BOT Business”.

We believe that there are a limited number of suppliers of high quality membranes for water and wastewater treatment in the PRC. We use membranes, nanofiltration membranes and modules in the construction of our water and wastewater treatment facilities. Such membranes and modules are used at various stages in the water and wastewater treatment process and we believe this presents an opportunity for us to expand our operations to manufacture high quality membranes for use in the water and wastewater treatment facilities we construct and also for external sale. In the future, we plan to build an advanced production line in Beijing to manufacture reverse osmosis membranes, nanofiltration membranes and modules for use in water and wastewater treatment as well as sea water desalination. Currently, we do not have any concrete plans for the construction of the membrane production facilities. We cannot give you any assurance that we will commence the construction of such production facilities or as to when such production facilities will commence operation.

We may also pursue acquisition opportunities that are consistent with our business strategy and that we believe will create value for our Shareholders.

For information on the risks associated with the future development of our business, please refer to the sections headed “Risk factors — Our expansion into BOT, O&M and other new businesses may impose new challenges on us, and we may lack the necessary experience to deal with these new challenges" and "Risk factors — We may fail to integrate future acquired businesses successfully into our existing operations".

Relationship with our Controlling Shareholder Group

Our Controlling Shareholder Group comprises the BSE Group, Sound Environmental Resources and other companies owned or controlled by our Controlling Shareholders. The BSE Group engages in the businesses of water and wastewater treatment and solid waste treatment and Sound Environmental Resources engages primarily in solid waste treatment in the PRC and BOT projects of water and wastewater treatment in the Designated Locations.

During the Track Record Period, we conducted a number of EPC projects for the BSE Group and Sound Environmental Resources. The provision of such EPC services accounted for approximately 43.1%, 32.9%, 6.6% and 9.5% of our revenue for the three years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively. The BSE Group and Sound Environmental Resources together were therefore our largest customer in 2007, 2008 and 2009 and were among our five largest customers for the first quarter of 2010.

We were also appointed as a sub-contractor by Independent Third Party contractors who were retained by the BSE Group or Sound Environmental Resources in respect of the construction of certain of their BOT water and wastewater projects during the Track Record Period. We were retained by such Independent Third Party contractors as a result of a public tender process in certain cases. Such arrangements accounted for approximately 16.2%, 2.7%, 0.5% and nil of our revenue for the three years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively.

Going forward, to delineate our business from Sound Environmental Resources and the other businesses controlled by our Controlling Shareholders, our Company, Sound Environmental Resources and Beijing Sound Enviro have entered into the Strategic Development Memorandum. The key terms of the Strategic Development Memorandum are as follows:

(1) with respect to solid waste treatment, Sound Environmental Resources and its directly or indirectly controlled companies shall continue to engage primarily in the development and operation of the onshore and offshore business of solid waste treatment. Neither we nor the BSE Group shall, directly or indirectly, engage in any onshore or offshore business identical or similar to the system integration business and equipment manufacturing business relating to solid waste treatment, save for the existing solid waste treatment projects of the BSE Group. Neither we nor the BSE Group shall, directly or indirectly, engage in any other solid waste treatment business without the prior written consent of Sound Environmental Resources; and

(2) with respect to water and wastewater treatment, our Group shall continue to engage primarily in the development and operation of onshore and offshore business of water and wastewater treatment projects, except for water and wastewater treatment projects in the

Designated Locations in BOT or TOT formats where Sound Environmental Resources has historically been engaged. Furthermore, our Group shall continue to engage in the water and wastewater treatment equipment business. Sound Environmental Resources and its directly or indirectly controlled companies shall not engage in any water and wastewater treatment equipment business.

We have also entered into the Non-Competition Deeds pursuant to which Beijing Sound Enviro and Mr. Wen have undertaken to us that they and their associates (except for our Group and Sound Environmental Resources and its subsidiaries) will not engage in any business which may compete with our business, or engage in any new water, wastewater, or water or wastewater equipment businesses. The BSE Group will not engage in any new water and wastewater treatment projects and will only continue to conduct its existing projects. In addition, pursuant to the Option Agreement entered into with Beijing Sound Enviro, Beijing Sound Enviro has granted to our Group an option to acquire the BSE Group's water and wastewater treatment projects in the PRC, and a right of first refusal in the event that any member of the BSE Group decides to divest such projects, at a reasonable and mutually agreeable price, subject to the necessary governmental approvals, board approvals and shareholder approvals.

Please refer to the section headed "Relationship with our Controlling Shareholder Group" for further information on our relationship with the BSE Group and Sound Environmental Resources.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths differentiate us from our competitors as we aim to capture a leading position in the fast growing water and wastewater treatment industry in China.

- Provision of integrated water treatment solutions;
- Strong in-house design and technical capabilities;
- Well-known brand recognition;
- Focus on delivering shareholder returns through strong project sourcing capability and value-driven business model; and
- Experienced management team with proven execution capability supported by a skilled workforce.

OUR STRATEGIES

Our vision is to maintain and expand our leading position in the PRC water and wastewater treatment industry and to become a leading integrated global water and wastewater treatment solutions provider. We intend to capitalize on our competitive strengths to expand our current market position and to benefit from the anticipated rapid growth in China's water and wastewater treatment industry, as well as growth in international markets. We had unrestricted bank balances and cash of RMB1,357.0

million as of June 30, 2010. We believe that our strong balance sheet positions us well to capture future growth by pursuing the following strategies:

- Expand our BOT and O&M project business to increase the proportion of our recurring revenues;
- Increase EPC market share in China;
- Pursue international expansion in water and wastewater treatment EPC projects and equipment sales;
- Continue to strengthen our R&D capability; and
- Pursue selective strategic acquisitions.

SUMMARY FINANCIAL INFORMATION

You should read the summary of historical consolidated financial information below in conjunction with the historical consolidated financial statements of our Group, which have been prepared in accordance with IFRS as to the financial statements as of and for the years ended December 31, 2007, 2008 and 2009 and three months ended March 31, 2009 and 2010 and in accordance with SFRS as to the financial statements as of and for the six months ended June 30, 2009 and 2010 and are included in the accountants' report presented in Appendix I and Unaudited Interim Financial Information in Appendix II to this Listing Document, respectively.

