

香港交易及結算所有限公司、香港聯合交易所有限公司（「聯交所」）及香港中央結算有限公司（「香港結算」）對本公佈的內容概不負責，對其準確性或完整性亦不發表任何聲明，並表明概不會就本公佈全部或任何部分內容而產生或因依賴該等內容而引致的任何損失承擔任何責任。



SOUND GLOBAL LTD.

桑德國際有限公司*

(於新加坡註冊成立的有限公司)

股份代號：967

海外監管公佈

本海外監管公佈轉載自桑德國際有限公司（「本公司」）。根據香港聯合交易所有限公司（「聯交所」）證券上市規則第13.09(2)條，上市發行人須確保若上市發行人的證券同時於其他證券交易所上市，則上市發行人在其他證券交易所發佈任何資料的同時亦須知會聯交所，並須確保在其他市場發佈的任何資料的同時亦須在香港市場發佈該等資料。請參閱下一頁隨附的於二零一零年十一月十四日在新加坡證券交易所有限公司作出的公佈。

承董事會命
主席
文一波

香港，二零一零年十一月十四日

於本公佈日期，執行董事為文一波、李力、閻小雷及張寶林；及獨立非執行為董事傅濤、Seow Han Chiang Winston 及王仕銘。

* 僅供識別

THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 AND Q3), HALF-YEAR AND FULL YEAR RESULTS.

1(a) An Income Statement (For The Group), Together With A Comparative Statement For The Corresponding Period Of The Immediately Preceding Financial Year.

1(a)(i) Unaudited Condensed Consolidated Statement of Comprehensive Income For The Third Quarter And Nine Months Ended 30 September:

	Group	Group	%	Group	Group	%
	3 months	3 months	Increase/	9 months	9 months	Increase/
	ended	ended	(Decrease)	ended	ended	(Decrease)
	30/09/2010	30/09/2009		30/09/2010	30/09/2009	
	RMB'000	RMB'000		RMB'000	RMB'000	
		(re-stated)			(re-stated)	
Revenue	570,422	524,141	8.8	1,215,411	961,799	26.4
Cost of sales	(407,458)	(369,683)	10.2	(857,444)	(674,000)	27.2
Gross profit	162,964	154,458	5.5	357,967	287,799	24.4
Other operating income	5,733	6,172	(7.1)	17,298	10,111	71.1
Other expenses	(71,061)	(12,619)	463.1	(95,977)	(23,455)	309.2
Distribution expenses	(2,605)	(3,641)	(28.5)	(7,518)	(8,308)	(9.5)
Research and development expenses	(1,777)	(1,170)	51.9	(3,604)	(3,582)	0.6
Administrative expenses	(11,195)	(10,823)	3.4	(32,565)	(26,466)	23.0
Finance costs	(2,218)	(3,595)	(38.3)	(9,415)	(11,701)	(19.5)
Share of loss of associate	(513)	(24)	2,037.5	(569)	(1)	56,800.0
Profit before income tax	79,328	128,758	(38.4)	225,617	224,397	0.5
Income tax expense	(18,985)	(3,614)	425.3	(45,177)	(3,614)	1,150.1
Profit after income tax	60,343	125,144	(51.8)	180,440	220,783	(18.3)
Exchange difference on translating foreign operations	292	0	n.m.	344	0	n.m.
Total comprehensive income	60,635	125,144	(51.5)	180,784	220,783	(18.1)
Profit for the period and total comprehensive income attributable to:						
Owners of the Company	60,635	124,923	(51.5)	180,698	220,120	(17.9)
Non-controlling interest	0	221	(100.0)	86	663	(87.0)
	60,635	125,144	(51.5)	180,784	220,783	(18.1)

n.m. : not meaningful

1 (a)(ii)

	Group 3 months ended 30/09/2010 RMB'000	Group 3 months ended 30/09/2009 RMB'000 (re-stated)	% Increase/ (Decrease)	Group 9 months ended 30/09/2010 RMB'000	Group 9 months ended 30/09/2009 RMB'000 (re-stated)	% Increase/ (Decrease)
Other operating income:						
- Interest income	1,240	814	52.3	3,755	2,829	32.7
- Deemed interest income on service concession receivables	4,493	2,413	86.2	13,479	7,237	86.3
- Net foreign exchange gain	0	2,912	(100.0)	0	0	n.m.
- Others	0	33	(100.0)	64	45	42.2
	<u>5,733</u>	<u>6,172</u>	(7.1)	<u>17,298</u>	<u>10,111</u>	71.1
Other expenses:						
- Expenses related to listing on Hong Kong Stock Exchange	35,186	0	n.m.	60,261	0	n.m.
- Share options expenses	19,520	0	n.m.	19,520	0	n.m.
- Net foreign exchange losses	16,355	0	n.m.	16,196	1,176	1,277.2
- Allowance for doubtful debts	0	12,619	(100.0)	0	22,279	(100.0)
	<u>71,061</u>	<u>12,619</u>	463.1	<u>95,977</u>	<u>23,455</u>	309.2
Finance costs:						
- Bank borrowings	<u>2,218</u>	<u>3,595</u>	(38.3)	<u>9,415</u>	<u>11,701</u>	(19.5)
Amortisation of land use rights	<u>292</u>	<u>290</u>	0.7	<u>871</u>	<u>831</u>	4.8
Amortisation of intangible assets	<u>2,500</u>	<u>2,500</u>	0.0	<u>7,500</u>	<u>7,500</u>	0.0
Depreciation expense	<u>706</u>	<u>725</u>	(2.6)	<u>2,124</u>	<u>2,250</u>	(5.6)

n.m. : not meaningful

1(b)(i) A Balance Sheet (For The Issuer And Group), Together With A Comparative Statement As At The End Of The Immediately Preceding Financial Year.

