

**SOUND GLOBAL LTD:  
DOES THE STORK BRING BABBIES TO MOMMIES, AFTER ALL ?**

What a load of codswallop!

If you can believe this, then, elephants can fly and babies are brought to mommies by the stork, after all:

*‘We were listed on the SGX-ST (Singapore Exchange Securities Trading Limited) 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 can provide our Company ready access to two different equity markets if any opportunity arises. It can widen the investor base of our Company. Also, 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 from our exposure 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, in particular, our Group’s operations are principally located in the PRC.’*

The above is copied from Page 20 of the Global Offering Prospectus of Sound Global Ltd () (Code: 967, Main Board, The Stock Exchange of Hongkong Ltd).

It is meant to explain the reason(s) that Management of this Company, which is listed on The Singapore Exchange Securities Trading Ltd, wants, also, to be listed on the Main Board of The Stock Exchange of Hongkong Ltd.

In **TARGET**’s opinion, Management of Sound Global Ltd simply hopes to rake in another \$HK1.36 billion by flogging 261 million of its no Nominal Value Shares at the Offer Price of not more than \$HK5.60 per Share and ‘not less than the Discounted SGX-ST Market Price’, as at Saturday, June 26, 2010.

As at December 31, 2009, **TARGET** () hastens to add at this point, this Company had a chest, full to overflowing with cash – 1.24 billion renminbi, in fact.

Sound Global Ltd is in the business of providing wastewater treatment solutions in the People’s Republic of China (PRC), proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

Page 144 of the Global Offering Prospectus explains the business of this Company in the following manner:

*‘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 (). 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 ( ) 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, 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.’*

The ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

***If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.***