The summary of historical consolidated statements of comprehensive income and summary of consolidated statements of cash flows for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2009 and 2010 and the summary of historical consolidated statements of financial position as of December 31, 2007, 2008 and 2009 and March 31, 2010 set forth below have been derived from our historical consolidated financial statements.

Summary Consolidated Statements of Comprehensive Income

	Year ended December 31,			Three months ended March 31,	
	2007	2008	2009	2009	2010
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Revenue	**697,341**	**1,024,808**	**1,293,476**	**135,374**	**234,037**
Cost of sales	(474,257)	(691,220)	(917,963)	(90,332)	(164,054)
Gross profit	**223,084**	**333,588**	**375,513**	**45,042**	**69,983**
Other operating income	23,349	10,137	13,861	3,536	5,970
Other expenses	(3,256)	(39,225)	(28,576)	(17,969)	(7,075)
Distribution expenses	(8,904)	(11,784)	(10,892)	(1,505)	(2,000)
Research and development expenses	(4,697)	(6,000)	(5,256)	(1,220)	(1,113)
Administrative expenses	(16,585)	(30,087)	(38,052)	(6,518)	(8,881)
Share of result of an associate	15	525	21	29	(42)
Finance costs	(21,925)	(25,141)	(13,630)	(5,232)	(3,498)
Profit before income tax	**191,081**	**232,013**	**292,989**	**16,163**	**53,344**
Income tax expenses	(28,680)	(28,313)	(10,236)	2,222	(7,722)
Profit for the year and total comprehensive income	**162,401**	**203,700**	**282,753**	**18,385**	**45,622**
Profit for the year and total comprehensive income attributable to:					
Owners of the Company	**161,173**	**203,686**	**281,869**	**18,164**	**45,536**

Summary Consolidated Statements of Financial Position

	As of December 31,			As of March 31,
	2007	2008	2009	2010
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Non-current assets	32,603	434,790	611,304	630,443
Current assets	1,771,776	1,908,917	1,971,479	1,931,204
Current liabilities	652,683	970,905	923,030	897,860
Net current assets	1,119,093	938,012	1,048,449	1,033,344
Total assets less current liabilities	1,151,696	1,372,802	1,659,753	1,663,787
Non-current liabilities	—	16,242	67,809	71,221
Total assets less total liabilities	1,151,696	1,356,560	1,591,944	1,592,566
Capital and reserves	1,151,696	1,356,560	1,591,944	1,592,566

Summary Consolidated Statements of Cash Flows

	Year ended December 31,			Three months ended March 31,	
	2007	2008	2009	2009	2010
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Net cash generated from operating activities	120,815	188,057	391,684	46,047	18,376
Net cash generated from (used in) Investing activities	69,720	(152,174)	297,803	100,572	29,525
Net cash generated from (used in) financing activities	265,691	(24,269)	(225,661)	(132,130)	(29,798)
Net increase in cash and cash equivalents	456,226	11,614	463,826	14,489	18,103
Cash and cash equivalents at beginning of year	**306,195**	**761,405**	**772,988**	**772,988**	**1,237,698**
Effect of translation of foreign exchange rate changes	(1,016)	(31)	884	(16,793)	95
Cash and cash equivalents at end of year	**761,405**	**772,988**	**1,237,698**	**770,684**	**1,255,896**

Selected Unaudited Condensed Financial Information

The selected unaudited condensed consolidated statements of comprehensive income for the six months ended June 30, 2009 and 2010 set forth below are derived from Appendix II to this Listing Document and are prepared in accordance with SFRS.

	Six months ended June 30,	
	2009	2010
	(RMB'000) (Unaudited and restated)	(RMB'000) (Unaudited)
Revenue	437,658	644,989
Gross profit	133,341	195,003
Profit before income tax	95,639	146,289
Profit for the period	95,639	120,097

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS FINANCIAL STATEMENT LINE ITEMS AND SFRS FINANCIAL STATEMENTS LINE ITEMS

As a company listed on the SGX-ST in Singapore, we make regular public disclosures in compliance with the regulatory requirements of the SGX-ST, including filing annual reports, quarterly reports and announcements of material events. Our financial information during the Track Record Period therefore was compiled in accordance with SFRS using S$ as our functional currency, and our financial information for the year ended and as of December 31, 2009 and the three months ended March 31, 2010 was compiled using the RMB as our functional currency, which information has been audited by our independent auditors. In contemplation of the Listing, we changed our functional currency to RMB and our accounting standards to IFRS to follow the prevailing market practice in Hong Kong. As a result, certain differences between the IFRS financial statement line items and SFRS financial statement line items arose due to the change of our functional currency and conversion from SFRS to IFRS for our financial statements for the years ended and as of December 31, 2007 and 2008. Following the Listing, we intend to publish our financial statements in accordance with IFRS. We will also publish our quarterly results in Hong Kong and Singapore.

Summary of Line Items of Consolidated Statements of Comprehensive Income

In the IFRS consolidated statements of comprehensive income, a new line item, other expenses, was added to reflect the effect of the change of our functional currency from S$ to RMB. Primarily due to the appreciation of the RMB relative to S$ in 2007 and 2008, we recorded exchange losses of RMB3.3 million and RMB28.0 million in those periods, respectively. Furthermore, we reclassified the research and development expenses, which were previously included in “administrative expenses”, as a new line item in the IFRS consolidated statements of comprehensive income. The reclassified research and development expenses were RMB4.7 million and RMB6.0 million for the years ended December 31, 2007 and 2008, respectively. We also reclassified the allowance for doubtful debts from administrative expenses to “other expenses” and reclassified amortization of intangible assets from “administrative expenses” to “cost of sales”. The reclassified allowance for doubtful debts was nil and RMB11.3 million, respectively, and the reclassified amortization of intangible assets was nil and RMB7.2 million, respectively, for the years ended December 31, 2007 and 2008. The impact of differences between SFRS and IFRS on our consolidated statement of comprehensive income for the year ended December 31, 2009 and the three months ended March 31, 2010 was minimal.