Balance Sheets:

	(Unaudited) Group 30/09/2010 RMB'000	(Unaudited) Group 31/12/2009 (re-stated) RMB'000	(Unaudited) Company 30/09/2010 RMB'000	(Audited) Company 31/12/2009 RMB'000
Assets				
Current assets				
Cash and bank balances	2,250,093	1,237,698	476,218	2,236
Restricted bank balances	272,534	72,208	171,410	35,923
Trade and other receivables	545,049	421,783	490,706	86,791
Amount due from contract customers	256,345	227,089	0	0
Inventories	18,037	11,543	0	0
Land use rights	1,158	1,158	0	0
Total current assets	3,343,216	1,971,479	1,138,334	124,950
Non-current assets				
Intangible assets	42,500	50,000	0	0
Goodwill	41,395	41,395	0	0
Land use rights	45,741	46,612	0	0
Property, plant and equipment	46,344	47,617	37	38
Subsidiaries	0	0	724,503	724,503
Associate	1,992	2,561	0	0
Service concession receivables	587,719	415,747	0	0
Deferred tax assets	7,372	7,372	0	0
Total non-current assets	773,063	611,304	724,540	724,541
Total assets	4,116,279	2,582,783	1,862,874	849,491
Liabilities and equity				
Current liabilities				
Bank loans	343,400	178,700	0	0
Trade and other payables	839,200	705,468	5,931	2,398
Amount due to contract customers	7,127	24,264	0	0
Income tax payable	38,183	14,598	112	107
Total current liabilities	1,227,910	923,030	6,043	2,505
Non-current liabilities				
Bank loans	257,912	48,300	224,912	0
Convertible bonds	859,565	0	859,565	0
Deferred tax liabilities	23,644	19,509	0	0
Total non-current liabilities	1,141,121	67,809	1,084,477	0
Total liabilities	2,369,031	990,839	1,090,520	2,505
Capital and reserves				
Share capital	833,368	833,368	833,368	833,368
Reserves	913,880	739,678	(61,014)	13,618
Equity attributable to owners	1,747,248	1,573,046	772,354	846,986
Non-controlling interest	0	18,898	0	0
Total equity	1,747,248	1,591,944	772,354	846,986
Total liabilities and equity	4,116,279	2,582,783	1,862,874	849,491

1(b)(ii) Aggregate Amount Of Group's Borrowings And Debt Securities:**Amount repayable in one year or less, or on demand:**

As at 30/09/2010		As at 31/12/2009	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
314,200	29,200	149,500	29,200

Amount repayable after one year:

As at 30/09/2010		As at 31/12/2009	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
257,912	Nil	48,300	Nil

Details of any collateral:

The bank loans are secured by charges over the certain assets and corporate guarantee.

1(c) A Cash Flow Statement (For The Group), Together With A Comparative Statement For The Corresponding Period Of The Immediately Preceding Financial Year.

Unaudited Condensed Consolidated Statements of Cash Flow:

