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SOUND GLOBAL LTD.

桑德國際有限公司*

(incorporated in Singapore with limited liability)

(Company Registration No. 200515422C)

(Hong Kong Stock Code: 967)

(Singapore Stock Code: E6E.SI)

ISSUE OF US\$150,000,000 11.875% SENIOR NOTES DUE 2017

Reference is made to the announcement of the Company dated 20 July 2012 in respect of the proposed issue of senior notes. Unless otherwise defined, terms used herein shall have the same meanings ascribed to them in such announcement.

On 6 August 2012, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with HSBC and Deutsche Bank in connection with the issuance and sale of US\$150 million aggregate principal amount of 11.875% senior notes due 2017.

The estimated net proceeds of the Notes, after deduction of the estimated expenses, will be approximately US\$146.4 million, and the Company intends to use the proceeds of the Notes to invest in prospective BOT projects, refinance the 2010 Convertible Bonds and repay the term loan facility with Wing Lung Bank Limited and for working capital and other general and corporate purposes. The Company may adjust the expected use of proceeds in response to changing market conditions.

The Notes are expected to be listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on or about 13 August 2012.

THE PURCHASE AGREEMENT

Date: 6 August 2012

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors;

(c) HSBC; and

(d) Deutsche Bank.

HSBC and Deutsche Bank are joint lead managers and joint bookrunners in respect of the offer and sale of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of HSBC and Deutsche Bank is an independent third party and not a connected person of the Company.

The Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered within the United States. Accordingly, the Notes are being offered and sold only outside the United States to non-U.S. persons (as defined in Regulation S under the Securities Act) in compliance with Regulation S under the Securities Act and in accordance with any other applicable securities laws. None of the Notes will be offered to the public in Hong Kong or Singapore.

Principal Terms of the Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$150 million. The Notes will mature on 10 August 2017, unless earlier redeemed in accordance with the terms thereof.

Issue Price

The subscription price of the Notes will be 99.54% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 11.875% per annum, payable semi-annually in arrears on 10 February and 10 August of each year, commencing on 10 February 2013.

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations under the terms of the Indenture; (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors; and (6) effectively subordinated to all existing secured obligations of the Company, to the extent of the value of the assets securing such obligations (other than the Collateral).

Events of Default

The events of default under the Notes include, among others: (a) default in the payment of principal; (b) default in the payment of interest; (c) default in the performance or breach of certain covenants under the Indenture for the Notes or the Notes; (d) default by the Company or certain of its subsidiaries in the performance or breach of the provisions of certain other covenants under

the Indenture for the Notes or the Notes; (e) default or failure to make a principal payment when due by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$10 million; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged; (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action; (i) any Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee securing the obligations of the Notes or except as permitted by the indentures for the Notes, any such Subsidiary Guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect; (j) default by the Company or the Subsidiary Guarantor Pledgors in the performance of their obligations under the security documents, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral created under the Notes or which adversely affects the condition or value of such collateral; or (k) the Company or any Subsidiary Guarantor Pledgors denying or disaffirming their obligations under the security documents, other than in accordance with the indentures for the Notes and the relevant security documents provided under the Notes, any such relevant security documents ceasing to be or is not in full force and effect, or the collateral agent, ceasing to have a security interest in the collateral given under the Notes. If an event of default (other than an event of default specified in (g) and (h) above) occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of outstanding Notes may, and the trustee at the written direction of such holders shall, subject to being indemnified and/or secured by such holders, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable or instruct the collateral agent to foreclose the security.

Certain Covenants

The Notes, the Indenture and the guarantees provided by the Subsidiary Guarantors will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) engage in any business other than permitted business;
- (j) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;

- (k) enter into transactions with shareholders or affiliates; and
- (l) effect a consolidation or merger.

Redemption

On or after 10 August 2015, the Company may on any one or more occasions redeem all or any part of the Notes, at the redemption prices (expressed as percentages of principal amount) set forth therein, plus accrued and unpaid interest, if any, to the applicable date of redemption.

At any time on or prior to 10 August 2015, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of redemption.

At any time and from time to time prior to 10 August 2015, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 111.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the issue date of the Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Reasons for the Notes Issue

The Group is a leading one-stop integrated water and wastewater treatment solutions provider in the PRC. 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. We were named as one of the 2009 Forbes China Potential Companies by Forbes Asia Enterprise. We were awarded "Outstanding Corporate in Environmental Protection" by the China Environmental Protection Industry Association in 2010 and we were also named as one of the "Deloitte Top 20 Clean-tech Companies in China" in 2011.

The estimated net proceeds of the Notes, after deduction of the estimated expenses, will be approximately US\$146.4 million, which the Company intends to use to invest in prospective BOT projects, refinance the 2010 Convertible Bonds and repay the term loan facility with Wing Lung Bank Limited and for working capital and other general and corporate purposes. The Company may adjust the expected use of proceeds in response to changing market conditions.

Listing

The Notes are expected to be listed on the Hong Kong Stock Exchange on or about 13 August 2012. The Hong Kong Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission of the Notes to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“2010 Convertible Bonds”	means U.S. dollar settled 6% convertible bonds due 2015 in the aggregate principal amount of RMB885.0 million issued in September 2010 and convertible into fully paid-up new ordinary shares of the company;
“Board”	the board of Directors;
“Collateral”	all collateral securing, or purported to be securing, directly or indirectly, the Notes or any subsidiary guarantee pursuant to the security documents, and shall initially consist of the capital stock of the initial Subsidiary Guarantors;
“Company”	Sound Global Ltd., a company incorporated in Singapore with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange and the main board of the SGX-ST;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch;
“Directors”	the directors of the Company;
“Group”	Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited;
“Indenture”	the agreement between the Company, the Subsidiary Guarantors and The Hongkong and Shanghai Banking Corporation Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date;
“Notes”	the 11.875% senior Notes due 2017 in the aggregate principal amount of US\$150 million to be issued by the Company;
“PRC”	the People’s Republic of China, excluding the Hong Kong and Macau Special Administrative Regions and Taiwan for the purposes of this announcement;
“Securities Act”	the United States Securities Act of 1933, as amended;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company’s obligations under the Notes;
“Subsidiary Guarantor Pledgors”	the initial Subsidiary Guarantor and any other Subsidiary Guarantor that pledge Collateral to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its subsidiary guarantee; and
“we” or “our”	the Company and/or its subsidiaries and affiliates (as the context may require).

By Order of the Board
Wen Yibo
Chairman

Hong Kong, 7 August 2012

As of the date of this announcement, the executive Directors are Wen Yibo, Wang Kai, Luo Liyang and Jiang Anping; and the independent non-executive Directors are Fu Tao, Seow Han Chiang Winston and Wong See Meng.

* *For identification purposes only*