Summary of Line Items of Consolidated Statements of Financial Position

In the SFRS balance sheets, our bank balances and cash, including restricted bank balances were RMB1,180.1 million and RMB1,142.5 million as of December 31, 2007 and 2008, respectively. In the IFRS consolidated statements of financial position, the above amounts were reclassified into (i) restricted bank balances and (ii) bank balances and cash (not including restricted bank balances). In 2007 and 2008, our restricted bank balances were our deposits in Singapore pledged to financial institutions to secure loans made to our subsidiaries in the PRC. The restricted bank balances were RMB418.6 million and RMB369.5 million, respectively, and the bank balances and cash were RMB761.4 million and RMB773.0 million, respectively, as of December 31, 2007 and 2008.

We further increased the balance of our goodwill by RMB14.2 million as of December 31, 2008. This reflects an increase in our deferred tax liabilities of the same amount, which was recognized retrospectively in accordance with IFRS after the applicable PRC enterprise income tax rate for Hi-Standard was ascertained in 2009. The impact of differences between SFRS and IFRS on our consolidated statement of financial position for the year ended December 31, 2009 and the three months ended March 31, 2010 was minimal.

Acquisition of Anyang Mingbo and restatement of 2008 and 2009 figures

In January 2010, we completed our acquisition of Anyang Mingbo, which then became a wholly-owned subsidiary of our Group. Such acquisition is regarded as a business combination under common control, and the principles of merger accounting have therefore been applied, under which our financial information has been prepared as if Anyang Mingbo had been a subsidiary of the Group since October 24, 2008, when Beijing Sound Enviro acquired a 60% interest in Anyang Mingbo at a consideration of RMB27.0 million from an independent third party and Anyang Mingbo came under common control with our Company. Our financial statements as of and for the years ended December 31, 2008 and 2009 and three months ended March 31, 2009 and 2010 have reflected the acquisition of Anyang Mingbo. For further details, please refer to the section headed “Financial Information” in this Listing Document.

REVENUE ANALYSIS

The following table sets forth our revenue from our three principal operating segments during the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2007		2008		2009		2009		2010	
	Amount (RMB'000)	% of total Revenue	Amount (RMB'000)	% of total Revenue	Amount (RMB'000)	% of total Revenue	Amount (RMB'000) (unaudited)	% of total Revenue	Amount (RMB'000)	% of total Revenue
Turnkey Projects and Services										
EPC: Projects (including design service contracts)	697,341	100.0%	861,925	84.1%	1,024,164	79.2%	104,275	77%	195,183	83.4%
BOT: Construction Phase	—	—	60,153	5.9%	138,253	10.7%	23,172	17.1%	2,605	1.1%
Sub-total	**697,341**	**100.0%**	**922,078**	**90.0%**	**1,162,417**	**89.9%**	**127,447**	**94.1%**	**197,788**	**84.5%**
Equipment Manufacturing										
Equipment Manufacturing Projects	—	—	96,490	9.4%	99,792	7.7%	7,927	5.9%	22,114	9.5%
BOT: Construction Phase	—	—	6,240	0.6%	25,590	2.0%	—	—	11,502	4.9%
Sub-total	—	—	**102,730**	**10.0%**	**125,382**	**9.7%**	**7,927**	**5.9%**	**33,616**	**14.4%**
Operation and Maintenance										
O&M Standalone Projects	—	—	—	—	—	—	—	—	705	0.3%
BOT: Operational Phase	—	—	—	—	5,677	0.4%	—	—	1,928	0.8%
Sub-total	—	—	—	—	**5,677**	**0.4%**	—	—	**2,633**	**1.1%**
Total	**697,341**	**100.0%**	**1,024,808**	**100.0%**	**1,293,476**	**100.0%**	**135,374**	**100.0%**	**234,037**	**100.0%**

Please refer to the section entitled "Financial Information" for further details about our revenue from our projects, products and services.

During the Track Record Period, we derived most of our revenue from our EPC projects in the PRC and substantially all of our remaining revenue from the construction phase of our BOT projects and our equipment manufacturing business. As we only commenced commercial operation of one of our BOT facilities during the Track Record Period in the second half of 2009, we did not record any revenue from the operation of BOT projects during the years ended December 31, 2007 and 2008 and only recorded minimal revenue during the year ended December 31, 2009 and the three months ended March 31, 2010. We had commenced the operation of one of our O&M projects in Hainan as of March 31, 2010 and therefore recorded revenue of RMB0.7 million in that segment attributable to our O&M projects for the first quarter of 2010 and did not record any revenue in that segment attributable to our O&M projects for the three years ended December 31, 2009. We expect our revenue sources to continue to become more diversified starting in 2010. In addition to the revenue from our EPC projects in the PRC, we anticipate that a substantial proportion of our revenue may come from our EPC project in Saudi Arabia, O&M projects in Hainan, the construction and operational phases of our existing and new BOT projects and our equipment manufacturing business. We plan to further expand into new international markets for our EPC projects and undertake more BOT, O&M and other types of projects. We also plan to start a new line of business to manufacture reverse osmosis membranes, nanofiltration membranes and modules for use in water and wastewater treatment in the future.

The rapid expansion of our business will pose significantly different risks than those we were exposed to when we primarily undertook EPC projects in the PRC. There is no assurance that our experience of undertaking EPC projects in the PRC may be applied successfully to our international EPC projects, or to our BOT or O&M projects, or to any of the other businesses we are conducting or plan to enter into in the near future. These projects and businesses differ from our EPC projects in terms of their capital investment and operational requirements, risk profile and longer payback periods. We may not have the necessary experience, technology, capital or other resources to pursue these projects or businesses or to compete effectively with other solution providers or operators in these new markets. For example, our overseas projects may have unforeseen costs. Our historical results of operations, which mainly represent EPC projects in the PRC, thus are not indicative of our future performance. Nor do our historical results of operations indicate our performance in conducting the equipment and membrane manufacturing businesses. Furthermore, though most of our customers are government authorities or state-owned enterprises, we are still subject to credit risks arising from bad debts or delays in payment. Please refer to the section of this Listing Document headed "Risk Factors" for details about specific risks related to our business and expansion plans.

We set out below further details of our revenue recognition policies for our principal types of projects.