	Group	Group	Group	Group
	3 months ended 30/09/2010 RMB'000	3 months ended 30/09/2009 RMB'000 (re-stated)	9 months ended 30/09/2010 RMB'000	9 months ended 30/09/2009 RMB'000 (re-stated)
Cash flow from operating activities:				
Profit before income tax	79,328	128,758	225,617	224,397
Adjustments for:				
Depreciation expense	706	725	2,124	2,250
Finance costs	2,218	3,595	9,415	11,701
Interest income	(5,733)	(3,227)	(17,234)	(10,066)
Share of loss of associate	513	24	569	1
Amortisation of land use rights	292	290	871	831
Amortisation of intangible assets	2,500	2,500	7,500	7,500
Allowance for doubtful debts	0	12,619	0	22,279
Share options expenses	19,520	0	19,520	0
Loss on disposal of property, plant and equipment	0	0	8	0
Unrealised foreign currency adjustments	(843)	(4,104)	(914)	(2,130)
Operating profit before working capital changes	98,501	141,180	247,476	256,763
Inventories	(7,435)	(97)	(6,494)	(3,517)
Amount due from contract customers	(55,617)	(110,760)	(29,256)	(67,690)
Trade and other receivables	(72,659)	(90,555)	(125,966)	(213,822)
Amount due to contract customers	4,774	(31,400)	(17,137)	(2,530)
Trade and other payables	32,863	196,870	133,732	324,909
Service concession receivables	(79,872)	(66,634)	(158,493)	(125,774)
Cash (used in)/ generated from operations	(79,445)	38,604	43,862	168,339
Income tax paid	(4,037)	(6,127)	(17,457)	(12,228)
Net cash (used in)/ from operating activities	(83,482)	32,477	26,405	156,111
Cash flow from investing activities:				
Purchase of property, plant and equipment	(418)	(203)	(859)	(408)
Interest received	1,240	814	3,755	2,829
Disposal/ (Purchase) of available-for-sale investment	0	0	2,700	(2,700)
(Increase)/ Decrease in restricted bank balances	(246,319)	122,586	(200,326)	265,523
Net cash (used in)/ from investing activities	(245,497)	123,197	(194,730)	265,244
Cash flow from financing activities:				
Dividend paid	0	0	0	(47,369)
Proceeds from issuance of convertible bonds	859,565	0	859,565	0
Repayment of borrowings	(51,000)	(184,414)	(170,000)	(628,782)
New borrowings raised	414,612	176,420	544,312	470,620
Payment for combination of a subsidiary	0	0	(45,000)	0
Finance costs paid	(2,218)	(3,595)	(9,415)	(11,701)
Net cash from/ (used in) financing activities	1,220,959	(11,589)	1,179,462	(217,232)
Net increase in cash and cash equivalents	891,980	144,085	1,011,137	204,123
Effects on translation of foreign exchange rate changes	1,135	4,104	1,258	2,130
Cash and cash equivalents at beginning of financial period	1,356,978	770,684	1,237,698	772,988
Cash and cash equivalents at end of financial period	2,250,093	918,873	2,250,093	979,241

1(d)(i) A Statement (For The Issuer And Group), Showing Either (I) All Changes In Equity Or (II) Changes In Equity Other Than Those Arising From Capitalisation Issues And Distributions To Shareholders, Together With A Comparative Statement For The Corresponding Period Of The Immediately Preceding Financial Year.

Unaudited Statements Of Changes In Equity:

	Share capital	Merger reserve	Share option reserve	Capital reserve	Statutory reserve fund	Translation reserve	Retained earnings	Attributable to owners of the Company	Non-controlling Interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group										
At 1 January 2010 as originally stated	833,368	(88,296)	0	7,010	60,529	0	732,089	1,544,700	0	1,544,700
Effect of business combination under common control	0	0	0	27,000	0	0	1,346	28,346	18,898	47,244
Balance of 1 January 2010 (re-stated)	833,368	(88,296)	0	34,010	60,529	0	733,435	1,573,046	18,898	1,591,944
Acquisition of additional interest in a subsidiary	0	0	0	984	0	0	0	984	(18,984)	(18,000)
Deemed distribution to the ultimate holding company	0	0	0	0	0	0	(27,000)	(27,000)	0	(27,000)
Profit for the period and total comprehensive income	0	0	0	0	0	0	45,536	45,536	86	45,622
Balance at 31 March 2010	833,368	(88,296)	0	34,994	60,529	0	751,971	1,592,566	0	1,592,566
Profit for the period and total comprehensive income	0	0	0	0	0	52	74,475	74,527	0	74,527
Balance at 30 June 2010	833,368	(88,296)	0	34,994	60,529	52	826,446	1,667,093	0	1,667,093
Employees' share options	0	0	19,520	0	0	0	0	19,520	0	19,520
Profit for the period and total comprehensive income	0	0	0	0	0	292	60,343	60,635	0	60,635
Balance at 30 September 2010	833,368	(88,296)	19,520	34,994	60,529	344	886,789	1,747,248	0	1,747,248

	Share capital	Merger reserve	Capital reserve	Statutory reserve fund	Translation reserve	Retained earnings	Attributable to owners of the Company	Non-controlling Interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group									
At 1 January 2009 as originally stated	833,368	(88,296)	7,010	33,006	0	526,437	1,311,525	0	1,311,525
Effect of business combination under common control	0	0	27,000	0	0	21	27,021	18,014	45,035
Balance of 1 January 2009 (re-stated)	833,368	(88,296)	34,010	33,006	0	526,458	1,338,546	18,014	1,356,560
Profit for the period and total comprehensive income	0	0	0	0	0	18,164	18,164	221	18,385
Balance as at 31 March 2009	833,368	(88,296)	34,010	33,006	0	544,622	1,356,710	18,235	1,374,945
Profit for the period and total comprehensive income	0	0	0	0	0	77,033	77,033	221	77,254
Dividend paid	0	0	0	0	0	(47,369)	(47,369)	0	(47,369)
Balance at 30 June 2009	833,368	(88,296)	34,010	33,006	0	574,286	1,386,374	18,456	1,404,830
Profit for the period and total comprehensive income	0	0	0	0	0	124,923	124,923	221	125,144
Balance as at 30 September 2009	833,368	(88,296)	34,010	33,006	0	699,209	1,511,297	18,677	1,529,974

