

EXIT OFFER LETTER DATED 29 NOVEMBER 2013

THIS EXIT OFFER LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about any aspect of the Exit Offer and/or the Bonds Offer (each as defined herein and collectively, the "Offers") or the action you should take, you should consult your stockbroker, a licensed securities dealer, registered dealer in securities or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser immediately.

CIMB Bank Berhad, Singapore Branch and CIMB Securities Limited are acting for and on behalf of Sound (HK) Limited ("Offeror") and do not purport to advise the Shareholders and/or the Bondholders (each as defined herein) and/or any other person.

If you have sold or transferred all your issued and fully paid-up ordinary shares ("Shares") in the capital of Sound Global Ltd. (the "Company") held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Exit Offer Letter and the accompanying Form of Acceptance and Authorisation for Offer Shares ("SG FAA") to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and the SG FAA to be sent to the purchaser or transferee.

If you have sold or transferred all your Shares (other than those held through CDP), you should immediately hand this Exit Offer Letter together with the accompanying relevant Acceptance Forms (as defined herein), to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

If you have sold or transferred all your 6% convertible bonds due 2015 issued by the Company on 15 September 2010 ("Bonds"), you should immediately hand this Exit Offer Letter to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer, registered institution in securities or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Exit Offer Letter should be read in conjunction with the accompanying relevant Acceptance Forms, the provisions of which form part of the terms of the Offers contained herein.

This Exit Offer Letter and the relevant Acceptance Forms shall not be construed as, may not be used for the purposes of, and do not constitute a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation. This Exit Offer Letter and the relevant Acceptance Forms do not constitute an invitation to purchase or subscribe for any securities.

The views of the Relevant Directors (as defined herein), the Independent Board Committee (as defined herein) and the IFA (as defined herein) are available in the Offeree Board Circular (as defined herein), which is despatched together with this Exit Offer Letter. You may wish to consider their views before taking any action in relation to the Exit Offer and/or the Bonds Offer.

The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited ("SEHK") and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Exit Offer Letter and the accompanying relevant Acceptance Forms, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Exit Offer Letter and the accompanying relevant Acceptance Forms.

CONDITIONAL CASH EXIT OFFER

by



CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

CIMB SECURITIES LIMITED
(Incorporated in Hong Kong)

for and on behalf of

SOUND (HK) LIMITED
桑德(香港)有限公司*

(Incorporated in Hong Kong Special Administrative Region)
(Company Registration No. 1905296)

to acquire all the issued Shares in
and
all the outstanding Bonds of



SOUND GLOBAL LTD.
桑德國際有限公司*

(Incorporated in the Republic of Singapore)
(Company Registration No. 200515422C)
Singapore Stock Code: E6E
Hong Kong Stock Code: 00967

* For identification purpose only.

other than those already owned, controlled or agreed to be acquired by
the Offeror Consortium (as defined herein), the Undertaking Shares (as defined herein) and
the Undertaking Bonds (as defined herein)

in connection with

**THE PROPOSED VOLUNTARY DELISTING OF THE COMPANY FROM THE OFFICIAL LIST OF
THE SGX-ST PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL OF THE SGX-ST**

**ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFERS AT 4.00 P.M. (HONG KONG AND SINGAPORE TIME) ON
17 JANUARY 2014.**

**THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFERS BEYOND 4.00 P.M. (HONG KONG AND SINGAPORE TIME) ON THE
CLOSING DATE. NOTICE IS HEREBY GIVEN THAT THE OFFERS WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 4.00 P.M. (HONG
KONG AND SINGAPORE TIME) ON THE CLOSING DATE.**

The procedures for acceptance of the Exit Offer are set out in Appendix 2A and Appendix 2B to this Exit Offer Letter and in the accompanying SG FAA, SG FAT (as defined herein) and/or HK FAT (as defined herein) (as applicable).

The procedures for acceptance of the Bonds Offer are set out in Appendix 3 to this Exit Offer Letter.

Persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Exit Offer Letter and/or the relevant Acceptance Forms to any jurisdiction outside of Hong Kong and Singapore should read the details in this regard which are contained in Section 17 of this Exit Offer Letter before taking any action in relation to the Offers. It is the responsibility of each Overseas Holder (as defined herein) wishing to accept the Offers (as applicable) to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities or legal requirements. Overseas Holders are advised to seek professional advice on deciding whether to accept the Offers.

Electronic copies of this Exit Offer Letter and the Offeree Board Circular are available on the websites of the SGX-ST at <http://www.sgx.com>, the SEHK at <http://www.hkex.com.hk>, the SFC (as defined herein) at <http://www.sfc.hk> and the Company at <http://www.soundglobal.com.sg>.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Exit Offer Letter and the Acceptance Forms:

- “9M2013”** : The nine-month financial period ended 30 September 2013
- “Acceptance Forms”** : The SG FAA, the SG FAT and the HK FAT
- “Accepting Bondholder”** : A Bondholder who validly tenders his Offer Bonds in acceptance of the Bonds Offer
- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “Address Notification Form”** : The form to be sent to Depositors and Singapore Registered Shareholders together with the Offeree Board Circular for the purpose of allowing Depositors and Singapore Registered Shareholders who do not accept the Exit Offer to provide, if they wish to do so, an address in Hong Kong for the delivery of their share certificates by ordinary post at their own risk in respect of their Shares transferred from the Singapore Register to the HK Branch Register following the completion of the Delisting
- “Beijing Sanghua”** : Beijing Sanghua Environmental Technology Development Co., Ltd. (北京桑華環境技術開發有限公司) (formerly known as Beijing Sanghua Environmental Engineering Institute (北京桑華環境工程研究所)), a company incorporated in the PRC which is owned by Mr. Wen as to 22.2% and Ms. Zhang as to 77.8%
- “Board”** : The board of Directors
- “Bondholders”** : The holders of the Bonds
- “Bonds”** : The 6% convertible bonds due 2015 issued by the Company on 15 September 2010, such outstanding Bonds with an aggregate principal amount of RMB600 million (being 6,000 convertible bonds with a principal amount of RMB100,000 each) as at the Latest Practicable Date entitling the Bondholders at any time from 25 October 2010 to 8 September 2015 (both dates inclusive) to subscribe for an aggregate of up to 177,296,896 Shares based on the prevailing conversion price of S\$0.674 per Share and a fixed exchange rate of S\$1.00 to RMB5.021
- “Bonds Conditions”** : The terms and conditions of the Bonds as set out in the offering circular dated 10 September 2010

“Bonds Offer”	:	The conditional cash offer to be made by the Financial Advisers for and on behalf of the Offeror for the Offer Bonds in accordance with the Singapore Takeover Code and the HK Takeover Code
“Bonds Offer Price”	:	The “see-through” price at which the Bonds Offer will be made, being the Exit Offer Price multiplied by the number of Conversion Shares into which the principal amount of such Bonds which are tendered towards the Bonds Offer may otherwise be converted (rounded down to the nearest whole number of Conversion Shares)
“Bonds Record Date”	:	In relation to any interest, payment, rights or other distributions, the date on which Bondholders must be registered with the Company in order to participate in such interest, payment, rights or other distributions
“Bonds Settlement Date”	:	The date of settlement of the Tendered Bonds
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which commercial banks in Hong Kong and/or Singapore, the SEHK and the SGX-ST (as the case may be) are open for business
“BVI”	:	British Virgin Islands
“CCASS”	:	The Central Clearing and Settlement System established and operated by the HKSCC
“CDP”	:	The Central Depository (Pte) Limited of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities
“CIMB Hong Kong”	:	CIMB Securities Limited, a licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“CIMB Singapore”	:	Singapore branch of CIMB Bank Berhad, a corporation licensed under the Banking Act (Cap. 19) of Singapore and exempted under Section 99(1) of the Securities and Futures Act (Cap. 289) of Singapore from the requirement to hold a capital markets services licence to carry on business in any regulated activity (including advising on corporate finance)
“CITIC Bank”	:	China CITIC Bank International Limited
“CITIC Facility”	:	The facility of up to S\$300.0 million extended by CITIC Bank to the Offeror for financing the Offers, pursuant to the facility agreement dated 5 September 2013 entered into between CITIC Bank and the Offeror

“Clearing Systems”	:	Euroclear and Clearstream, Luxembourg
“Clearstream, Luxembourg”	:	Clearstream Banking, société anonyme
“Closing Date”	:	17 January 2014, being the last day for the lodgement of acceptances of the Offers and the 14th day after the date of announcement of satisfaction of the Condition (assuming that the Delisting Resolution is approved by the Shareholders at the EGM)
“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, and the Shares of which are listed on the Official List of the SGX-ST and the Main Board of the SEHK
“Company Securities”	:	Shares, securities which carry voting rights in the Company and convertible securities, warrants, options or derivatives in respect of, such Shares or securities of the Company
“Condition”	:	The condition in respect of the Delisting and the Exit Offer as set out in Section 2.1(c) of this Exit Offer Letter
“Consolidated Group NTA per Share”	:	The consolidated net tangible asset per Share of the Group based on the latest published accounts prior to the date of the Offeree Board Circular
“Controlling Shareholders”	:	Pursuant to the SGX-ST Listing Manual, a Shareholder who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury Shares) (subject to the discretion of the SGX-ST which may nevertheless determine that such a person is not a Controlling Shareholder); or (b) in fact exercises control over the Company
“Conversion Shares”	:	New Shares unconditionally issued by the Company pursuant to the valid conversion of the Bonds, such Shares being issued in time for tendering in acceptance of the Exit Offer before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date
“Converting Bondholder”	:	A Bondholder who converts all or part of his Bonds and tenders the Conversion Shares arising therefrom in acceptance of the Exit Offer
“CPF”	:	Central Provident Fund of Singapore
“CPF Agent Banks”	:	Banks approved by CPF to be its agent banks, namely, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited

“CPFIS”	:	Central Provident Fund Investment Scheme of Singapore
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF savings in Singapore
“Date of Receipt”	:	The date of receipt by CDP, on behalf of the Offeror, of the SG FAA
“Delisting”	:	The proposed voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual
“Delisting Proposal”	:	The formal proposal dated 6 September 2013 presented by the Offeror to the Board to seek the Delisting
“Delisting Resolution”	:	The resolution to be approved by Shareholders at the EGM in relation to the Delisting
“Direct Participant”	:	Each person shown in the records of Euroclear and/or Clearstream, Luxembourg as a holder of the Offer Bonds
“Directors”	:	The directors of the Company
“Distributions”	:	In respect of the Offer Shares and the Offer Bonds, any dividends, interest, payment, rights and other distributions (as the case may be)
“EGM”	:	Extraordinary general meeting of the Company to be convened on 3 January 2014 at 9.00 a.m. (Hong Kong and Singapore time) at 2 Telok Blangah Way, SAFRA Mount Faber, Level 2, Crystal Room 1, Singapore 098803 to seek the approval of Shareholders for the Delisting Resolution and any adjournment thereof
“Electronic Acceptance”	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
“Encumbrances”	:	Any claim, lien, equity, mortgage, charge, encumbrance, right of pre-emption and other third party right and interest of any nature whatsoever
“ESOS 2007”	:	The employee share option scheme adopted by the Company on 15 August 2007 which has since been terminated upon the listing of the Company on the SEHK
“Euroclear”	:	Euroclear Bank S.A./N.V., as operator of the Euroclear System

“Excluded Interest Payment”	:	Any payment of interest, the Bonds Record Date for which falls on or before the relevant Bonds Settlement Date in respect of the Bonds tendered in acceptance by a Bondholder pursuant to the Bonds Offer
“Executive”	:	The Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Exit Offer”	:	The conditional cash offer to be made by the Financial Advisers for and on behalf of the Offeror for the Offer Shares in accordance with the Singapore Takeover Code and the HK Takeover Code
“Exit Offer Letter”	:	This letter dated 29 November 2013 setting out the terms of the Offers (including the Acceptance Forms), which is issued by the Financial Advisers, for and on behalf of the Offeror, to Shareholders and Bondholders, together with the Offeree Board Circular
“Exit Offer Price”	:	S\$0.70 for each Offer Share
“Far Eastern”	:	Far Eastern International Bank, Offshore Banking Branch
“Far Eastern Facility”	:	The facility of up to S\$30.0 million extended by Far Eastern to the Offeror for financing the Offers pursuant to the facility agreement dated 28 August 2013 entered into between the Offeror and Far Eastern
“Financial Advisers”	:	CIMB Singapore and CIMB Hong Kong
“FY”	:	Financial year ended 31 December
“Green Capital”	:	Green Capital Holdings Limited, a company owned as to 50% by Ms. Tang Lianfang and 50% by Mr. Zhang Linmao, the mother-in-law and father-in-law of Mr. Wen respectively, and a member of the Offeror Consortium
“Group”	:	The Company, its subsidiaries and associated companies
“HK Branch Register”	:	The register of members of the Company in Hong Kong
“HK Branch Registered Shareholders”	:	Shareholders whose Shares are held under their own names on the HK Branch Register

“HK FAT”	:	Form of Acceptance and Transfer for Offer Shares, applicable to HK Branch Registered Shareholders, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are registered on the HK Branch Register
“HK Listing Rules”	:	The rules governing the listing of securities on the SEHK, as amended, modified or supplemented from time to time up to the Latest Practicable Date
“HK Takeover Code”	:	The Codes on Takeovers and Mergers and Share Repurchases of Hong Kong, as amended, modified or supplemented from time to time
“HKSCC”	:	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	:	Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	:	Tricor Investor Services Limited, the Company’s branch share registrar in Hong Kong
“IFA”	:	ING Bank N.V., the independent financial adviser appointed by the Company to advise the Relevant Directors and the Independent Board Committee in relation to, amongst others, the Delisting and the Offers pursuant to the HK Takeover Code and the Singapore Takeover Code respectively
“Independent Board Committee”	:	The independent committee of the Board comprising all the independent non-executive Directors, namely, Messrs Wong See Meng, Seow Han Chiang Winston and Fu Tao, which has been established since 1 August 2013 to advise and make its recommendation on the Delisting and the Offers to the Independent Shareholders and the Independent Bondholders pursuant to the HK Takeover Code
“Independent Bondholders”	:	All Bondholders other than the Undertaking Persons who have given the Securities Undertakings in respect of the Undertaking Bonds
“Independent Shareholders”	:	All Shareholders other than the Relevant Persons and the Undertaking Persons
“Joint Announcement”	:	The joint announcement dated 10 September 2013 issued by the Offeror and the Company in relation to the Delisting and the Offers
“Joint Announcement Date”	:	10 September 2013, being the date of the Joint Announcement

“Last-Stop Date”	:	10 March 2014, being the latest date for fulfilling the Condition
“Last Traded Day”	:	27 June 2013, being the last Business Day on which the Shares were traded on the SGX-ST and the SEHK prior to the Possible Offer Announcement Date
“Latest Exchange Rate”	:	The exchange rate of S\$1.00 to HK\$6.196 as extracted from Bloomberg L.P., on the Latest Practicable Date
“Latest Practicable Date”	:	26 November 2013, being the latest practicable date prior to the printing of this Exit Offer Letter
“Market Day”	:	A day on which the SEHK is open for trading in securities
“Mighty Sky”	:	Mighty Sky Investments Limited, a company incorporated in the BVI with limited liability and ultimately owned by China Construction Bank Corporation
“Mighty Sky Undertaking”	:	The undertaking provided by Mighty Sky dated 6 September 2013 in favour of Mr. Wen in relation to the Sound Water Warrants as set out in Section 5.2 of this Exit Offer Letter
“Mr. Wen”	:	Mr. Wen Yibo, the Chairman and executive Director of the Company, who is also the sole director of the Offeror, and together with his spouse, Ms. Zhang, is the ultimate controlling shareholder of the Offeror
“Ms. Zhang”	:	Ms. Zhang Huiming, the spouse of Mr. Wen and together with Mr. Wen, is the ultimate controlling shareholder of the Offeror
“Note Purchase Agreement”	:	The agreement dated 13 December 2012, as amended from time to time, entered into between Sound Water, Mr. Wen, Ms. Zhang and Mighty Sky
“NTA”	:	Net tangible assets
“Offer Bonds”	:	Bonds in respect of which the Bonds Offer is made, being all the outstanding Bonds other than those owned, controlled or agreed to be acquired by the Offeror Consortium and the Undertaking Bonds
“Offer Period”	:	The period commencing on the Possible Offer Announcement Date and ending on the date the Offers are declared to have closed or lapsed

- “Offer Shares”** : Shares in respect of which the Exit Offer is made, being all the issued Shares and all the Conversion Shares, other than those owned, controlled or agreed to be acquired by the Offeror Consortium and the Undertaking Shares
- “Offeree Board Circular”** : The circular setting out, amongst other things: (i) information pertaining to the Delisting and the Offers; (ii) the advice of the IFA to the Relevant Directors and the Independent Board Committee in relation to the Delisting and the Offers; (iii) the recommendation from the Relevant Directors and the Independent Board Committee to the Independent Shareholders and the Independent Bondholders in relation to the Delisting and the Offers, and (iv) the notice of the EGM, which is despatched by the Company to Shareholders and Bondholders together with this Exit Offer Letter
- “Offeror”** : Sound (HK) Limited (桑德(香港)有限公司), a company incorporated in Hong Kong with limited liability, which is wholly-owned by Sound Group
- “Offeror Consortium”** : The Offeror, Mr. Wen, Ms. Zhang, Sound Water and Green Capital
- “Offers”** : The Exit Offer and the Bonds Offer
- “Optionholders”** : The holders of the Options
- “Options”** : The outstanding options granted pursuant to the ESOS 2007
- “Options Undertakings”** : The irrevocable undertakings given by each of the Optionholders dated 6 September 2013 in favour of Mr. Wen as set out in Section 7.2 of this Exit Offer Letter
- “Overseas Holders”** : Shareholders whose addresses as shown in the Singapore Register, in the records of CDP or in the HK Branch Register are outside of Singapore and Hong Kong or the Bondholders whose addresses as shown in the register of Bondholders are outside of Singapore and Hong Kong
- “Possible Offer Announcement Date”** : 28 June 2013, being the date on which the Company issued the announcement in relation to the possible Delisting and the possible Exit Offer
- “PRC”** : The People’s Republic of China, which, for the purposes of this Exit Offer Letter, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Principal Share Registrar in Singapore”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the principal share registrar of the Company in Singapore
“Reference Period”	:	The period commencing on the date falling six (6) months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date
“Relevant Directors”	:	The Directors who are independent for the purposes of making recommendations to the Independent Shareholders and the Independent Bondholders in relation to the Delisting and the Offers under the Singapore Takeover Code, namely, Messrs Zhang Jingzhi, Wang Kai, Jiang Anping, Luo Liyang, Wong See Meng, Seow Han Chiang Winston and Fu Tao
“Relevant Persons”	:	The Offeror Consortium and parties acting in concert with any of them
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities Undertakings”	:	The irrevocable undertakings given by each of the Undertaking Persons dated 6 September 2013 in favour of the Offeror as set out in Section 7.1 of this Exit Offer Letter
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“SFC”	:	The Securities and Futures Commission of Hong Kong
“SFO”	:	The Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, modified or supplemented from time to time
“SG FAA”	:	Form of Acceptance and Authorisation for Offer Shares, applicable to Depositors, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are deposited with CDP
“SG FAT”	:	Form of Acceptance and Transfer for Offer Shares, applicable to Singapore Registered Shareholders, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are registered on the Singapore Register
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	:	The main board rules of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time up to the Latest Practicable Date