EPC Projects

Our revenue from turnkey projects and services comprises the revenue from standalone EPC projects and from the construction phase of our BOT projects. We recognize revenue from our EPC contracts on the basis of the percentage of completion, commencing when a legally binding contract is executed and when the total construction costs of the facilities under development can be reliably estimated. We send an invoice to a customer when a contractually stipulated milestone is reached and our assessment of the achievement of the milestone is agreed upon by the customer. We normally expect to receive the cash flow matching the recognized revenue within the credit period, which is based on the terms specified in the relevant contract, subject to subsequent review. Our revenue for our EPC contracts thus may fluctuate from period to period as the revenue in any period depends on the terms of the EPC projects under construction in the period, the stage of completion reached and the amount of revenue already recognized and the accuracy of our estimates. For further detail about our recognition of revenue from the construction phase of our BOT projects, please refer to the section headed "Summary — Revenue Analysis — BOT Projects — Construction phase" below.

The revenue from our EPC projects (excluding the engineering and construction work for our BOT projects) accounted for 100.0%, 84.1%, 79.2% and 83.4% of our total revenue for the years ended December 31, 2007, 2008 and 2009 and the three months ended March 31, 2010, respectively.

BOT Projects

We recognize revenue from a BOT project during both the construction phase and the operational phase, although we typically only receive payments from our customers during the operational phase. The revenue we expect to generate from a BOT project is estimated at the time the relevant contracts for the project are entered into. Our estimation of the expected revenue may change due to a number of factors and necessary adjustments may be made, which may affect our results in subsequent years.

Upon signing relevant agreements for a BOT project, we estimate the revenue and cost for both the construction phase and the operational phase based on our experience from comparable EPC projects and our knowledge about the operation of wastewater treatment facilities. We estimate the revenue from the construction phase and the operational phase at the same time.

In our statements of comprehensive income, we account for the revenue recognized from the construction phase of a BOT project in the same manner as we account for the revenue from an EPC project. We account for the revenue recognized from the operational phase of a BOT project in the same manner as we account for the revenue from an O&M project. The revenue recognized from the construction phase of a BOT project is also recognized as a service concession receivable to be offset against the allocated amount after receipt of cash tariff payments and other payments received related to the relevant project. BOT projects are not treated as a separate operating segment in terms of the accounting treatment of the related revenue.

The proportion of the total revenue from a project attributable to the construction phase may vary from project to project based on our management's estimate of the total revenue over the duration of the project and the allocation of future tariff payments between the operational phase revenue and the settlement against the service concession receivables based on the minimum guaranteed treatment volume of water or wastewater as set out in the relevant concession agreement. The percentage of total revenue from the project attributable to the construction revenue may increase or decrease during the concession period due to factors such as tariff adjustments and the volume of wastewater treated which would impact the amount of tariff income received and hence the respective percentage of contribution of the construction and operational phases to the total revenue derived from the project. Based on our existing BOT projects, the construction phase accounts for approximately 12% to 42% of our total revenue of the BOT projects, while the operational phase accounts for the remainder of the total revenue from these projects.

The cash tariff payments received during the operational phase of our BOT projects are allocated between the settlement of the service concession receivables and the revenue from the operational phase of the projects. The allocation of the future tariff payments to settle the service concession receivables is estimated at the time we estimate the revenue from the construction and operational phases. As a result, the revenue from the operational phase for a financial period is determined by, among other things, the amount of tariff payments received or receivable and the settlement amount of the service concession receivables for the financial period.

The following table sets forth the revenue from our BOT projects during the periods indicated:

BOT Revenue	Year ended December 31,						Three months ended March 31,			
	2007		2008		2009		2009		2010	
	Amount (RMB'000)	% of total Revenue	Amount (RMB'000)	% of total Revenue	Amount (RMB'000)	% of total Revenue	Amount (RMB'000) (unaudited)	% of total Revenue	Amount (RMB'000)	% of total Revenue
Construction Phase										
— revenue falling into the turnkey projects and services operating segment	—	—	60,153	5.9%	138,253	10.7%	23,172	17.1%	2,605	1.1%
— revenue falling into the equipment manufacturing operating segment	—	—	6,240	0.6%	25,590	2.0%	—	—	11,502	4.9%
Operational Phase										
— revenue falling into the operation and maintenance operating segment	—	—	—	—	5,677	0.4%	—	—	1,928	0.8%
Total	—	—	**66,393**	**6.5%**	**169,520**	**13.1%**	**23,172**	**17.1%**	**16,035**	**6.8%**

Construction phase

For the construction phase of our BOT projects, we estimate the construction revenue upon signing the relevant agreements for the project and we recognize revenue on the same percentage of completion basis as for our EPC projects for the purposes of our financial statements, in accordance with IFRS. Generally, we do not receive any payment from our customers during the construction phase of these projects. However, two of our BOT project companies, Shangluo Wastewater and Yulin Jingzhou, received government prepayments during the construction phase of their respective projects.

As we continue to undertake more BOT projects in the future, our cash flow requirements and funding needs will change significantly. We will rely increasingly on our internally generated and borrowed funds for the construction of these projects. More of our cash will be used as we recognize more BOT construction revenue. Generally, the matching cash inflow for our construction revenue from our BOT projects will only be received in the form of cash tariff payments during the concession periods of the relevant BOT projects, which can be up to 30 years. Based on our internal forecast, we expect that we need to operate the facilities for approximately ten years before we will be able to recover our initial investment in the projects. Please refer to the section headed "Risk Factors — BOT projects are capital intensive with long payback periods and we may require additional funding for these and our other investment projects" for more information.

We determine the revenue from and profit for the construction phase of a BOT project based on a number of factors, which involve estimations by our management, including:

- our estimate of the profit margin based on our experience from comparable EPC construction contracts;
- the technical requirements of the construction (e.g., quality of wastewater input and output specified in the relevant agreements);
- the total amount of investment stipulated in the concession agreement; and
- any extra work or variation orders requested by our customers during construction.

These estimations are determined by our management before the commencement of the BOT projects.

The amount of revenue recognized from the construction phase of a BOT project, together with any payments for land use rights and ancillary costs in connection with the construction phase of the BOT project, is accounted for as a service concession receivable to be settled during the term of the concession of the BOT project, which can be up to 30 years.