	Share capital	Share option reserve	Capital reserve	Retained earnings	Attributable to owners of the Company
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company					
Balance as at 1 January 2010	833,368	0	7,010	6,608	846,986
Loss for the period and total comprehensive expense	0	0	0	(9,151)	(9,151)
Balance as at 31 March 2010	833,368	0	7,010	(2,543)	837,835
Loss for the period and total comprehensive expense	0	0	0	(20,241)	(20,241)
Balance as at 30 June 2010	833,368	0	7,010	(22,784)	817,594
Employees' share option	0	19,520	0	0	19,520
Loss for the period and total comprehensive expense	0	0	0	(64,760)	(64,760)
Balance as at 30 September 2010	833,368	19,520	7,010	(87,544)	772,354
Balance as at 1 January 2009	833,368	0	7,010	27,301	867,679
Loss for the period and total comprehensive expense	0	0	0	(21,829)	(21,829)
Balance as at 31 March 2009	833,368	0	7,010	5,472	845,850
Profit for the period and total comprehensive income	0	0	0	20,130	20,130
Dividend paid	0	0	0	(47,369)	(47,369)
Balance as at 30 June 2009	833,368	0	7,010	(21,767)	818,611
Loss for the period and total comprehensive expense	0	0	0	(34)	(34)
Balance as at 30 September 2009	833,368	0	7,010	(21,801)	818,577

1(d)(ii) Details Of Any Changes In The Company's Share Capital Arising From Rights Issue, Bonus Issue, Share Buy-Backs, Exercise Of Share Options Or Warrants, Conversion Of Other Issues Of Equity Securities, Issue Of Shares For Cash Or As Consideration For Acquisition Or For Any Other Purpose Since The End Of The Previous Period Reported On. State Also The Number Of Shares That May Be Issued On Conversion Of All The Outstanding Convertibles As At The End Of The Current Financial Period Reported On And As At The End Of The Corresponding Period Of The Immediately Preceding Financial Year.

As at 30 September 2009, 31 December 2009 and 30 September 2010, the total number of shares in issue was 1,290,000,000.

There were no treasury shares as at 30 September 2009, 31 December 2009 and 30 September 2010.

On 23 July 2010, the Company granted 64,500,000 options under the Sound Global Share Option Scheme. As at 30 September 2010, the outstanding share options in issue were 64,500,000. There were no outstanding share options in issue as at 30 September 2009 and 31 December 2009.

On 15 September 2010, the Company issued a RMB 885 million USD 6% convertible bonds due 2015. The number of shares that may be issued on conversion of all the outstanding convertibles as at 30 September 2010 was 190,757,261.

1(d)(iii) To Show The Total Number Of Issued Shares Excluding Treasury Shares As At The End Of The Current Financial Period And As At The End Of The Immediately Preceding Year.

As at 31 December 2009 and 30 September 2010, the total number of shares in issue was 1,290,000,000.

There were no treasury shares as at 31 December 2009 and 30 September 2010.

1(d)(iv) A Statement Showing All Sales, Transfers, Disposal, Cancellation And/Or Use Of Treasury Shares As At The End Of The Current Financial Period Reported On.

Not applicable.

(2) Whether The Figures Have Been Audited Or Reviewed And In Accordance With Which Auditing Standard Or Practice.

The figures have not been audited or reviewed.

(3) Where The Figures Have Been Audited Or Reviewed, The Auditors' Report (Including Any Qualifications Or Emphasis Of A Matter).

Not applicable.

(4) Whether The Same Accounting Policies And Methods Of Computation As In The Issuer's Most Recently Audited Annual Financial Statements Have Been Applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as in the most recently audited combined financial statements for the financial year ended 31 December 2009, except for the adjustments discussed below.

In January 2010, the Group completed its acquisition of Anyang Mingbo Water Co., Ltd. ("Anyang Mingbo"), with a 60% interest acquired from Beijing Sound Environment Group Co., Ltd. ("Beijing Sound Enviro", a fellow subsidiary) and the remaining 40% interest acquired from a third party for considerations of RMB27,000,000 and RMB18,000,000 respectively. As a result, Anyang Mingbo then became a wholly owned subsidiary of the Group.

The acquisition of Anyang Mingbo is regarded as a business combination under common control. The principles of merger accounting have therefore been applied, under which the financial information has been prepared as if Anyang Mingbo had been a subsidiary of the Group since 1 January 2009.