“Share Charge”	:	The share charge dated 13 December 2012 entered into between Sound Water as chargor and Mighty Sky as security agent in connection with the Note Purchase Agreement
“Shareholders”	:	The registered holders of the Shares
“Shares”	:	Ordinary shares in the issued and paid-up capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Singapore Companies Act”	:	The Companies Act of Singapore (Cap. 50), as amended, modified or supplemented from time to time
“Singapore Register”	:	The register of members of the Company in Singapore
“Singapore Registered Shareholders”	:	Shareholders whose Shares are held under their own names on the Singapore Register
“Singapore Takeover Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Sound Group”	:	Sound Group Limited (桑德集團有限公司), formerly known as Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司), a company incorporated in the PRC with limited liability, which is owned as to 29% by Mr. Wen, 70% by Beijing Sanghua and 1% by Mr. Hu Xinling, an independent third party
“Sound Water”	:	Sound Water (BVI) Limited (a company incorporated in the BVI with limited liability) which is owned as to 90% by Mr. Wen and 10% by Ms. Zhang, a Controlling Shareholder of the Company holding approximately 54.4% of the total issued Shares, and is also a member of the Offeror Consortium
“Sound Water Warrants”	:	Warrants issued by Sound Water in the aggregate amount of US\$5,000,000 which confer the holder of such warrants the right to acquire the Shares from Sound Water
“Tender Agent”	:	Lynchpin Bondholder Management, as the tender and information agent in relation to the Bonds Offer, which office is located at Wellington Plaza, 4th Floor, Suite 402, 56-58 Wellington Street, Central, Hong Kong

“Tender Instruction”	:	The electronic tender and blocking instruction in the form required by the Clearing Systems, for submission by Direct Participants to the Tender Agent <i>via</i> the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadline in order for Bondholders to be able to participate in the Bonds Offer
“Tendered Bonds”	:	Offer Bonds that have been validly tendered in acceptance of the Bonds Offer
“Undertaking Bonds”	:	An aggregate of RMB339 million in principal amount of the outstanding Bonds which are the subject of the Securities Undertakings, such amount representing approximately 56.50% of the total outstanding principal amount of Bonds
“Undertaking Persons”	:	The persons set out in Appendix 1 to this Exit Offer Letter
“Undertaking Shares”	:	An aggregate of 175,456,985 Shares which are the subject of the Securities Undertakings, such Shares representing approximately 13.60% of the total issued Shares
“Undertakings”	:	The Securities Undertakings and the Options Undertakings
“United States” or “U.S.”	:	United States of America
“VWAP”	:	The volume-weighted average price of the Shares on the SGX-ST
“Warrantholder”	:	International Finance Corporation, the holder of all the Warrants
“Warrants”	:	Outstanding unlisted warrants issued by the Company to International Finance Corporation on 5 December 2011 entitling it at any time from 5 December 2011 to 4 December 2014 to subscribe for 28,154,545 Shares at an exercise price of S\$1.10 per Share
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	:	Renminbi, the lawful currency of the PRC
“S\$”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“US\$”	:	United States dollars, the lawful currency of the United States

Acting in Concert. The term **“acting in concert”** shall have the meaning ascribed to it in the Singapore Takeover Code and/or the HK Takeover Code, as the case may be.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by the Financial Advisers or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile or otherwise of an announcement to the SGX-ST and the SEHK. An announcement made otherwise than to the SGX-ST and the SEHK shall be notified simultaneously to the SGX-ST and the SEHK.

Depositors. The terms “**Depositor**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 130A of the Singapore Companies Act.

English Version Prevails. In the event of any inconsistency between the English version of this Exit Offer Letter (including the Acceptance Forms) and the Chinese version of this Exit Offer Letter (including the Acceptance Forms), the English version shall prevail.

Exit Offer Letter. References to “**Exit Offer Letter**” shall include the Acceptance Forms, unless the context otherwise requires.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Exit Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer Letter.

Rounding. Any discrepancies in figures included in this Exit Offer Letter between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Exit Offer Letter may not be an arithmetic aggregation of the figures that precede them.

Shareholders and Bondholders. References to “**you**”, “**your**” and “**yours**” in this Exit Offer Letter are, as the context so determines, to Shareholders and/or Bondholders (as the case may be).

Statutes. Any reference in this Exit Offer Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the Singapore Takeover Code, the SGX-ST Listing Manual, the SFO, the HK Takeover Code and the HK Listing Rules or any modification thereof and used in this Exit Offer Letter shall, where applicable, have the meaning assigned to that word under the Singapore Companies Act, the Singapore Takeover Code, the SGX-ST Listing Manual, the SFO, the HK Takeover Code and the HK Listing Rules or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Singapore Companies Act.

Time and Date. Any reference to a time of the day and date in this Exit Offer Letter shall be a reference to Hong Kong and Singapore time and date, unless otherwise stated.

Total number of issued Shares. References in this Exit Offer Letter to the total number of issued Shares are based on 1,290,000,000 Shares in issue as at the Latest Practicable Date (based on a search conducted at ACRA on such date). As at the Latest Practicable Date, the Company does not hold any Shares in treasury.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Exit Offer Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders, Bondholders or other holders of Company Securities and investors should not place undue reliance on such forward-looking statements.

INDICATIVE TIMETABLE

Date of despatch of this Exit Offer Letter and the Offeree Board Circular	:	29 November 2013
Date and time of the EGM	:	9.00 a.m. (Hong Kong and Singapore time) on 3 January 2014
Date of announcement of the satisfaction of the Condition ⁽¹⁾	:	3 January 2014
Closing time and date of the Offers ⁽¹⁾	:	4.00 p.m. (Hong Kong and Singapore time) on 17 January 2014
Settlement of consideration for valid acceptances of the Offers	:	(a) in respect of acceptances of the Offers which are complete and valid in all respects and are received on or before the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within the earlier of seven (7) Business Days and ten (10) calendar days of the date on which the Exit Offer becomes unconditional; or (b) in respect of acceptances of the Offers which are complete and valid in all respects and are received after the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within the earlier of seven (7) Business Days and ten (10) calendar days of the date of such receipt.

Note:

- (1) Assuming that the Delisting Resolution is approved by the Shareholders at the EGM, the Offers will remain open for acceptance for a period of 14 days after the date of the announcement of the satisfaction of the Condition.



CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

CIMB SECURITIES LIMITED
(Incorporated in Hong Kong)

29 November 2013

To: The Shareholders and the Bondholders of Sound Global Ltd.

Dear Sir / Madam

PROPOSED VOLUNTARY DELISTING OF SOUND GLOBAL LTD. – EXIT OFFER LETTER

1. INTRODUCTION

1.1 Delisting Proposal

On the Joint Announcement Date, the Offeror and the Company jointly announced that the Offeror had presented to the Board the Delisting Proposal to seek the Delisting pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual.

In connection with the Delisting and subject to the terms and conditions set out in this Exit Offer Letter, the Financial Advisers, for and on behalf of the Offeror, are making the Offers to acquire all the issued Shares in the capital of the Company and all the outstanding Bonds of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror Consortium, the Undertaking Shares and the Undertaking Bonds.

1.2 EGM

The Company will be convening the EGM to seek the approval of the Shareholders for the Delisting.

1.3 Exit Offer Letter

This Exit Offer Letter contains the terms and conditions of the Exit Offer and the Bonds Offer. The Exit Offer and the Bonds Offer may only be accepted by the relevant Shareholder and/or Bondholder (as the case may be) to whom this Exit Offer Letter is addressed. This Exit Offer Letter, together with the Acceptance Forms, are despatched to you by the Financial Advisers, for and on behalf of the Offeror.

Please note that the Delisting and the Exit Offer are conditional upon the satisfaction of the Condition on or before the Last-Stop Date. If such Condition is not satisfied on or before the Last-Stop Date, the Delisting will not proceed, the Company will remain listed on the Official List of the SGX-ST and on the SEHK and the Offers will lapse. Please refer to Sections 2 and 3 of this Exit Offer Letter for further details on the Exit Offer and the Bonds Offer respectively.

1.4 Offeree Board Circular

The Offeree Board Circular issued by the Company to the Shareholders and the Bondholders in relation to the Delisting and the Offers is despatched together with this Exit Offer Letter and the relevant Acceptance Forms. Electronic copies of the Offeree Board Circular and this Exit Offer Letter are also available on the websites of the SGX-ST, the SEHK, the SFC and the Company at <http://www.sgx.com>, <http://www.hkex.com.hk>, <http://www.sfc.hk> and <http://www.soundglobal.com.sg> respectively.

1.5 Caution

Please read this Exit Offer Letter carefully in its entirety and in conjunction with the Offeree Board Circular (which sets out (a) the advice of the IFA to the Relevant Directors and the Independent Board Committee in relation to the Delisting and the Offers and (b) the recommendation of the Relevant Directors and the Independent Board Committee to the Independent Shareholders and the Independent Bondholders in relation to the Delisting and the Offers).