For the year ended December 31, 2007, we recognized no revenue in respect of the construction of our BOT projects as we commenced construction of our BOT projects in 2008. For the years ended December 31, 2008 and 2009 and the three months ended March 31, 2010, we recognized revenue of RMB66.4 million, RMB163.8 million and RMB14.1 million, respectively, from the construction phase of our BOT projects, which accounted for approximately 6.5%, 12.7% and 6.0% of our total revenue for the same periods, respectively. These amounts have also been recognized as service concession receivables in our consolidated statements of financial position, which are typically to be settled against the tariff and other payments received related to the relevant BOT projects. We expect our service concession receivables to increase materially in the future as we undertake an increasing number of BOT projects. Unlike trade receivables for our EPC projects, service concession receivables are settled during the concession period of the relevant BOT project, which can be up to 30 years. We are subject to the risk that these receivables may not be fully settled, which would cause an impairment of our financial assets and adversely affect our results of operations in the future. There is no assurance that we will receive the agreed tariff payments in full or on time during the concession periods. For the year ended December 31, 2009 and the three months ended March 31, 2010, we recognized revenue of RMB5.7 million and RMB1.9 million from the operational phase of our BOT projects, which amounts were recorded in our operation and maintenance operating segment. We received cash payments of RMB3.5 million after one of our BOT projects commenced operation in the second half of 2009 and received cash payments of RMB0.9 million from such BOT project for the first quarter of 2010. We did not receive any tariff in respect of the operation of our BOT projects in the years ended December 31, 2007 or 2008. Please refer to the sections headed "Risk Factors — We are exposed to the credit risk of and payment delays by our customers" and "Risk Factors — We typically only receive payment in connection with the revenue recognized from the construction of our BOT projects on receipt of cash tariff payments during the operational phase of these BOT projects and we may not have the cash inflow matching the revenue recognized during the construction phase" for more information.

Operational Phase

For the operational phase of our BOT projects we receive regular payments, usually monthly, from the relevant customer once the facility is operational based on the contractually agreed tariff and the volume of water treated, subject to guaranteed minimum payments stipulated in the relevant project agreements.

In addition to the above factors we usually consider in determining the revenue recognized for the construction phase of our BOT projects, we determine the revenue from and profit for the operational phase of our BOT projects on the basis of the following additional factors, which involve estimations by our management:

- the effective interest rate on service concession receivables, which is usually set between the treasury bond interest rate and the prevailing commercial interest rate in the PRC;
- the price, tariff adjustment and other material terms negotiated with our customers; and
- the cost of operations and average profit margin of operation and maintenance of comparable wastewater treatment facilities.

Operation and Maintenance

Our revenue recorded under the operation and maintenance segment comprises the revenue from standalone O&M projects and from the operational phase of our BOT projects. We recognize revenue when our services related to the operation and maintenance of the water or wastewater treatment facilities are provided. For our standalone O&M projects, under the terms of the relevant service agreements we are entitled to receive regular, usually monthly, payments from our customers on the basis of the agreed tariff rate and volume of water/wastewater we treated, subject to a minimum guaranteed volume stipulated in the relevant concession agreements. For the operational phase of our BOT projects, revenue is recognized and received in a manner similar to a standalone O&M project, except that the regular payments, usually monthly, received from a customer are allocated between the settlement of the service concession receivables and the revenue recognized for the O&M services under the BOT project.

CONDITIONS OF THE INTRODUCTION

The Introduction will be conditional upon the granting by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and any Shares which may be issued pursuant to the conversion of the Convertible Bonds or the exercise of the options which have been granted under the Existing Share Option Scheme or the options which may be granted under the Share Option Scheme, on the Main Board of the Stock Exchange.

DIVIDENDS AND DIVIDEND POLICY

We declared dividends of approximately S$8.6 million and S$10.3 million based on the distributable profits at the end of the relevant years in 2007 and 2008. We did not declare any dividends for the year ended December 31, 2009 or for the three months ended March 31, 2010. We paid dividends of S$8.6 million and S$10.3 million in 2008 and 2009, respectively (equivalent to RMB43.8 million and RMB47.4 million, respectively). We paid the declared amounts to our Shareholders using the net cash generated from our operating activities and did not obtain external funding for the distributions. There is no assurance, however, that dividends will be paid in the future or as to the timing of any dividends that will be paid in the future.

We currently do not have a formal dividend policy. The declaration and payment of future dividends will depend upon our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements (if any) and other factors deemed relevant by our Directors. Final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Directors. Our Directors may, without the approval of our Shareholders, also declare an interim dividend. We must pay all dividends out of profits.

Future dividend payments will also depend upon the availability of dividends received from our operating subsidiaries in the PRC. PRC law requires that dividends be paid only out of the after-tax profit calculated according to PRC accounting principles, which differ in certain respects from IFRS. PRC law also requires a foreign-invested enterprise to transfer at least 10% of its after-tax profit (after offsetting prior years' losses) to a statutory reserve until the reserve balance reaches 50% of the registered capital under relevant PRC laws. The transfer to our Company's reserve must be made before our Company may distribute dividends to its equity holders. Distributions from our PRC operating subsidiaries may also be restricted if our PRC operating subsidiaries incur losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our PRC operating subsidiaries may enter into in the future.

THE ISSUE OF THE CONVERTIBLE BONDS AND SHARE OPTIONS

On September 15, 2010, we issued an aggregate principal amount of RMB885 million US dollar settled convertible bonds, including an upsize option of RMB205 million US dollar settled convertible bonds. The Convertible Bonds bear interest at the rate of six per cent. per annum, payable semi-annually in arrear in March and September of each year. Our Convertible Bonds are convertible at the option of the bondholders, at any time, during the period beginning on and including the date which is the 40th day after the date of issue of our Convertible Bonds (the "**Bonds Issue Date**"), being October 25, 2010, until the close of business on the date which is 7th day prior to the date falling five years from the Bonds Issue Date (both days inclusive), unless previously redeemed or purchased and cancelled. The number of conversion Shares to be allotted and issued by our Company, pursuant to the full conversion of our Convertible Bonds (assuming no adjustment and conversion price resets, details of which are set out in Appendix VII to this Listing Document), is approximately 190,757,261 Shares (based on the initial conversion price of S$0.924 per Share (equivalent to approximately HK$5.31) (representing a 20 per cent. premium over the initial reference price, namely the closing price of the Shares quoted on the SGX-ST on August 19, 2010 of S$0.77) and assuming no further adjustments to the conversion price), representing approximately 14.79% of the existing issued Shares. The conversion Shares, when issued upon the conversion of our Convertible Bonds, will be fully paid and in all respects rank pari passu with the Shares in issue on the relevant registration date. Notwithstanding the conversion right of bondholders in respect of our Convertible Bonds, our Company has the option to pay to the relevant bondholders an amount of cash in US dollars to satisfy such conversion right in full or in part (in which case the other part shall be satisfied by the delivery of Shares).