The effects of the combination of Anyang Mingbo on the results of the Group for the period ended 30 September 2009 and the financial position of the Group as at 31 December 2009 are summarized below:

	9 months ended 30/09/2009 (as announced)	Prior year's adjustments and reclassifications	Combination of Anyang Mingbo	9 months ended 30/09/2009 (re-stated)
	RMB '000	RMB '000	RMB '000	RMB '000
Revenue	961,799	-	-	961,799
Cost of sales	(666,500)	(7,500)	-	(674,000)
Gross profit	295,299	(7,500)	-	287,799
Other operating income	2,874	5,027	2,210	10,111
Other expenses	-	(23,455)	-	(23,455)
Distribution expenses	(8,308)	-	-	(8,308)
Research and development expenses	-	(3,582)	-	(3,582)
Administrative expenses	(63,105)	36,639	-	(26,466)
Finance costs	(11,701)	-	-	(11,701)
Share of loss of associate	(1)	-	-	(1)
Profit before income tax	215,058	7,129	2,210	224,397
Income tax expense	(3,040)	(21)	(553)	(3,614)
Profit for the period and total comprehensive income	212,018	7,108	1,657	220,783
Profit for the period and total comprehensive income attributable to:				
Owners of the Company	212,018	7,108	994	220,120
Non-controlling interest	0	0	663	663
	212,018	7,108	1,657	220,783

	At 31/12/2009 RMB'000	Combination of Anyang Mingbo with consolidation adjustments RMB'000	At 31/12/2009 RMB'000 (re-stated)
Non-current assets			
Intangible assets	50,000	-	50,000
Goodwill	41,395	-	41,395
Land use rights	46,612	-	46,612
Property, plant and equipment	47,550	67	47,617
Associate	2,561	-	2,561
Service concession receivables	295,132	120,615	415,747
Deferred tax assets	7,372	-	7,372
	<u>490,622</u>	<u>120,682</u>	<u>611,304</u>
Current assets			
Cash and bank balances	1,237,196	502	1,237,698
Restricted bank balances	72,208	-	72,208
Trade and other receivables	461,852	(40,069)	421,783
Amounts due from contract customers	233,791	(6,702)	227,089
Inventories	11,543	-	11,543
Land use rights	1,158	-	1,158
	<u>2,017,748</u>	<u>(46,269)</u>	<u>1,971,479</u>
Current liabilities			
Borrowings - due within one year	176,700	2,000	178,700
Trade and other payables	681,056	24,412	705,468
Amounts due to contract customers	24,264	-	24,264
Income tax payable	14,598	-	14,598
	<u>896,618</u>	<u>26,412</u>	<u>923,030</u>
Net current assets	<u>1,121,130</u>	<u>(72,681)</u>	<u>1,048,449</u>
Total assets less current liabilities	<u>1,611,752</u>	<u>48,001</u>	<u>1,659,753</u>
Non-current liabilities			
Borrowings - due after one year	48,300	-	48,300
Deferred tax liabilities	18,752	757	19,509
	<u>67,052</u>	<u>757</u>	<u>67,809</u>
Total assets less total liabilities	<u>1,544,700</u>	<u>47,244</u>	<u>1,591,944</u>
Capital and reserves			
Share capital	833,368	-	833,368
Reserves	711,332	28,346	739,678
Equity attributable to:			
Owners of the Company	1,544,700	28,346	1,573,046
Non-controlling interest	-	18,898	18,898
	<u>1,544,700</u>	<u>47,244</u>	<u>1,591,944</u>

(5) If There Are Any Changes In The Accounting Policies And Methods Of Computation, Including Any Required By An Accounting Standard, What Has Changed, As Well As The Reasons For, And The Effect Of, The Change.

There were no changes in accounting policies and methods of computation, except for the adjustments summarised under point (4).

(6) Earnings Per Ordinary Share Of The Group For The Current Financial Period Reported On And The Corresponding Period Of The Immediately Preceding Financial Year, After Deducting Any Provision For Preference Dividends.

Earnings Per Share:

	Group		Group	
	3 months ended		9 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Earnings per ordinary share:				
- basic (RMB)	4.7 cents	9.7 cents	14.0 cents	17.1 cents
- fully diluted basis (RMB)	4.7 cents	9.7 cents	14.0 cents	17.0 cents

The earnings per ordinary share for the third quarter and nine months ended 30 September 2010 and 30 September 2009 were calculated based on the profit attributable to owners of the Company, divided by the weighted average number of shares of 1,290,000,000.

The fully diluted earnings per ordinary share for the third quarter and nine months ended 30 September 2010 were calculated based on the profit attributable to owners of the Company, divided by the weighted average number of shares of 1,291,161,907, assuming that the total employee share options issued will be converted into ordinary shares.

The effect of dilution from the issue of the convertible bonds cannot be accurately determined at the time of this announcement as the impact to the earnings and the value of the equity component of the convertible bond has yet to be fair valued. However, based on management's best estimates and assuming the full conversion of the convertible bonds into 190,757,261 ordinary shares, the diluted earnings per share is expected to be RMB4.1 cents and RMB12.2 cents for the third quarter and nine months ended 30 September 2010 respectively.

There were no potential dilutive ordinary shares for the third quarter and nine months ended 30 September 2009.

(7) Net Asset Value (For The Issuer And Group) Per Ordinary Share Based On Issued Share Capital Of The Issuer At The End Of The (A) Current Financial Period Reported On; And (B) Immediately Preceding Financial Year.

Net Asset Value:

	Group		Company	
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Net asset value per ordinary share based on issued share capital as at the end of the financial period (RMB)	135.4 cents	121.9 Cents	59.9 cents	65.7 cents

The net asset values per ordinary share for 30 September 2010 and 31 December 2009 were calculated based on the equity attributable to owners of the Company, divided by the number of issued shares of 1,290,000,000.