2. THE EXIT OFFER

2.1 Terms of the Exit Offer

Subject to the satisfaction of the Condition, the Financial Advisers, for and on behalf of the Offeror, hereby makes the Exit Offer to acquire all the Offer Shares on the terms and subject to the conditions set out in this Exit Offer Letter (including the relevant Acceptance Forms), and on the following basis:

(a) Exit Offer Price

For each Offer Share: S\$0.70 in cash.

The Offeror does not intend to increase the Exit Offer Price.

For the avoidance of doubt, in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, while the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Singapore dollars, the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars using the prevailing exchange rate for Hong Kong dollars prior to the date of payment as may be determined by the Offeror.

The Exit Offer Price shall be applicable to any number of Offer Shares that are validly tendered in acceptance of the Exit Offer.

(b) Offer Shares

The Exit Offer is extended, on the same terms and conditions, to:

- (i) all the issued Shares (other than those already owned, controlled or agreed to be acquired by the Offeror Consortium and other than the Undertaking Shares); and
- (ii) all the Conversion Shares.

For the purposes of the Exit Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

(c) Condition of the Delisting and the Exit Offer

The Delisting and the Exit Offer are subject to satisfaction of the following Condition **on or before the Last-Stop Date**:

- (i) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and
- (ii) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury Shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

Under Rule 1307 of the SGX-ST Listing Manual, all Shareholders, including the Directors and the Controlling Shareholders, need not abstain from voting on the Delisting Resolution at the EGM. Pursuant to consultation by Mr. Wen with the SGX-ST, the SGX-ST has stated that it has no objection to Mr. Wen and his associates voting on the Delisting Resolution at the EGM. As at the Latest Practicable Date, the Offeror Consortium, which owns 725,022,000 Shares, representing approximately 56.20% of the total issued Shares, is entitled to and intends to vote all of these Shares in favour of the Delisting Resolution at the EGM.

In addition, pursuant to the Securities Undertakings, the Undertaking Persons have *inter alia*, undertaken to vote an aggregate of 175,456,985 Shares, representing approximately 13.60% of the total issued Shares, in favour of the Delisting Resolution at the EGM. Further details on the Securities Undertakings are set out in Section 7 of this Exit Offer Letter.

Shareholders should note that if the Condition is not satisfied on or before the Last-Stop Date, the Delisting will not proceed and the Company will remain listed on the Official List of the SGX-ST and on the SEHK. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned to the relevant Shareholders.

(d) No Minimum Acceptances

The procedures for acceptance and settlement of the Exit Offer are set out in Appendix 2A and Appendix 2B to this Exit Offer Letter. Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon satisfaction of the Condition on or before the Last-Stop Date. If the Condition is not satisfied on or before the Last-Stop Date, the Delisting will not proceed, the Exit Offer will lapse and the Offeror will cease to be bound by any acceptances of the Exit Offer. The Offer Shares in respect of which acceptances have been received will be returned to the relevant Shareholders in accordance with the procedures set out in this Exit Offer Letter.

For illustrative purposes, each Shareholder who accepts the Exit Offer will receive S\$700 (or in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, such equivalent amount in Hong Kong dollars using the prevailing exchange rate for Hong Kong dollars prior to the date of payment as may be determined by the Offeror) for every 1,000 Offer Shares tendered in acceptance of the Exit Offer (before deduction of applicable stamp duty, if any). The Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

(e) No Encumbrances

The Offer Shares will be acquired fully paid and (i) free from all Encumbrances, and (ii) together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be declared, made or paid thereon by the Company on or after the Joint Announcement Date.

(f) Warranty by Accepting Shareholder

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty to the Offeror and the Financial Advisers by the accepting Shareholder that each Offer Share in respect of which the Exit Offer is accepted and is sold by the accepting Shareholder as, or on behalf of, the beneficial owner(s) thereof, will be fully paid and free from all Encumbrances, and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Announcement Date, and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be declared, made or paid thereon by the Company on or after the Joint Announcement Date.

(g) Duration of the Exit Offer

The Exit Offer is open for acceptance from the date of despatch of this Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon the Delisting Resolution being passed at the EGM. If the Delisting Resolution is not passed at the EGM, the Condition will not be satisfied, the Exit Offer will lapse and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will remain open for acceptance for a period of 14 days after the date of the announcement of the satisfaction of the Condition. Accordingly, the Exit Offer will close at **4.00 p.m. (Hong Kong and Singapore time) on 17 January 2014.**

The Offeror has no intention of extending the Offers beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Notice is hereby given that the Offers will not be open for acceptance beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.

2.2 Voting on the Delisting Resolution at the EGM and the Exit Offer

The Offeror is making the Exit Offer in order to facilitate the Delisting and accordingly, the Exit Offer is conditional upon the Delisting Resolution being approved by Shareholders at the EGM. Shareholders may vote all or any number of Shares held by them for or against the Delisting Resolution, regardless of whether or not they wish to accept the Exit Offer.

- (i) Shareholders who support the Delisting and wish to retain their Shares (which will continue to be listed on the SEHK) may vote in favour of the Delisting Resolution at the EGM and reject the Exit Offer;
- (ii) Shareholders who support the Delisting but wish to sell their Shares (although such Shares will continue to be listed on the SEHK) may vote in favour of the Delisting Resolution at the EGM and accept the Exit Offer; and

- (iii) Shareholders who do not support the Delisting and wish to retain their Shares may abstain from voting on or vote against the Delisting Resolution at the EGM and reject the Exit Offer.

Shareholders should note that the Delisting is not a privatisation exercise. In the event that the Delisting Resolution is approved by Shareholders at the EGM, the Company will delist the Shares from the SGX-ST but maintain the primary listing of the Shares on the SEHK.

Shareholders who wish to retain their Shares and reject the Exit Offer do not need to take any action. Shareholders who wish to sell their Shares and accept the Exit Offer should complete, sign and return the relevant Acceptance Form. Please refer to Section 16 of this Exit Offer Letter for further details.

3. THE BONDS OFFER

3.1 Description of the Bonds

Based on information available to the Offeror, as at the Latest Practicable Date, the Company has outstanding Bonds with an aggregate principal amount of RMB600 million. Based on the prevailing conversion price of S\$0.674 per Share and a fixed exchange rate of S\$1.00 to RMB5.021, in accordance with the Bonds Conditions, an aggregate of up to 177,296,896 Conversion Shares will be allotted and issued upon the full conversion of the outstanding Bonds.

Based on the Bonds Conditions, if the conversion right in respect of Bonds with principal amount of more than RMB100,000 is exercised at any one time such that the Conversion Shares to be issued are to be registered in the same name, the number of such Conversion Shares to be issued in respect thereof shall be calculated on the basis of the aggregate RMB principal amount of such Bonds being so converted (as opposed to multiples of the denomination of the Bonds being RMB100,000), rounded down to the nearest whole number of Conversion Shares.

The Bonds are currently listed on the SGX-ST. Pursuant to consultation by Mr. Wen with the SGX-ST, the SGX-ST has stated that notwithstanding the Delisting, it has no objection to the continued listing of the Bonds on the SGX-ST, subject to compliance with the applicable listing requirements of the Bonds.

3.2 Terms of the Bonds Offer

The Financial Advisers, for and on behalf of the Offeror, hereby makes the Bonds Offer to acquire all the Offer Bonds in accordance with Rule 19 of the Singapore Takeover Code and Rule 13 of the HK Takeover Code on the terms and subject to the conditions set out in this Exit Offer Letter, and on the following basis:

(a) Bonds Offer Price

The Bonds Offer Price for the outstanding Bonds tendered in acceptance of the Bonds Offer will, in accordance with Note 1(a) on Rule 19 of the Singapore Takeover Code and Note 1 to Rule 13 of the HK Takeover Code, be the “see-through” price, which is equal to the Exit Offer Price multiplied by the number of Conversion Shares into which the principal amount of such Bonds tendered towards the Bonds Offer may otherwise be converted (rounded down to the nearest whole number of Conversion Shares) (the “**Conversion Ratio**”). In the event the Conversion Ratio is

or will be adjusted in accordance with the Bonds Conditions, the Offeror reserves the right to adjust the Bonds Offer Price subject to consultation with the relevant authorities, if required.

(b) Condition of the Bonds Offer

The Bonds Offer is subject to and conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and the Offer Bonds continuing to be transferable and convertible into Conversion Shares.

If the Exit Offer lapses or if the relevant Offer Bonds cease to be transferable or convertible into Conversion Shares, the Bonds Offer shall lapse accordingly.

(c) Minimum Denomination

Pursuant to the Bonds Conditions, the Bonds are issued in registered form in the denomination of RMB100,000 or integral multiples thereof. Accordingly, a Bondholder should accept the Bonds Offer in integral multiples of RMB100,000 in principal amount of Offer Bonds.

For illustrative purposes, the Bonds Offer Price payable in respect of (i) a Bond with a principal amount of RMB100,000; and (ii) Bonds with an aggregate principal amount of RMB1,000,000, will be as follows:

(i) Bond with a principal amount of RMB100,000

The number of Conversion Shares into which the Bond may be converted (rounded down to the nearest whole number of Conversion Shares) is as follows:

$$\frac{A}{B} = 29,549 \text{ Conversion Shares}$$

where A is the principal amount of the Bond in Singapore dollars (based on a fixed exchange rate of S\$1.00 to RMB5.021) and B is the prevailing conversion price of S\$0.674 per Share.