As of the Latest Practicable Date, we have granted 64,500,000 options under our Existing Share Option Scheme. Such options, if exercised in full, represent approximately 5% of the existing issued share capital of our Company and 4.76% of the enlarged issued share capital of our Company after the issue of Shares upon the exercise of such options (without taking into account any Shares which may be allotted and issued upon exercise of the options which may be granted under the Share Option Scheme or upon conversion of the Convertible Bonds). As at the Latest Practicable Date, none of the options under the Existing Share Option Scheme had been exercised by the grantees. Details of the Existing Share Option Scheme are set out in Appendix VI to this Listing Document.

REASONS FOR THE DUAL LISTING AND THE INTRODUCTION

We were listed on the SGX-ST in October 2006. Whilst the Directors consider that it is important to maintain the Singapore listing, they consider that it would be desirable and beneficial for our Company to have a dual primary listing of the Shares in both Hong Kong and Singapore as the Directors believe that the stock markets in Hong Kong and Singapore attract different investors. The dual listing is likely to provide our Company ready access to two different equity markets if any opportunity arises. It may also increase the investor base of our Company. Further, listing on the Stock Exchange may enhance our Company's profile in Hong Kong and the PRC, facilitate investment by Hong Kong investors, enable our Company to gain access to Hong Kong's capital markets and benefit our Company by exposing us to a wide range of private and institutional investors. The Directors consider that this is important for our Group's potential future growth and long term development, since in particular, our Group's operations are principally located in the PRC. We had originally intended to achieve a listing on the Stock Exchange by way of global offering comprising the offer of Shares for subscription in Hong Kong and placing of Shares to professional investors. On June 22, 2010, we issued a prospectus in relation to the proposed dual listing of the Shares and the proposed global offering. On June 25, 2010, we announced that the global offering could not be completed at the time on acceptable terms and that we had therefore decided to postpone the global offering to a later date. Notwithstanding that the global offering did not proceed as originally planned, our Directors maintain their view as set out above that it is desirable and beneficial for our Company to have a dual primary listing of the Shares in both Singapore and Hong Kong. The Directors therefore decided to proceed with the application for listing on the Stock Exchange by way of Introduction, which is considered to provide our Company with similar benefits and the same access to the capital markets in Hong Kong.

RISK FACTORS

You should carefully consider the following risks before you make a decision to invest in our Shares. Please refer to the section headed "Risk Factors" in this Listing Document for further details.

Risks relating to our dual primary listing

- The Singapore stock market and the Hong Kong stock market have different characteristics and investors should not place undue reliance on the prior trading history of the Singapore Shares;
- As a company incorporated in Singapore and listed on the SGX-ST, we are concurrently subject to Singapore laws and regulations;
- There may be limited liquidity in the Shares and volatility in the price of the Shares on the Stock Exchange;
- The time lag for the Shares to be transferred between the Hong Kong and Singapore markets may be longer than expected, and Shareholders may not be able to settle or effect any sales of their Shares during this period; and
- The number of Shares available for future sale could adversely affect the market price of the Shares and the effectiveness of the bridging arrangements is subject to potential limitations.

Risks relating to our business

- Our business model has undergone significant changes during the Track Record Period and will continue to undergo changes in the future and our historical results of operations may not be indicative of our future performance;
- You should not rely on the EPC orders we have received in the past, which are typically non-recurring in nature, or the value of our order book in the past as an indication of our future growth or results of operations;
- We may not be able to secure new water and wastewater treatment projects or obtain new orders for our standard and customized products and equipment;
- Our customers may make claims against us and/or terminate our services in whole or in part prematurely should we breach the terms of our agreements with them or fail to implement projects which fully satisfy their requirements and expectations or should our customers take legal action against us for our historic failure to provide performance bonds;
- BOT projects are capital intensive with long payback periods and we may require additional funding for these and our other investment projects;

- Our indebtedness or an inability to borrow additional amounts or refinance our debt could adversely affect our results of operations and financial condition and prevent us from fulfilling our financial obligations and business objectives;
- If we are unable to comply with the covenants or restrictions contained in our bank loans or Convertible Bonds, amounts outstanding under these loans or bonds may be declared due and payable, which could materially adversely affect our business, financial condition and results of operations;
- We are exposed to the credit risk of and payment delays by our customers;
- We are exposed to risks associated with entering into contracts with PRC and foreign governmental and other public organizations, and our performance may be significantly affected by government spending on infrastructure and other projects;
- Failure to accurately estimate the overall risks or costs of our contracts may lead to cost overruns, lower profitability or even losses on such contracts;
- We are dependent on the performance of our sub-contractors;
- Our expansion into BOT, O&M and other new businesses may impose new challenges on us, and we may lack the necessary experience to deal with these new challenges;
- We may not be able to manage future rapid growth, which could put significant strain on our managerial, operational and financial resources;
- Our efforts to enter into new markets outside of the PRC may not be successful;
- We are exposed to risks associated with our EPC project in Saudi Arabia;
- We are subject to risks associated with technological changes;
- If we fail to obtain or maintain the permits, licenses and certificates required for our operations, our business, financial condition and results of operations may be materially and adversely affected;
- Inaccurate estimates in applying percentage-of-completion accounting may result in a reduction of previously reported profits and have a significant impact on our period-to-period results of operations;
- We typically only receive payment in connection with the revenue recognized from the construction of our BOT projects on receipt of cash tariff payments during the operational phase of these BOT projects and we may not have the cash inflow matching the revenue recognized during the construction phase;
- Failure to achieve the projected utilization of the facilities we operate may adversely affect our earnings;
- The results of our operations are subject to seasonality;
- Adjustments to tariffs for our BOT and O&M projects are subject to regulatory approvals and any failure to obtain approval for tariff increases or any reduction of tariffs by the PRC Government may significantly impact our profits;