(8) A Review Of The Performance Of The Group, To The Extent Necessary For A Reasonable Understanding Of The Group's Business. It Must Include A Discussion Of The Following:

(a) Any Significant Factors That Affected The Turnover, Costs, And Earnings Of The Group For The Current Financial Period Reported On, Including (Where Applicable) Seasonal Or Cyclical Factors; And

Review Of Group's Financial Performance:

Revenue

The Group's revenue increased by approximately RMB46.3 million or 8.8% from approximately RMB524.1 million in 3Q2009 to approximately RMB570.4 million in 3Q2010 and increased by approximately RMB253.6 million or 26.4% from approximately RMB961.8 million in 9M2009 to approximately RMB1,215.4 million in 9M2010.

The increase was attributed to: (1) contribution from the Saudi Arabia project of approximately RMB94.3 million; (2) increased contribution by Hi-Standard of approximately RMB110.7 million which arose from the sale of customised environmental equipment; (3) the contribution from the operation and maintenance segment of approximately RMB11.0 million; and (4) contributions from the turnkey engineering, procurement and construction ("EPC") services amounting to approximately RMB999.4 million in 9M2010.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately RMB8.5 million or 5.5% from approximately RMB154.5 million in 3Q2009 to approximately RMB163.0 million in 3Q2010 and increased by approximately RMB70.2 million or 24.4% from approximately RMB287.8 million in 9M2009 to approximately RMB358.0 million in 9M2010. This increase was in line with the higher revenue and the stable gross profit margin.

The gross profit margin decreased by approximately 0.9 percentage point from approximately 29.5% for 3Q2009 to approximately 28.6% for 3Q2010, and decreased by approximately 0.4 percentage point from approximately 29.9% for 9M2009 to approximately 29.5% for 9M2010. Given the nature of the turnkey projects, where revenue is recognised based on the percentage of completion, the gross profit margin for engineering works would fluctuate from quarter to quarter depending on the amount of revenue recognised for the relevant projects during the quarters in review. On a year-to-year basis, the gross profit margin remained relatively stable at around 30%.

Other Operating Income

Other operating income remained relatively consistent at approximately RMB6.2 million in 3Q2009 and approximately RMB5.7 million in 3Q2010.

It increased by approximately RMB7.2 million or 71.1% from approximately RMB10.1 million in 9M2009 to approximately RMB17.3 million in 9M2010. This increase was due mainly to the deemed interest income arising from service concession receivables as a result of the increased investments in Build-Operate-Transfer ("BOT") projects.

Other Expenses

Other expenses increased by approximately RMB58.5 million or 463.1% from approximately RMB12.6 million in 3Q2009 to approximately RMB71.1 million in 3Q2010 and increased by approximately RMB72.5 million or 309.2% from approximately RMB23.5 million in 9M2009 to approximately RMB96.0 million in 9M2010.

The increase was mainly due to the expenses related to the listing on the Stock Exchange of Hong Kong (global offering and by way of introduction), expenses arising from employees' share options accounting and net foreign exchange loss recorded in 9M2010, offset by reduction in allowance for doubtful debts.

Distribution Expenses

Distribution expenses decreased by approximately RMB1.0 million or 28.5% from approximately RMB3.6 million in 3Q2009 to approximately RMB2.6 million in 3Q2010 and decreased by approximately RMB0.8 million or 9.5% from approximately RMB8.3 million in 9M2009 to approximately RMB7.5 million in 9M2010, due mainly to decrease in advertising expenses.

Research and Development Expenses

Research and development expenses remained relatively consistent and minimal at approximately RMB1.2 million in 3Q2009 compared to approximately RMB1.8 million in 3Q2010 and approximately RMB3.6 million in both 9M2009 and 9M2010.

Administrative Expenses

Administrative expenses increased by approximately RMB0.4 million or 3.4% from approximately RMB10.8 million in 3Q2009 to approximately RMB11.2 million in 3Q2010 and increased by approximately RMB6.1 million or 23.0% from approximately RMB26.5 million in 9M2009 to approximately RMB32.6 million in 9M2010. This increase was due mainly to the expenses incurred for the Saudi Arabia project of approximately RMB5.0 million in 9M2010.

Finance Costs

Finance costs decreased by approximately RMB1.4 million or 38.3% from approximately RMB3.6 million in 3Q2009 to approximately RMB2.2 million in 3Q2010 and decreased by approximately RMB2.3 million or 19.5% from approximately RMB11.7 million in 9M2009 to approximately RMB9.4 million in 9M2010 mainly because of lower bank borrowings during the periods. The higher bank loans as at 30 September 2010 arose from loans obtained towards the period end.

Share of Loss of Associate

This pertained to 20% owned Shanghai Chenghuan Water Operation Co., Ltd for which the Group's share of loss was approximately RMB569,000 for 9M2010.

Income Tax Expense

Income tax expenses increased by approximately RMB15.4 million or 425.3% from approximately RMB3.6 million in 3Q2009 to approximately RMB19.0 million in 3Q2010 and increased by approximately RMB41.6 million or 1,150.1% from approximately RMB3.6 million in 9M2009 to approximately RMB45.2 million in 9M2010.