Assuming a Bondholder tenders in acceptance of the Bonds Offer a Bond with a principal amount of RMB100,000, the Bonds Offer Price will be S\$20,684.30.

(ii) Bonds with an aggregate principal amount of RMB1,000,000

The number of Conversion Shares into which the Bonds may be converted (rounded down to the nearest whole number of Conversion Shares) is as follows:

$$\frac{A}{B} = 295,494 \text{ Conversion Shares}$$

where A is the principal amount of the Bonds in Singapore dollars (based on a fixed exchange rate of S\$1.00 to RMB5.021) and B is the prevailing conversion price of S\$0.674 per Share.

Assuming a Bondholder tenders in acceptance of the Bonds Offer such Bonds with an aggregate principal amount of RMB1,000,000, the Bonds Offer Price will be S\$206,845.80.

(d) No Encumbrances

The Offer Bonds will be acquired fully paid and free from all Encumbrances and together with all rights, interests, benefits, entitlements and advantages attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Bonds Record Date for which falls on or after the Joint Announcement Date, other than the Excluded Interest Payment.

(e) Warranty by Accepting Bondholder

A Bondholder who tenders his Offer Bonds in acceptance of the Bonds Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror:

- (i) that he sells such Offer Bonds as, or on behalf of, the beneficial owner(s) thereof, free from all Encumbrances together with all rights, interests, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), the Bonds Record Date for which falls on or after the Joint Announcement Date other than the Excluded Interest Payment; and
- (ii) on the terms set out in Appendix 3 to this Exit Offer Letter.

(f) Duration of the Bonds Offer

The Bonds Offer is open for acceptance from the date of despatch of this Exit Offer Letter. Bondholders may choose to accept the Bonds Offer before the EGM. However, such acceptances will be conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms. If the Delisting Resolution is not passed at the EGM, the Condition will not be satisfied, the Bonds Offer will lapse and the Offeror will cease to be bound by any prior acceptances of the Bonds Offer by any Bondholder.

The Bonds Offer shall remain open for acceptance until 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. **The Offeror has no intention of extending the Offers beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Notice is hereby given that the Offers will not be open for acceptance beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.**

3.3 Exit Offer and Bonds Offer Mutually Exclusive

For the avoidance of doubt, whilst the Bonds Offer is conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, the Exit Offer is not conditional upon acceptances received in relation to the Bonds Offer. The Exit Offer and the Bonds Offer are separate and are mutually exclusive, such that the Bonds Offer does not form part of the Exit Offer, and *vice versa*.

Without prejudice to the foregoing, if Bondholders wish to convert their Bonds in order to accept the Exit Offer in respect of the Conversion Shares arising pursuant to such conversion, they may not accept the Bonds Offer in respect of such Bonds. Conversely, if the Bondholders wish to accept the Bonds Offer in respect of their Bonds, they may not convert those Bonds in order to accept the Exit Offer in respect of such Conversion Shares arising pursuant to such conversion. Please refer to Section 16 of this Exit Offer Letter for further details.

4. RULINGS AND CONFIRMATIONS FROM THE SIC

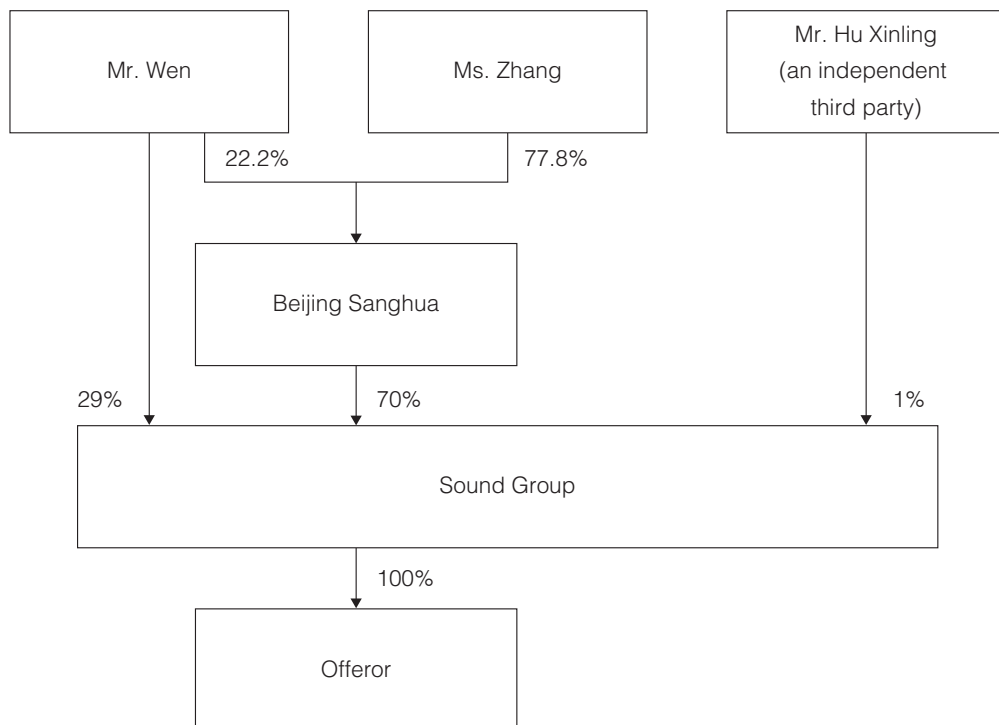
Pursuant to an application made by the Offeror to the SIC, the SIC has ruled that:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Singapore Takeover Code:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it has been revised; and
 - (ii) Rule 22 on the offer timetable;subject to the following conditions:
 - (1) disclosure in the Offeree Board Circular of:
 - (A) the Consolidated Group NTA per Share; and
 - (B) particulars of all known material changes as of the Latest Practicable Date which may affect the Consolidated Group NTA per Share or a statement that there are no such known material changes; and
 - (2) the Exit Offer being kept open for at least:
 - (A) 21 days after the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting Resolution has been obtained; or
 - (B) 14 days after the announcement of Shareholders' approval of the Delisting Resolution if the Exit Offer Letter is despatched together with the Offeree Board Circular;
- (b) SIC has no objection to the Exit Offer being conditional upon satisfaction of the Condition by the Last-Stop Date;
- (c) the Undertaking Persons and the Optionholders are not regarded as parties acting in concert with the Offeror Consortium for the purposes of the Exit Offer solely by virtue of the Undertakings executed by them;
- (d) SIC has no objection to the Exit Offer Price being denominated in Singapore dollars;
- (e) the financial confirmation to be given by CIMB Singapore pursuant to Rule 3.5 of the Singapore Takeover Code that sufficient resources are available to the Offeror to satisfy acceptances of the Exit Offer may exclude the Shares, Options, Warrants and Bonds held by the Offeror Consortium, the Undertaking Persons and the Optionholders; and
- (f) Mr. Wen is exempted from the requirement to make a recommendation to Shareholders on the Exit Offer as he faces an irreconcilable conflict of interest in doing so, being a member of the Offeror Consortium. Mr. Wen must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

5. INFORMATION ON THE OFFEROR CONSORTIUM

5.1 Information on the Offeror

- (a) The Offeror is a special purpose vehicle incorporated in Hong Kong on 10 May 2013 for the purposes of the Offers and is wholly-owned by Sound Group. The Offeror is an investment holding company, which has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offers.
- (b) Sound Group is a company incorporated in the PRC on 18 April 2000 with limited liability and is owned as to 29% by Mr. Wen, 70% by Beijing Sanghua and 1% by Mr. Hu Xinling, an independent third party. Sound Group is principally engaged in the businesses of water and wastewater treatment and solid waste treatment. Beijing Sanghua is a company incorporated in the PRC on 26 July 1995 with limited liability and is owned as to 22.2% by Mr. Wen and 77.8% by Ms. Zhang. Beijing Sanghua is principally engaged in technology transfer and provision of technology consultation services. Mr. Wen is the sole director of each of Sound Group and Beijing Sanghua.
- (c) The shareholding structure of the Offeror as at the Latest Practicable Date is set out below:



- (d) As at the Latest Practicable Date, the Offeror is authorised to issue a maximum of 1,000,000 ordinary shares of HK\$1.00 each and currently has an issued and paid-up share capital of HK\$1,000,000 divided into 1,000,000 ordinary shares of HK\$1.00 each.
- (e) The sole director of the Offeror is Mr. Wen. Mr. Wen is also the Chairman and executive Director of the Company. As at the Latest Practicable Date, Mr. Wen is directly interested in 11,733,000 Shares, representing approximately 0.91% of the total number of issued Shares and is deemed to be interested in an aggregate of 713,289,000 Shares, representing approximately 55.29% of the total number of

issued Shares. Save as disclosed in this paragraph and in Appendix 6 to this Exit Offer Letter, as at the Latest Practicable Date, Mr. Wen does not own or control, and has not entered into any agreement to acquire, any Company Securities.

- (f) The Offeror Consortium (which includes Mr. Wen) has an aggregate (direct and indirect¹) interest in 725,022,000 Shares, representing approximately 56.20% of the total number of issued Shares.
- (g) As at the Latest Practicable Date, the Offeror does not own or control, and has not entered into any agreement to acquire, any Company Securities.
- (h) Additional information on the Offeror and Sound Group is set out in Appendix 4 to this Exit Offer Letter.

