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SOUND GLOBAL LTD.

桑德國際有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 967)

(Singapore Stock Code: E6E.SI)

CONTINUING CONNECTED TRANSACTION

On 26 April 2013, the Company and SGL entered into the New Framework Agreement of a term commencing from 26 April 2013 to 31 December 2015 for the provision of the Relevant Services to SGL Group by the Group.

SGL is directly and indirectly controlled by Mr. Wen and his spouse, Ms. Zhang Huiming. In this regard, each of SGL and its subsidiaries is a connected person of the Group under Rule 14A.11 of the Listing Rules. The provision of the Relevant Services under the New Framework Agreement constitutes continuing connected transaction of the Company under the Listing Rules.

As the percentage ratios in respect of the transactions contemplated under the New Framework Agreement are, more than 0.1% but less than 5% on an annual basis, such transactions are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirements under the Listing Rules.

INTRODUCTION

Reference is made to the Prospectus where the Company disclosed in the section headed "Connected Transactions" that, among other things, Beijing Sound (a wholly-owned subsidiary of the Company) and SGL entered into an EPC Framework Agreement on 18 June 2010 for the provision of EPC services and sales of goods by the Group to SGL Group. The EPC Framework Agreement expired on 31 December 2012.

SGL Group is involved in the investment and operations of environmental protection projects, including wastewater treatment plants and supply of water. In this regard, SGL would like to procure further EPC services and other Relevant Services from the Group.

NEW FRAMEWORK AGREEMENT

The Board announces that on 26 April 2013, the Company and SGL entered into the New Framework Agreement for a term commencing from 26 April 2013 to 31 December 2015.

The principal terms of the New Framework Agreement are as follows:

<i>Date</i>	26 April 2013
<i>Parties</i>	(1) the Company, and (2) SGL
<i>Subject Matter</i>	Under the New Framework Agreement, the Company agrees to bid via public tender or other internal procedure of SGL to provide EPC services and other Relevant Services to SGL and its subsidiaries (including but not limited to Sound Environmental Resources).
<i>Duration</i>	a term commencing from 26 April 2013 to 31 December 2015.
<i>Price</i>	The pricing for services rendered under the New Framework Agreement shall be set in accordance with the regulations of the PRC Government or the relevant authorities; or if no such price is set by the PRC Government or the relevant authorities, the prevailing market rate, which shall be determined on normal commercial terms.

Separate service agreement for every project requiring the Relevant Services will be entered into by the parties in line with the principals set out in the New Framework Agreement.

Prior to entering into any proposed service agreement with SGL Group, the terms of such agreement will be reviewed by the audit committee of our Board following review procedures established by the Group to ensure that any provision of EPC services and other Relevant Services to SGL Group are conducted on normal commercial terms, that is, the transactions are transacted on terms and at prices not more favorable to the relevant member of the SGL Group than if they were transacted with an independent third party and that the Group has not been disadvantaged in any other way.

ANNUAL CAP

Under the EPC Framework Agreement, the maximum aggregate annual amounts of new contracts entered into in relation to the provision of EPC services and sales of goods for each of the three years ended 31 December 2010, 2011 and 2012 must not exceed RMB100 million. The contract amounts of EPC services and sales of goods contracts entered into under the EPC Framework Agreement for the three years ended 31 December 2010, 2011 and 2012 were approximately RMB3.0 million, RMB48.2 million and RMB15.5 million respectively.

The annual caps for transactions contemplated under the New Framework Agreement for each of the three years ending 31 December 2013, 2014 and 2015 is RMB130 million.

The proposed annual caps are determined with reference to (a) the historical amounts for the provision of EPC services and sales of goods under the EPC Framework Agreement for the three years ended 31 December 2010, 2011 and 2012; (b) the prevailing market prices for the Relevant Services; and (c) the estimated contract amounts of the Relevant Services required for the projects invested by SGL Group for the three years ending 31 December 2013, 2014 and 2015 under the New Framework Agreement.