- If we default on any of the obligations contained in the agreements for any of our BOT or O&M projects, the relevant concession agreement may be terminated;
- Our inability to maintain our competitiveness would adversely affect our financial performance;
- Our non-compliance with certain social insurance and housing provident fund contribution regulations in the PRC could lead to the imposition of fines or penalties;
- We are dependent on our key management team and technical personnel;
- We may fail to integrate future acquired businesses successfully into our existing operations;
- The preferential tax treatment we currently enjoy may be changed or discontinued;
- Our use of the "Sound" and "桑德" trademarks is subject to the license agreement with Beijing Sound Enviro and such trademarks may be adversely affected by their use by the BSE Group;
- Fluctuation in the value of the RMB and foreign currencies we use in our business may have a material adverse effect on our business, financial condition and results of operations;
- We may be unable to adequately safeguard our intellectual property or face claims that may be costly to resolve or limit our ability to use such intellectual property in the future;
- Any material dispute with or default of Beijing Hi-Standard Equipment Company may materially adversely affect our results of operations;
- Our insurance coverage does not cover the risks related to our business and operations;
- The termination of our shareholders agreement with IFC does not include a waiver of our potential antecedent breaches of such agreement;
- Our historical dividends do not indicate our future dividend policy; and
- Natural disasters, epidemics, acts of war or terrorism, inclement weather or other factors beyond our control may cause damage, loss or disruption to our business.

Risks relating to the water and wastewater treatment industry

- We are subject to a wide variety of environmental regulations, and any failure to comply with these regulations or to control the associated costs could harm our business; and
- Environmental risks may adversely affect our business, profitability or financial condition.

Risks relating to conducting business in the PRC

- We are dependent on the state of the PRC economy as our business is primarily conducted in the PRC;

- The Chinese legal system has inherent uncertainties that could negatively impact our business;
- Changes in the PRC Governmental rules and regulations will have a significant impact on our business;
- The PRC's foreign exchange control may significantly limit our ability to utilize our revenue to pay our expenses and conduct our business and affect our ability to receive dividends and other payments from Beijing Sound and Beijing Epure and our other PRC subsidiaries;
- Our PRC subsidiaries are subject to restrictions on the payment of dividends to us under PRC law, which can negatively affect our ability to pay our expenses and other liabilities and conduct our business, and the tax exemptions on dividends received by our Company and our Shareholders may be affected by the newly enacted Enterprise Income Tax Law;
- Dividends payable by us to our investors and gains on the sale of our Shares may become subject to withholding taxes under PRC tax laws;
- PRC regulation of direct investment and loans by offshore holdings companies to PRC entities may delay or limit us from using the proceeds of the issue of the Convertible Bonds or offshore loans to make additional contributions or loans to our PRC subsidiaries;
- It may be difficult to effect service of process upon us or our Directors who live in the PRC or to enforce against us or them judgments obtained from non-PRC courts; and
- The enforcement of the Labor Contract Law and other labor-related regulations in the PRC may adversely affect our business and our results of operations.

Risks relating to regulation in Singapore

- Certain provisions of the Singapore Code could have the effect of discouraging, delaying or preventing a merger or acquisition.

Risks relating to our Shares

- Our Share price and trading volume may be volatile in the future which could result in substantial losses for investors;
- Future sale or issuance of a substantial amount of Shares in the public market could materially and adversely affect the prevailing market price of our Shares;
- The costs of share options which may be granted under the Share Option Scheme will adversely affect our earnings and any exercise of the options granted under the Existing Share Option Scheme or options which may be granted under the Share Option Scheme and any conversion of our Convertible Bonds may result in dilution to our Shareholders;
- Our existing Controlling Shareholders' control can significantly influence the outcome of corporate actions and we have entered into a number of contracts with our Controlling Shareholders and their associates;

- Investors may face difficulties in protecting their interests because we are incorporated under Singapore laws, which may provide different remedies to minority shareholders when compared with the laws of Hong Kong and other jurisdictions; and

- Investors should not place undue reliance on industry and market information, forecasts and statistics derived from the Ernst & Young report or official government publications contained in this Listing Document.

TRANSFER OF SHARES BETWEEN THE SINGAPORE PRINCIPAL SHARE REGISTER AND THE HONG KONG BRANCH SHARE REGISTER

Transfer from Singapore Principal Share Register to Hong Kong Branch Share Register

If an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the Stock Exchange, he must effect a removal of Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register.

A removal of the Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register involves the following procedures:

1. If the investor's Shares have been deposited with CDP, the investor must first withdraw his Shares from CDP by submitting (i) Withdrawal Request Form (CDP Form 3.1 — available from CDP), (ii) transfer form, (iii) Certificate of Stamp Duty and (iv) a bank draft for the amount as prescribed by CDP from time to time, to CDP.

2. The investor shall complete a removal request form (in duplicate) obtained from the Singapore Principal Registrar and submit the removal request form (in duplicate) together with bank drafts for the amounts as prescribed by the Singapore Principal Registrar and the Hong Kong Branch Registrar from time to time to the Singapore Principal Registrar.

3. CDP will then send the duly completed transfer form, Certificate of Stamp Duty and the relevant share certificate(s) registered under the name of CDP to the Singapore Principal Registrar directly.

4. Upon receipt of the documents referred to above and the relevant payment, the Singapore Principal Registrar shall take all actions necessary to effect the transfer and removal of Shares from the Singapore Principal Share Register. On completion, the Singapore Principal Registrar shall then notify the Hong Kong Branch Registrar of the removal whereupon the Hong Kong Branch Registrar shall update the Hong Kong Branch Share Register and issue share certificate(s) in the name of the investor and send such share certificate(s) to the address specified by the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the removal request form.