5.2 Information on other members of the Offeror Consortium

- (a) Members of the Offeror Consortium comprise the Offeror, Mr. Wen and his spouse, Ms. Zhang, Sound Water (a company owned by Mr. Wen and his spouse) and Green Capital (a company owned by the in-laws of Mr. Wen). Mr. Wen is the sole director of Sound Water, and Mr. Wen and Mr. Zhang (who is Mr. Wen's father-in-law) are the directors of Green Capital. Please refer to Section 13 of this Exit Offer Letter for details of the Company Securities owned or controlled by the Offeror Consortium.
- (b) In connection with the corporate purposes of Sound Water, pursuant to the Note Purchase Agreement, Sound Water has issued (i) US\$50,000,000 of senior secured notes and (ii) the Sound Water Warrants (which confer the right to acquire 9,069,767 Shares from Sound Water on the terms thereunder) to Mighty Sky (a company ultimately owned by China Construction Bank Corporation). Further, an amount of 288,000,000 Shares held by Sound Water are charged in favour of Mighty Sky as security agent under the Share Charge and pursuant to the Note Purchase Agreement, Sound Water may, from time to time, include additional Shares into the Share Charge to maintain a prescribed minimum collateral value attributed to these Shares. Save as disclosed in this paragraph, as at the Latest Practicable Date, Mighty Sky does not own or control, and has not entered into any agreement to acquire, any Company Securities.
- (c) Mighty Sky has provided, amongst others, an irrevocable undertaking in favour of Mr. Wen in relation to the Sound Water Warrants, in respect of the following:
 - (i) that it will, prior to the close of the Exit Offer or its withdrawal, continue to be the registered owner of all the Sound Water Warrants;
 - (ii) that it will not exercise the Sound Water Warrants or cause or permit the exercise of the Sound Water Warrants to acquire any Shares; and
 - (iii) there has been no breach or event of default (however described) in the Note Purchase Agreement as at the date of the Mighty Sky Undertaking which will lead to or result in an enforcement of the Share Charge.

¹ As at the Latest Practicable Date, Mr. Wen holds 11,733,000 Shares, Sound Water holds 701,784,000 Shares and Green Capital holds 11,505,000 Shares. Sound Water is a company incorporated in the BVI and its shareholders are Mr. Wen (90%) and his spouse, Ms. Zhang (10%). Green Capital is a company incorporated in the BVI and its shareholders are Ms. Tang Lianfang (50%) and Mr. Zhang Linmao (50%). Ms. Tang Lianfang is Mr. Wen's mother-in-law and Mr. Zhang Linmao is Mr. Wen's father-in-law.

- (d) The Mighty Sky Undertaking will expire and cease to have any effect upon, amongst others, any one of the following events occurring:
- (i) the Delisting Resolution not being passed by the Shareholders at the EGM; or
 - (ii) the Exit Offer having been withdrawn, lapsed or closed.
- (e) As at the Latest Practicable Date, save for (i) US\$50,000,000 of senior secured notes issued by Sound Water, (ii) the Sound Water Warrants and (iii) 288,000,000 Shares held by Sound Water which are charged in favour of Mighty Sky as security agent under the Share Charge, Mighty Sky does not own or control, and has not entered into any agreement to acquire, any Company Securities and has not dealt for value in any Company Securities during the Reference Period.
- (f) Pursuant to the Far Eastern Facility, Sound Water has further charged 50,000,000 Shares held by Sound Water in favour of Far Eastern, and depending on the Offeror's drawdown under such financing, Mr. Wen, the Offeror and/or Sound Water may further charge up to an additional 43,000,000 Shares in favour of Far Eastern thereunder.

6. INFORMATION ON THE COMPANY

- 6.1 The Company is incorporated in Singapore and is dual primary listed on the SGX-ST and the SEHK. The Group is engaged in providing turnkey water and wastewater treatment solutions, management of water treatment plants and investments in build, operate and transfer projects, mainly in the PRC.
- 6.2 The following information is extracted from the audited consolidated income statements of the Group for FY2012 and the unaudited consolidated income statement of the Group for 9M2013:

	FY2012 (audited) (RMB'000)	9M2013 (unaudited) (RMB'000)
Revenue	2,652,256	2,241,545
Profit before income tax	503,411	375,029
Profit for the year/period attributable to Shareholders	427,509	288,844

- 6.3 As at the Latest Practicable Date:
- (a) based on a search conducted at ACRA, the Company has an issued and paid-up share capital of S\$175,944,790.23 comprising 1,290,000,000 Shares;
 - (b) save for the Options, the Warrants and the Bonds, the Company does not have any other outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares;
 - (c) the Company does not have any treasury Shares; and
 - (d) the Directors are Messrs Wen Yibo (Chairman and executive Director), Zhang Jingzhi (executive Director and Chief Executive Officer), Wang Kai (executive Director and Chief Financial Officer), Jiang Anping (executive Director), Luo Liyang (executive Director), Wong See Meng (lead independent non-executive Director), Seow Han Chiang Winston (independent non-executive Director) and Fu Tao (independent non-executive Director).
- 6.4 Additional information on the Company is set out in Appendix 5 to this Exit Offer Letter.

7. UNDERTAKINGS

7.1 Securities Undertakings

- (a) The persons set out in Appendix 1 to this Exit Offer Letter, representing (I) Shareholders which have provided the Securities Undertakings in respect of an aggregate of approximately 13.60% of the total issued Shares as at the Latest Practicable Date; (II) the Warrantholder; and (III) Bondholders holding in aggregate approximately 56.50% of the total principal amount of all outstanding Bonds as at the Latest Practicable Date, have provided irrevocable undertakings to the Offeror in relation to the Undertaking Shares, the Undertaking Bonds, and/or the Warrants comprised in the Securities Undertakings (as the case may be), in respect of the following:
- (i) not to accept the Exit Offer, the Bonds Offer or any other offer and/or proposal to be made by the Offeror in connection with the Delisting in respect of any outstanding securities;
 - (ii) until the expiry of the Securities Undertakings, the Undertaking Persons shall continue to be the sole beneficial owners of their respective Undertaking Shares, Undertaking Bonds and/or the Warrants (as the case may be), free from any third party right, interest or encumbrance of any nature whatsoever which may otherwise prevent them from exercising absolute ownership of their respective Undertaking Shares, Undertaking Bonds and/or the Warrants or fully the rights, interests and entitlements attached thereto;
 - (iii) in respect of the Undertaking Persons who is the Warrantholder or are the Bondholders, not to exercise or cause the exercise of any conversion or exercise rights in respect of their Warrants and/or Undertaking Bonds into Shares prior to the expiry of the Securities Undertakings; and
 - (iv) in respect of the Undertaking Persons who are Shareholders, to exercise or procure the exercise of all voting rights attached to their Shares to vote in favour of the Delisting Resolution at the EGM.
- (b) The Securities Undertakings will expire and cease to have any effect on, amongst others, any of the following occurrence:
- (i) the offer price per Share being higher than S\$0.70 or the terms of the Delisting and the Exit Offer otherwise deviating substantially from those set out in the Securities Undertakings;
 - (ii) the Condition not having been satisfied or fulfilled within six (6) calendar months from the Joint Announcement Date;
 - (iii) the Shares having been halted or suspended from trading on the SEHK for a period of ten (10) consecutive Market Days, provided that the Offeror shall have obtained the necessary approvals of the regulatory authorities in Singapore and Hong Kong for the withdrawal of the Exit Offer due to the aforesaid trading halt or trading suspension of the Shares on the SEHK. For the avoidance of doubt, in the event that the Shares are halted or suspended from trading on the SEHK for the aforesaid period, the Offeror shall, within three (3) Market Days of such halt or suspension, make the necessary application to the said regulatory authorities for the aforementioned approvals;

- (iv) there being any announcement of an intention to delist or cancel the admission of the listing of the Shares from the SEHK, provided that the Offeror shall have obtained the necessary approvals of the regulatory authorities in Singapore and Hong Kong for the withdrawal of the Exit Offer due to the aforesaid delisting or cancellation of listing of the Shares on the SEHK. For the avoidance of doubt, in the event that there is such an announcement of an intention to delist or cancel the admission of the listing of the Shares from the SEHK, the Offeror shall, within three (3) Market Days of such announcement, make the necessary application to the said regulatory authorities for the aforementioned approvals; or
- (v) the Exit Offer having been withdrawn, lapsed or closed.

7.2 Options Undertakings

- (a) All the Optionholders have each provided, amongst others, irrevocable undertakings to Mr. Wen in respect of the Options comprised in their Options Undertakings, in respect of the following:
 - (i) not to accept the Exit Offer or any other offer and/or proposal to be made by the Offeror in connection with the Delisting in respect of any outstanding Options;
 - (ii) not to, amongst others, offer, sell, give, transfer, pledge, encumber, charge or grant any option or other right over or otherwise dispose of or deal with any of their Options (or Shares arising therefrom) or any interest therein; and
 - (iii) not to exercise any of their Options or cause or permit the exercise of any of their Options or conversion of any of their Options into Shares prior to the close of the Exit Offer or its withdrawal.
- (b) The Options Undertakings will expire and cease to have any effect on, amongst others, the following occurrence:
 - (i) the Delisting Resolution not being passed by the Shareholders at the EGM; or
 - (ii) the Exit Offer having been withdrawn, lapsed or closed.
- (c) As at the Latest Practicable Date, save for the Options, none of the Optionholders owns or controls any Shares or Company Securities and have not dealt for value in any Company Securities during the Reference Period.
- (d) For the avoidance of doubt, none of the members of the Offeror Consortium, which comprises the Offeror, Mr. Wen, Ms. Zhang, Sound Water and Green Capital, has provided undertakings to the Offeror in relation to the Offers.