REASONS AND BENEFITS OF THE NEW FRAMEWORK AGREEMENT

Our Board considers that the New Framework Agreement gives the Group the flexibility to bid to provide the Relevant Services in respect of the projects invested by the SGL Group in the ordinary course of the Group's business. It will prevent the Group from being unduly restricted in the number of water and wastewater treatment projects to undertake, and thereby allow the Group to explore all potential business opportunities. Should such projects be undertaken, the Group would be provided with an additional revenue source in addition to projects undertaken with independent third parties.

By entering into the New Framework Agreement, which eliminates the need for the Company to announce on each occasion for the Group to provide the Relevant Services to SGL Group, it will also enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, SGL is held by Beijing Sanghua (62.5%), Mr. Wen (36.25%) and an independent third party (1.25%). Beijing Sanghua is in turn owned by Mr. Wen (22.2%) and his spouse, Ms. Zhang Huiming (77.8%). In this regard, each of SGL and its subsidiaries is a connected person of the Group under Rule 14A.11 of the Listing Rules. The provision of the Relevant Services under the New Framework Agreement constitutes continuing connected transaction of the Company under the Listing Rules.

Save for Mr. Wen, our Chairman and an executive Director, none of the Directors has any material interest, direct or indirect, in the transactions contemplated under the New Framework Agreement and therefore none of the Directors except for Mr. Wen was required to abstain from voting on the resolution of the Board to approve the New Framework Agreement.

INFORMATION OF THE PARTIES

The Group is engaged in the environmental construction relating to water treatment, provision of technology consultancy services, sale of equipments, management and operations of wastewater treatment projects and supply of water.

SGL Group is involved in the investment and operations of environmental protection projects, including wastewater treatment plants and supply of water.

VIEW OF THE DIRECTORS ON THE CONTINUING CONNECTED TRANSACTION

The Board (including the independent non-executive Directors) considers that the transactions under the New Framework Agreement are entered into in the usual and ordinary course of business of the Group and conducted on an arm's length basis and on normal commercial terms. Accordingly, the Board (including the independent non-executive Directors) considers that the terms of the New Framework Agreement are fair and reasonable and the entering into of the said agreement is in the interests of the Company and its shareholders as a whole.

DEFINITIONS

“associate”	has the meaning ascribed to it in the Listing Rules
“Beijing Sanghua”	Beijing Sanghua Environmental Technology Development Co., Ltd.* (北京桑華環境技術開發有限公司), a company incorporated in the PRC which is owned by Mr. Wen and his spouse, Ms. Zhang Huiming as to 22.2% and 77.8% respectively
“Beijing Sound”	Beijing Sound Environmental Engineering Co., Ltd.* (北京桑德環境工程有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

“Board”	the board of Directors of the Company
“Company”	Sound Global Ltd., a company incorporated with limited liability as a private company under the laws of Singapore on 7 November 2005 and subsequently converted into a public company on 28 August 2006, the shares of which are listed on the Main Board of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction, a project format in which an enterprise is commissioned by a customer to design, procure and construct water or wastewater treatment facilities pursuant to the contract and be responsible for the quality, safety, timely delivery and cost of the project
“EPC Framework Agreement”	the EPC services framework agreement dated 18 June 2010 entered into between Beijing Sound and SGL in relation to the provision of EPC services and sales of goods by the Group to SGL Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wen”	Mr. Wen Yibo, an executive Director and Chairman of the Company
“New Framework Agreement”	the framework agreement dated 26 April 2013 entered into by the Company and SGL in relation to the provision of equipment procurement, testing and technical support services, EPC services and project management services

“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 24 September 2010
“Relevant Services”	equipment procurement, testing and technical support services, EPC services and project management services specified under the New Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SGL”	Sound Group Limited* (桑德集團有限公司), a company incorporated in the PRC which is 62.5% owned by Beijing Sanghua, 36.25% owned by Mr. Wen, and 1.25% owned by an independent third party
“SGL Group”	SGL and its subsidiaries, including but not limited to Sound Environmental Resources
“Sound Environmental Resources”	Sound Environmental Resources Co. Ltd.* (桑德環境資源股份有限公司), a company incorporated in the PRC and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000826) and which is 44.98% owned by SGL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Sound Global Ltd.
Wen Yibo
Chairman

Hong Kong, 26 April 2013

As of the date of this announcement, the executive Directors are Wen Yibo, Zhang Jingzhi, 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*