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SOUND GLOBAL LTD.

桑德國際有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Singapore Company Registration Number 200515422C)

(Hong Kong Stock Code: 00967)

- (1) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE MONTHLY UPDATE ON THE POSSIBLE PROPOSAL;**
- (2) FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019;**
- (3) FURTHER DELAY IN PUBLICATION OF INTERIM RESULTS AND DESPATCH OF THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2020; AND**
- (4) UPDATE ON SUSPENSION OF TRADING**

This announcement is made by Sound Global Ltd. (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the Company’s announcements dated 13 April 2016, 29 April 2016, 31 August 2016, 2 June 2017, 19 June 2017, 28 June 2017, 24 July 2017, 8 August 2017, 13 September 2017, 26 September 2017, 16 October 2017, 6 November 2017, 17 November 2017, 27 December 2017, 26 January 2018, 1 February 2018, 28 February 2018, 1 March 2018, 2 March 2018, 9 April 2018, 7 May 2018, 6 June 2018, 4 July 2018, 1 August 2018, 3 August 2018, 3 September 2018, 4 October 2018, 5 November 2018, 30 November 2018, 31 December 2018, 31 January 2019, 28 February 2019, 1 April 2019, 2 May 2019, 5 June 2019, 3 July 2019, 1 August 2019, 29 August 2019, 3 September 2019, 12 September 2019, 4 October 2019, 1 November 2019, 2 December 2019, 2 January 2020, 3 February 2020, 26 February 2020, 2 March 2020, 1 April 2020, 17 April 2020, 29 April 2020, 5 May 2020, 3 June 2020, 3 July 2020, 3 August 2020, 3 September 2020, 5 October 2020, 4 November 2020, 2 December 2020 and 5 January 2021 (the “**Announcements**”). Unless otherwise specified, capitalised terms used in the Announcements shall have the same meanings when used herein.

STATUS OF THE POSSIBLE PROPOSAL

Based on the understanding of the Company from the Potential Offeror, the terms of the possible offer under the Possible Proposal would be decided based on the financial position of the Group reported in 2018 Annual Results.

The Potential Offeror is still considering the Group's financial position reported in 2018 Annual Results and pending the production of valuation report by an independent professional valuer for assessment of the cancellation price.

As of the date of this announcement, no proposal has been submitted to the Executive (as defined under the Takeovers Code).

For the avoidance of doubt, the above shall not be considered an offer or a firm intention to make an offer within the meaning of the Takeovers Code.

Further announcement(s) will be made by the Company in accordance with the Listing Rules and/or the Takeovers Code (as the case may be) on the status and progress in connection with the Possible Proposal as and when appropriate.

UPDATE ON BUSINESS OPERATIONS AND DEVELOPMENT

The Company would like to inform its Shareholders that, notwithstanding trading in the shares of the Company on the Stock Exchange is suspended, the business of the Group is being operated normally.

Based on the operational information gathered by the Company, as of 31 December 2020, the Company had around 144 on-going supply-water and wastewater treatment projects with the total designed processing capacity of approximately 4.0 million cubic meters per day. Among these on-going projects, around 94 of them, with the designed processing capacity of around 3.0 million cubic meters per day, were in operation.

As one of the leading water and wastewater treatment solutions providers in the People's Republic of China, the Company will continue to leverage its advantages and overcome the difficulties it may face in its operation.

The information cited hereinabove in this announcement is only based on the preliminary review and assessment of the Company's management according to the information currently available which has not been confirmed or reviewed by the auditors of the Company. The Company will keep the Shareholders informed by way of further announcement(s) as and when appropriate.

REGULATORY CONCERNS OF THE SFC

On 13 April 2016, trading in the Shares was suspended under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong). The reason is that the SFC has found that the bank balances of five bank accounts of the subsidiaries of the Company as at 31 December 2012 and 31 December 2013 were materially overstated by around RMB2.1 billion and RMB2.7 billion, respectively. As at the date of this announcement, the SFC has not received from the Company any submission or representation which can satisfactorily explain such material discrepancies in its bank balances.

The Company is still in discussion with the SFC and no agreement has been made. Further announcement will be made by the Company as and when appropriate.

ANNOUNCEMENT OF 2018 INTERIM RESULTS, 2018 ANNUAL RESULTS AND 2019 INTERIM RESULTS

The 2018 Interim Results and the 2018 Annual Results were announced on 21 May 2019. The 2019 Interim Results was announced on 29 April 2020.

The Company will publish further announcements to update the Shareholders of the dates of the publication and despatch of the 2018 Interim Report, 2018 Annual Report and 2019 Interim Report as and when appropriate.

FURTHER DELAY IN (1) PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 AND (2) PUBLICATION OF INTERIM RESULTS AND DESPATCH OF THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2020

Pursuant to Rule 13.49(1) and Rule 13.46(2)(a) of the Listing Rules, the Company is required to publish the announcement in respect of its annual financial results for the year ended 31 December 2019 (the “**2019 Annual Results**”) not later than three months after the end of the relevant financial period, i.e. on or before 31 March 2020, and to despatch its annual report for the year ended 31 December 2019 (the “**2019 Annual Report**”) to the shareholders of the Company (the “**Shareholders**”) not later than four months after the end of the relevant financial period, i.e. on or before 30 April 2020.

Pursuant to Rule 13.48(1) and Rule 13.49(6) of the Listing Rules, the Company is required to publish the announcement in respect of its interim financial results for the six months ended 30 June 2020 (the “**2020 Interim Results**”) not later than two months after the end of the relevant financial period, i.e. on or before 30 August 2020, and to despatch its interim report for the six months ended 30 June 2020 (the “**2020 Interim Report**”) to the Shareholders not later than three months after the end of the relevant financial period, i.e. on or before 30 September 2020.

The Company is in the process of preparing the 2019 Annual Results and the 2020 Interim Results for the Company and its subsidiaries. Based on the current progress of works, it is estimated that the 2019 Annual Results and the 2019 Annual Report will be available for publication by end of March 2021, while the 2020 Interim Results and the 2020 Interim Report will be available for publication by end of June 2021. The Company will make further announcement(s) to update Shareholders of any changes to the proposed publication date or any update information as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9 a.m. on 13 April 2016 and will remain suspended until further notice.

UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Proposal which may result in the privatisation and delisting of the Company from the Stock Exchange will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Proposal. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: The discussions in relation to the Possible Proposal are yet to be finalised. There is no assurance that the possible transactions mentioned in this announcement will materialise or eventually be consummated, and the discussion in relation to the Possible Proposal may or may not result in the privatisation and delisting of the Company from the Stock Exchange, and shall not be construed as a firm intention to make an offer under Rule 3.5 of the Takeovers Code. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Company will keep the Shareholders and potential investors informed of any material development in connection with the above matters by way of periodic announcements and/or further announcement(s) as and when appropriate.

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

Hong Kong, 29 January 2021

As at the date of this announcement, the executive Directors are Wen Yibo, Luo Liyang, Li Sai, Li Tingting and Li Feng; and the independent non-executive Directors are Ma Yuanju, Zhang Shuting and Luo Jianhua.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*