8. RATIONALE FOR THE DELISTING AND THE EXIT OFFER

The Delisting and the Exit Offer are proposed by the Offeror for the following reasons:

- (a) the SEHK is geographically of closer proximity to the principal place of business of the Group's operations which are mainly undertaken in the PRC. As such, the Company regards the SEHK as the preferred platform for future fund raising activities (if any) as investors on the SEHK are likely to have greater familiarity with the business of the Group;
- (b) there will be a reduction in (i) the compliance costs and complexity involved in the Company having to comply with the listing rules and regulations of two stock exchanges as well as (ii) management resources incurred and constraints in operational flexibility; and
- (c) Shareholders who hold a long-term view of their investments in the Shares and who are confident and optimistic about the prospects of the Group are given the opportunity to retain their equity exposure to the Group. The Company remains listed on the SEHK after completion of the Delisting and arrangements will be made by the Company for those Shareholders who hold their Shares on the Singapore Register to transfer their Shares to the HK Branch Register at no cost or inconvenience to these Shareholders, should such Shareholders choose not to accept the Exit Offer.

The Offeror is not making the Exit Offer to consolidate control in or to privatise the Company. The Exit Offer is being made for the purpose of facilitating the Delisting and it is intended that the Company will remain listed on the SEHK following the Delisting.

9. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror has no intention to (a) propose any major changes to the continuation of the businesses of the Group, (b) introduce any major changes to the businesses of the Group including redeployment of the fixed assets of the Group, or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary course of business.

The Offeror intends to preserve the listing status of the Company on the SEHK following the completion of the Delisting. Shareholders should note that the Delisting is not a privatisation exercise and following the Delisting, the Shares will continue to be listed on the SEHK. The Delisting will not result in the exercise of any right of compulsory acquisition by the Offeror to compulsorily acquire or squeeze-out any minority Shareholders.

The SEHK has stated that in the event that as at the close of the Exit Offer, (i) less than the minimum prescribed shareholding percentage applicable to the Company (being 25% of the total issued Shares) is held by the public, (ii) if the SEHK believes that a false market exists or may exist in the trading of the Shares, or (iii) that there are insufficient Shares in public hands to maintain an orderly trading market, it will consider exercising its discretion to suspend trading in the Shares. Each of the Offeror and the Company will undertake to the SEHK to take appropriate steps to ensure that sufficient public float exists in the Shares, including entering into a placing agreement to place down certain Shares held by the Offeror Consortium.

10. COMPULSORY ACQUISITION

- 10.1 Pursuant to Section 215(1) of the Singapore Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period that the Exit Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury Shares), the Offeror will be entitled to compulsorily acquire all the Offer Shares from Shareholders who have not accepted the Exit Offer on the same terms as those offered under the Exit Offer.

Pursuant to Rule 2.11 of the HK Takeover Code, except with the consent of the Executive, where any person seeks to acquire or privatise a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the offeror and persons acting in concert with it during the period of four (4) months after the posting of the initial offer document total 90% of the disinterested shares.

As it is the intention of the Offeror to maintain the continued listing status of the Shares on the SEHK, the Offeror does not intend to exercise any rights of compulsory acquisition under Section 215(1) of the Singapore Companies Act and Rule 2.11 of the HK Takeover Code respectively.

- 10.2 In addition, Shareholders who do not accept the Exit Offer have the right under and subject to Section 215(3) of the Singapore Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury Shares). Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

11. IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER

Shareholders who trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the SEHK subsequent to the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Hong Kong Branch Share Registrar will issue and mail by ordinary post to the mailing addresses of Shareholders as they appear in the Address Notification Form submitted to the Company, at their own risk, new share certificates in respect of their Shares registered on the HK Branch Register. Shareholders who do not submit the Address Notification Form to the Company will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP. Shareholders will thereafter be able to trade their Shares freely on the SEHK upon setting up investor participant stock accounts in CCASS with the HKSCC or stock accounts with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing the Shares issued by the Hong Kong Branch Share Registrar into CCASS for credit to their investor participant stock accounts or their designated CCASS participant stock accounts thereafter.

12. FINANCIAL ASPECTS OF THE EXIT OFFER²

12.1 Premia to Historical Market Prices

The Exit Offer Price represents the following premia over the historical market prices of the Shares on the SGX-ST and the SEHK over various periods:

Share Prices on the SGX-ST	Share Price	Premium of Exit Offer Price over Share Price
Last transacted price of the Shares on the SGX-ST on 6 September 2013 (being the last day on which the Shares were traded prior to the Joint Announcement Date)	S\$0.645	8.5%
Last transacted price of the Shares on the SGX-ST on the Last Traded Day	S\$0.570	22.8%
VWAP on the SGX-ST for the one-month period prior and up to the Last Traded Day	S\$0.589	18.8%
VWAP on the SGX-ST for the three-month period prior and up to the Last Traded Day	S\$0.571	22.6%
VWAP on the SGX-ST for the six-month period prior and up to the Last Traded Day	S\$0.588	19.0%
VWAP on the SGX-ST for the one-year period prior and up to the Last Traded Day	S\$0.576	21.5%

Share Prices on the SEHK	Share Price	Premium of Exit Offer Price³ over Share Price
Last transacted price of the Shares on the SEHK on 6 September 2013 (being the last day on which the Shares were traded prior to the Joint Announcement Date)	HK\$3.950	9.8%
Last transacted price of the Shares on the SEHK on the Last Traded Day	HK\$3.630	19.5%
Average closing price on the SEHK for the one-month period prior and up to the Last Traded Day	HK\$3.933	10.3%

² The historical market prices and the net asset value per Share of the Group are rounded to the nearest three (3) decimal places. The historical market prices and the corresponding premia are computed based on data extracted from Bloomberg L.P., where such data excludes off-market transactions.

³ For ease of comparison, the Exit Offer Price has been converted into Hong Kong dollars based on the Latest Exchange Rate.

Share Prices on the SEHK	Share Price	Premium of Exit Offer Price ³ over Share Price
Average closing price on the SEHK for the three-month period prior and up to the Last Traded Day	HK\$3.724	16.5%
Average closing price on the SEHK for the six-month period prior and up to the Last Traded Day	HK\$3.890	11.5%
Average closing price on the SEHK for the one-year period prior and up to the Last Traded Day	HK\$3.673	18.1%

12.2 Premium to Net Asset Value and NTA

The Exit Offer Price represents:

- (i) a premium of approximately 49.9% over the unaudited consolidated net asset value per Share of S\$0.467 as at 30 September 2013; and
 - (ii) a premium of approximately 54.9% over the unaudited consolidated NTA per Share of S\$0.452 as at 30 September 2013,
- assuming an exchange rate of S\$1.00: RMB4.875.

13. DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY

- 13.1 As at the Latest Practicable Date, the Offeror Consortium owns or has control or direction over an aggregate of 725,022,000 Shares, representing approximately 56.20% of the total number of issued Shares and CIMB Securities (Singapore) Pte. Ltd. holds an aggregate of 606 Shares⁴.
- 13.2 Save as disclosed in Appendix 6 to this Exit Offer Letter, and based on responses received pursuant to enquiries that the Offeror has made, none of the Relevant Persons (a) owns, controls, has direction over or has agreed to acquire any Company Securities as at the Latest Practicable Date, or (b) has dealt for value in any Company Securities during the Reference Period.
- 13.3 Further disclosures are set out in Appendix 6 and Appendix 7 to this Exit Offer Letter.

⁴ The 606 Shares were acquired in proprietary dealings by CIMB Securities (Singapore) Pte. Ltd. (an affiliate of the Financial Advisers) prior to the Possible Offer Announcement Date and such dealings were not carried out in connection with the Delisting or the Exit Offer.

14. TOTAL CONSIDERATION PAYABLE UNDER THE OFFERS

- 14.1 As at the Latest Practicable Date, the Company has 1,290,000,000 Shares in issue. On the basis of the Exit Offer Price of S\$0.70 and 1,290,000,000 Shares in issue, the total consideration payable for the entire issued share capital of the Company is S\$903,000,000. Excluding the Undertaking Shares, being 175,456,985 Shares held by the Undertaking Persons who are Shareholders and who have agreed and/or have agreed to procure their nominees, amongst others, not to accept the Exit Offer in respect of all of their Undertaking Shares pursuant to the Securities Undertakings, and the 725,022,000 Shares held by the Offeror Consortium and assuming that none of the outstanding Bonds, Warrants or Options as at the Latest Practicable Date is converted or exercised into Shares prior to the close of the Exit Offer, 389,521,015 Shares will be subject to the Exit Offer and the total consideration payable by the Offeror for such Shares based on the Exit Offer Price will be S\$272,664,710.50.
- 14.2 As at the Latest Practicable Date, the Company has outstanding Bonds with an aggregate principal amount of RMB600 million which are convertible into up to 177,296,896 Shares⁵. Excluding the Undertaking Bonds, being Bonds with an aggregate principal amount of RMB339 million held by the Undertaking Persons who are Bondholders and on the basis of the Bonds Offer Price calculated on a “see-through” basis and assuming that no other Bonds are converted into Shares or are otherwise redeemed prior to the close of the Bonds Offer, the total consideration payable by the Offeror under the Bonds Offer for acquisition of all the outstanding Bonds will be approximately S\$53,986,904.30.
- 14.3 As at the Latest Practicable Date, the Company has 32,504,400 outstanding Options (of which 24,378,300 Options are exercisable) with an exercise price of S\$0.745, entitling the Optionholders to subscribe for an aggregate of 32,504,400 Shares. Pursuant to the Options Undertakings, all of the Optionholders have irrevocably undertaken not to accept the Exit Offer or any offer and/or proposal to be made by the Offeror in connection with the Delisting in respect of any outstanding Options and not to exercise or cause the exercise of the Options or cause or permit the exercise of any of their Options or conversion of any of their Options into Shares.
- 14.4 As at the Latest Practicable Date, the Company has 28,154,545 outstanding Warrants with an exercise price of S\$1.10 entitling the Warrantholder to subscribe for an aggregate of 28,154,545 Shares. Pursuant to the Securities Undertaking, the Warrantholder which holds all the outstanding Warrants has irrevocably undertaken, amongst other things, not to accept the Exit Offer and any offer and/or proposal to be made by the Offeror in connection with the Delisting in respect of any outstanding Warrants and not to exercise or cause the exercise of any conversion or exercise rights of the Warrants.
- 14.5 Accordingly, excluding the Shares, Bonds, Options and Warrants that are subject to the Undertakings and the Shares already owned, controlled or agreed to be acquired by the Offeror Consortium, and assuming that none of the outstanding Bonds, Options or Warrants is converted or exercised into Shares prior to the close of the Offers and the Offers are accepted in full, the maximum amount of cash consideration payable under the Offers by the Offeror will be S\$326,651,614.80 in aggregate.