The lower income tax expense in 3Q2009 and 9M2009 arose from the reversal of income tax expenses provided for in year 2008 following the confirmation of tax incentive for a subsidiary. For the period from 2010 to 2012, the applicable tax rate for Beijing Epure International Water Co., Ltd is adjusted upwards from Nil to 7.5% under its tax incentive scheme. As it is one of the principal subsidiaries in terms of revenue and earnings, the increase in its applicable tax rate contributed to the increase in income tax expense in 3Q2010 and 9M2010.

Profit Attributable To Owners of The Company

Profit attributable to owners of the Company decreased by approximately RMB64.3 million or 51.5% from approximately RMB124.9 million in 3Q2009 to approximately RMB60.6 million in 3Q2010 and decreased by approximately RMB39.4 million or 17.9% from approximately RMB220.1 million in 9M2009 to approximately RMB180.7 million in 9M2010. The decrease was due mainly to the increase in other expenses, administrative and tax expenses as discussed above.

(b) Any Material Factors That Affected The Cash Flow, Working Capital, Assets Or Liabilities Of The Group During The Current Financial Period Reported On.

Review Of Group's Financial Position:

Current Assets

The Group's current assets comprised of cash and bank balances, restricted bank balances, trade and other receivables, amount due from contract customers, inventories and land use rights (due within one year).

Trade receivables, stated at net of allowance for doubtful debts, amounted to approximately RMB430.0 million. The cumulative allowance for doubtful debts was approximately RMB41.8 million.

Other receivables were made up mainly of performance and tender deposits placed when we bid for projects and bills receivables of approximately RMB64.6 million, advance payments to suppliers and subcontractors of approximately RMB17.8 million as well as other receivables of approximately RMB32.6 million.

Amount due from contract customers refers to costs incurred on the projects that have not been billed to customers.

Inventories refer to equipment components and parts. As at 30 September 2010, the overall increase in inventories was attributable mainly to Hi-Standard. Inventories from turnkey business are not expected to be material as most of the civil engineering works are subcontracted to third parties.

The increase in current assets arose mainly from the increase in cash and bank balances that resulted from issuance of convertible bonds and increase in trade receivables as business operations increases.

Non-Current Assets

The Group's non-current assets consisted of property, plant and equipment, land use rights, service concession receivables, deferred tax assets, and investments in associate and subsidiaries as well as intangible assets and goodwill arising from the consolidation of Hi-Standard.

Property, plant and equipment comprised mainly of building, plant and machinery, transportation vehicles, and fixtures and equipments. We depreciate our property, plant and equipment using the straight-line method over their estimated useful lives, at rates ranging between 3% and 18% per annum. The decrease in property, plant and equipment was due mainly to depreciation.

Land use rights are amortised on a straight-line basis over the period of the lease. The decrease in land use rights was due to amortisation.

Investment in an associate pertained to the 20% stake in Shanghai Chenghuan Water Operation Co., Ltd.

Intangible assets pertained to patents that arose from the acquisition of Hi-Standard. The decrease was due to amortisation.

Service concession receivables arose from BOT projects carried out by subsidiaries.

Deferred tax assets arose mainly from the allowance for doubtful debts.

The increase in non-current assets arose mainly from the increased investment in BOT projects.

Current Liabilities

The Group's current liabilities were made up mainly of bank loans, trade and other payables, amounts due to contract customers and income tax payable.

Bank loans were obtained to fund our working capital.

Trade and other payables were made up of amounts outstanding for trade purchases of approximately RMB638.9 million, other taxes payable (including value added tax and sales tax) of approximately RMB153.0 million, performance and tender deposits received from sub-contractors and bills payables of approximately RMB27.3 million as well as accruals and other payables of approximately RMB20.0 million.

Amount due to contract customers refer to progress billings made to contract customers based on contracts in excess of actual costs incurred on the projects.

Income tax payable increased as the business operations increased.

The increase in current liabilities was due mainly to the increase in trade payables as business operations increases.

Non-Current Liabilities

Long term bank loans were obtained to fund our BOT projects.

Convertible bonds represent the proceeds of the bonds issued on 15 September 2010, less related expenses. The value of the equity component of the convertibles bonds has yet to be determined at the time of this announcement. The Group will be engaging an independent valuer to determine the value of the debt component of the bonds before apportioning the value of the equity component of the convertible bonds to capital and reserves.

Deferred tax liabilities arose mainly from unremitted overseas dividends and upward fair value adjustments for assets upon the acquisition of Hi-Standard.

Capital And Reserves

Equity attributable to owners of the Company increased by approximately RMB174.2 million or 11.1% from approximately RMB1,573.0 million as at 31 December 2009 to approximately RMB1,747.2 million as at 30 September 2010. This increase was due mainly to the share option reserve of approximately RMB19.5 million, retained profits of approximately RMB180.4 million, and offset by a deemed distribution to the ultimate holding company of RMB27.0 million on the acquisition of Anyang Mingbo.