5. If the investor's Shares upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit the Shares into CCASS for credit to his CCASS Investor Participant stock account or his designated CCASS Participant's stock account. For deposit of Shares to CCASS or to effect sale of Shares in Hong Kong, the investor

should execute a transfer form which is in use in Hong Kong and which can be obtained from the offices of the Hong Kong Branch Registrar or the Singapore Principal Registrar and deliver it together with his share certificate(s) issued by the Hong Kong Branch Registrar to HKSCC directly if he intends to deposit the Shares into CCASS for credit to his CCASS investor participant stock account or via a CCASS Participant if he wants the Shares to be credited to his designated CCASS Participant's stock account.

Note: Under normal circumstances, steps (1) to (4) generally require 14 business days to complete. Generally, expedited removal services at a turnaround time of up to 10 business days are available at an investors' request but will be subject to the discretion of the Hong Kong Branch Registrar and will not be available during peak operation seasons of the Hong Kong Branch Registrar.

Transfer from Hong Kong Branch Share Register to Singapore Principal Share Register

If an investor whose Shares are traded on the Stock Exchange wishes to trade his Shares on the SGX-ST, he must effect a removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register. Such removal and deposit of the Shares would involve the following procedures:

1. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS Investor Participant stock account with CCASS or from the stock account of his designated CCASS Participant.

2. If the investor's Shares are registered in the investor's own name, the investor shall complete the Combined Share Removal and Transfer Form and Delivery Instruction Form (the "Removal Request Form") (in duplicate) available from the Hong Kong Branch Registrar and submit the same together with the share certificate(s) in his name, bank drafts for the amounts as prescribed by the Hong Kong Branch Registrar and the Singapore Principal Registrar from time to time and a bank draft for the amount of deposit fee (where applicable) as prescribed by CDP from time to time, to the Hong Kong Branch Registrar. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS Investor Participant stock account with CCASS or from the stock account of his designated CCASS Participant and also submit the relevant share transfer form(s) duly stamped and executed by HKSCC Nominees Limited and the investor, the relevant share certificate(s) and a duly completed Removal Request Form to the Hong Kong Branch Registrar.

3. Upon receipt of the Removal Request Form (in duplicate), the relevant share certificate(s) and where appropriate, the completed share transfer form(s) duly stamped and executed by HKSCC Nominees Limited and the investor, the Hong Kong Branch Registrar shall take all actions necessary to effect the transfer and the removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register.

4. The Hong Kong Branch Registrar shall then notify the Singapore Principal Registrar of the removal whereupon the Singapore Principal Registrar shall update the Singapore Principal Share Register. Upon completion, the Singapore Principal Registrar shall issue the relevant share certificate(s) in the name of the investor or CDP (as the case may be) for onward transmission to the investor or CDP (as the case may be).

5. In accordance with the delivery instruction set out in the Removal Request Form duly completed and signed by the investor, the Singapore Principal Registrar will arrange with CDP to credit the Shares into the investor's securities account with CDP or sub-account with a CDP depository agent. The investor must ensure that he has a securities account in his own name or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the Removal Request Form.

Note: Under normal circumstances, steps (2) to (4) generally require 15 business days to complete. Generally, expedited removal services at a turnaround time of up to 10 business days are available at an investors' request but will be subject to the discretion of the Hong Kong Branch Registrar and will not be available during peak operation seasons of the Hong Kong Branch Registrar.

For those Shares which are registered on the Hong Kong Branch Share Register, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Shares which are registered on the Singapore Principal Share Register, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register and any removal from the Singapore Principal Share Register to the Hong Kong Branch Share Register shall be borne by the Shareholder requesting the removal. In particular, Shareholders should note that the Hong Kong Branch Registrar will charge HK$300 for each removal of Shares, HK$20 for postage (if required) and a fee of HK$2.5 for each Share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. In addition, the Singapore Principal Registrar will charge S$30 (plus applicable taxes) for each removal of Shares, a fee of S$2 (plus applicable taxes) for each Share certificate issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. CDP will charge S$10 (plus applicable taxes) for the deposit fee (where applicable) and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. The fees charged by the Singapore Principal Registrar and CDP are subject to Singapore goods and services tax (currently at 7%).

BRIDGING ARRANGEMENTS

In connection with the Introduction, the Bridging Dealer has been appointed to implement the bridging arrangements described in the section headed "Listings, Registration, Dealings and Settlement — Bridging Arrangements" in this Listing Document. The bridging arrangements are intended to facilitate the migration of Shares to the Hong Kong Branch Share Register from the Singapore Principal Share Register in order for an open market in Shares to develop in Hong Kong following the Introduction.

In connection with the bridging arrangements, the Bridging Dealer entered into: (i) a Share Sale and Purchase Agreement with Sound Water (as vendor) under which the Bridging Dealer will purchase from Sound Water approximately 0.85% of the Shares in issue; (ii) a Share Option Agreement with Sound Water under which the Bridging Dealer shall sell back to Sound Water the same number of

Shares purchased under the Share Sale and Purchase Agreement at the same price as such Shares were purchased; and (iii) a Share Borrowing and Lending Agreement with Sound Water under which Sound Water will make available to the Bridging Dealer Share lending facilities of an aggregate of up to 7.5% of the Shares in issue for settlement in connection with the arbitrage trades carried out by the Bridging Dealer in Hong Kong.

Prospective investors should refer to the section headed "Listings, Registration, Dealings and Settlement — Bridging Arrangements" of this Listing Document for further details.

HISTORICAL TRADING INFORMATION ON THE SGX-ST

Please refer to the section headed "Share Capital" in this Listing Document for the historical trading information of the Shares on the SGX-ST.

RELATIONSHIPS WITH SPONSOR

Affiliates of the Sponsor have business relationships with our Company and/or our Controlling Shareholders in connection with Mr. Wen's private investments and the issue of the Convertible Bonds. In addition, the Sponsor and/or its affiliates have been requested to assist in facilitating an orderly market in our Shares following the Listing by acting as the bridging dealer in connection with the liquidity arrangements. Details of these relationships are set out in the paragraph headed "Other Information — 17. Sponsor" in Appendix VI to this Listing Document.

Notwithstanding the aforementioned business relationships of the Sponsor and its affiliates with our Company and/or our Controlling Shareholders, the Sponsor is and expects to continue to be independent from our Company for the purposes of Rule 3A.07 of the Listing Rules.