The non-controlling interest of approximately RMB18.9 million at 31 December 2009 relates to a 40% minority interest in Anyang Mingbo. Anyang Mingbo became a wholly owned subsidiary in 1Q2010.

Cash Flow Statement

Net cash from operating activities decreased by approximately RMB129.7 million from approximately RMB156.1 million in 9M2009 to approximately RMB26.4 million in 9M2010 and decreased by approximately RMB116.0 million from positive net cash approximately of RMB32.5 million in 3Q2009 to negative net cash of approximately RMB83.5 million in 3Q2010. The decrease was due mainly to the increased other expenses and higher trade and other receivables and payables as driven by the increased business operations. Cash outflow in service concession receivables was due to Group's increased investment in BOT projects.

Net cash used in investing activities amounted to approximately RMB194.7 million in 9M2010 and approximately RMB245.5 million in 3Q2010. These amounts were due mainly to an increase in pledged deposits as certain bank borrowings were secured over the Company's bank deposits.

Net cash generated from financing activities amounted to approximately RMB1,179.5 million in 9M2010 and approximately RMB1,221.0 million in 3Q2010. These amounts were due mainly to the proceeds from the issuance of convertible bonds and receipt of new bank borrowings.

As at 30 September 2010, the Group's cash position remained strong and stood at approximately RMB2,250.1 million.

(9) Where A Forecast, Or A Prospect Statement, Has Been Previously Disclosed To Shareholders, Any Variance Between It And The Actual Results.

No forecast or prospect statement was previously disclosed to shareholders pertaining to the third quarter and nine months ended 30 September 2010.

(10) A Commentary At The Date Of The Announcement Of The Significant Trends And Competitive Conditions Of The Industry In Which The Group Operates And Any Known Factors Or Events That May Affect The Group In The Next Reporting Period And The Next 12 Months.

On 30 September 2010, Sound Global was successfully listed on the Stock Exchange of Hong Kong by way of introduction, in addition to its Mainboard listing on the Stock Exchange of Singapore. This dual listing on two major stock exchanges will enhance the Group's stature and visibility in China and internationally.

The Group expects the outlook for the water sector in China to remain positive and the demand for water and wastewater treatment to remain robust, given the Chinese Government's plans to improve the water infrastructure and raise water standards.

Turnkey EPC Projects

While the Group expects competition to be keen, we believe that our established track record, proprietary technologies and extensive sales and marketing network will put the Group in a strong position to bid for new contracts and build our orderbook.

BOT Projects

The Group intends to participate in investments in BOT projects whenever opportunities arise, in order to build up its recurrent income stream. About 60% of the net proceeds from the issuance of the convertible bonds is for the investment and acquisition of BOT projects.

Overseas Projects

The Group will continue to seek expansion opportunities outside China and will participate in more tenders for international water treatment projects.

(11) Dividend

**(a) Current Financial Period Reported On
Any Dividend Declared For The Current Financial Period Reported On?**

No.

**(b) Corresponding Period Of The Immediately Preceding Financial Year
Any Dividend Declared For The Corresponding Period Of The Immediately Preceding Financial Year?**

No.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

(12) If No Dividend Has Been Declared/Recommended, A Statement To That Effect.

No dividend for the third quarter and nine months ended 30 September 2010 is declared or recommended.

(13) Use Of Proceeds

(A) Placement Proceeds

Approximately RMB208.0 million (approximately S\$43.9 million) of the net placement proceeds of approximately S\$63.6 million was utilised for acquisition.

Periodic announcements about the utilisation of the balance of the placement proceeds (approximately S\$19.7 million) will be made as and when such proceeds are materially deployed.

(B) Convertible Bonds Proceeds

The net convertible bonds proceeds of approximately USD126.6 million have been deployed in the following manner:

(A) Use of Convertible Bonds Proceeds (USD'000)	Amount Allocated	Amount Deployed as at 12 November 2010
Investment and acquisition of BOT projects	75,944	0
For R&D	6,329	0
To repay certain existing indebtedness	12,657	0
General working capital and other general corporate purposes *	31,644	23,369
Total	126,574	23,369

* The working capital deployed pertained to the payment of approximately USD6.4m listing (global offering and introduction) and other expenses, as well as the deployment of approximately USD17.0m to the Saudi Arabia project for materials purchases and working capital purposes.

(14) Interested Person Transactions

On 15 August 2007, shareholders approved a general mandate for the Group to provide EPC and management services to the Beijing Sound Environment Group Co., Ltd ("BJ Sound"), its subsidiaries and associated companies. This general mandate was renewed at the annual general meeting held on 30 April 2010.

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RMB'000	RMB'000
Total	NIL	NIL

By Order Of The Board

Choo Beng Lor
Company Secretary

Singapore
14 November 2010

Statement Pursuant To SGX Listing Rule 705(5) Of The Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter and nine months financial results of the Company and of the Group for the financial period ended 30 September 2010 to be materially false or misleading.

On behalf of the board of directors

Wen Yibo
Director / Chairman

Li Li
Director / CEO