⁵ Based on the Bonds Conditions, if the conversion right in respect of more than one (1) Bond is exercised at any one time such that the Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate RMB principal amount of such Bonds being so converted, rounded down to the nearest whole number of Shares.

15. CONFIRMATION OF FINANCIAL RESOURCES

- 15.1 The maximum amount of cash consideration payable by the Offeror in connection with the Offers is approximately S\$326,651,614.80 in aggregate, which will be funded by the Offeror by way of the CITIC Facility and the Far Eastern Facility, both of which are short-term bank facilities. The Far Eastern Facility is secured by certain Shares held by the Offeror Consortium, details of which are set out in Section 5.2(f) of this Exit Offer Letter. The Offeror confirms that it does not intend for the payment of interest on, repayment of, or security for any liability (contingent or otherwise) under, the CITIC Facility or the Far Eastern Facility to depend to any significant extent on the business of the Group.
- 15.2 CIMB Singapore, as the Offeror's Singapore financial adviser, confirms in accordance with the Singapore Takeover Code that, after taking into account the Undertakings and the Mighty Sky Undertaking, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offers.
- 15.3 CIMB Hong Kong, as the Offeror's Hong Kong financial adviser, confirms in accordance with the HK Takeover Code that, after taking into account the Undertakings and the Mighty Sky Undertaking, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offers.

16. COURSES OF ACTION AVAILABLE TO SHAREHOLDERS AND BONDHOLDERS

16.1 Acceptance Forms

- (a) If you hold Offer Shares that are deposited with CDP, you should receive a SG FAA together with this Exit Offer Letter. If you have not received the SG FAA, you may obtain a copy of the SG FAA from the Offeror c/o CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, upon production of satisfactory evidence that you are a Depositor holding Offer Shares through CDP.
- (b) If you are a Singapore Registered Shareholder, you should receive a SG FAT together with this Exit Offer Letter. If you have not received a SG FAT, you may obtain a copy of the SG FAT from the office of the Principal Share Registrar in Singapore at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, upon production of satisfactory evidence that you are a Singapore Registered Shareholder.
- (c) If you are a HK Branch Registered Shareholder, you should receive a HK FAT together with this Exit Offer Letter. If you have not received a HK FAT, you may obtain a copy of the HK FAT from the office of the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, upon production of satisfactory evidence that you are a HK Branch Registered Shareholder.
- (d) If you are a HK Branch Registered Shareholder holding your Shares through a nominee or in CCASS, please instruct your nominee company, or other nominee to elect to accept the Exit Offer in accordance with instructions given by your nominee or CCASS nominees.
- (e) If you are a Bondholder, you will receive this Exit Offer Letter in electronic format without any acceptance form as tenders of Offer Bonds in acceptance of the Bonds Offer should be made by the Accepting Bondholders by way of submission of Tender Instructions in accordance with the procedures set out in Appendix 3 to this Exit Offer Letter.

- (f) If you are a Bondholder who wishes to convert all or part of your Offer Bonds in order to accept the Exit Offer, please refer to the Bonds Conditions to comply with the relevant procedures for the conversion of Bonds.

If a Converting Bondholder receives:

- (i) the Conversion Shares (arising from the conversion of the relevant Bonds) in **share certificate form** and wishes to accept the Exit Offer, he should complete and sign the SG FAT and/or the HK FAT as the case may be, in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAT and/or HK FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer); or
- (ii) the Conversion Shares (arising from the conversion of the relevant Bonds) in **his Securities Account** and wishes to accept the Exit Offer, he should complete and sign the SG FAA in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAA (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer).

The Converting Bondholder should note that CDP will credit the Securities Account of the Converting Bondholder with the relevant number of Conversion Shares only if (I) the new share certificate(s) in respect of such Conversion Shares are received from the Principal Share Registrar in Singapore, and (II) such Conversion Shares have been approved for listing on the SGX-ST. **The Converting Bondholder should note that if the “Free Balance” of the Securities Account of the Converting Bondholder is not credited with the relevant number of Conversion Shares by 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt of the SG FAA or 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (if the Date of Receipt of the SG FAA is on the Closing Date and provided always that the Date of Receipt must fall on or before the Closing Date), the acceptance of the Exit Offer by the Converting Bondholder by way of the SG FAA will be rejected** and none of CDP, the Financial Advisers and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

Converting Bondholders should refer to Appendix 2A or Appendix 2B to this Exit Offer Letter (as the case may be) for further details on the procedures for acceptance of the Exit Offer by a Depositor and a Singapore Registered Shareholder, and a HK Branch Registered Shareholder, respectively.

16.2 Acceptance of the Offers

The Offers may only be accepted by the relevant Shareholder (or, as the case may be, the Depositor holding Offer Shares through CDP) and/or the Bondholder to whom this Exit Offer Letter is addressed. **Shareholders and Bondholders may choose to accept the Offers before the EGM. However, such acceptance is conditional upon the Condition being satisfied on or before the Last-Stop Date. Shareholders and Bondholders should note that if the Delisting Resolution is not passed at the EGM, the Condition will not be satisfied, the Delisting will not proceed and the Company will remain listed on the Official List of the SGX-ST and on the SEHK. The Offers will also lapse and the Offeror will cease to be bound by any prior acceptances of the Offers by any Shareholder and/or Bondholder. The Offer Shares and the Offer Bonds in respect of which acceptances have been received shall be returned to the relevant Shareholders or Bondholders in accordance with the procedures set out in this Exit Offer Letter and in the relevant Acceptance Forms (as the case may be).**

SHAREHOLDERS SHOULD NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER.

16.3 Courses of Action in relation to the Offers

Shareholders

- (a) **If you decide to reject the Exit Offer**, you do not have to take any action. Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the SEHK subsequent to the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Hong Kong Branch Share Registrar will issue and mail by ordinary post to the mailing addresses of Shareholders as they appear in the Address Notification Form submitted to the Company, at their own risk, new share certificates in respect of their Shares registered on the HK Branch Register. Shareholders who do not submit the Address Notification Form to the Company will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP. Shareholders will thereafter be able to trade their Shares freely on the SEHK upon setting up investor participant stock accounts in CCASS with the HKSCC or stock accounts with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing the Shares issued by the Hong Kong Branch Share Registrar into CCASS for credit to their investor participant stock accounts or their designated CCASS participant stock accounts thereafter.
- (b) **If you decide to accept the Exit Offer**, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions in this Exit Offer Letter and in the relevant Acceptance Form during the period commencing from the date of despatch of this Exit Offer Letter and ending at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.

If you are a Singapore Registered Shareholder and wish to accept the Exit Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Exit Offer Letter and ending at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Exit Offer.

The detailed procedures for acceptance of the Exit Offer are set out in Appendix 2A and Appendix 2B to this Exit Offer Letter for your information.

Bondholders

- (a) **If you decide to reject the Bonds Offer**, you do not have to take any action.
- (b) **If you decide to accept the Bonds Offer**, you should deliver, or arrange to have delivered on your behalf, *via* the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Bondholders may only submit Tender Instructions to accept the Bonds Offer in integral multiples of RMB100,000 in principal amount of Offer Bonds.

Bondholders are advised to check with any dealer, broker, bank, custodian, trust company or other nominee through which they hold the Bonds whether such entity would require to receive instructions to participate in, or revoke their instruction to participate in, the Bonds Offer before the deadlines specified in this Exit Offer Letter. Only Direct Participants are authorised to tender the Offer Bonds pursuant to the Bonds Offer. Please note that the deadlines set by each Clearing System for the submission and revocation of Tender Instructions will also be earlier than the relevant deadlines specified in this Exit Offer Letter.

The detailed procedures for acceptance of the Bonds Offer are set out in Appendix 3 to this Exit Offer Letter for your information.

17. OVERSEAS HOLDERS

17.1 Overseas Holders

The Offeror intends to make the Exit Offer available to all Shareholders and the Bonds Offer available to all Bondholders (other than the Offeror Consortium and the Undertaking Persons), including those who are not resident in Hong Kong or Singapore, to acquire the Offer Shares and the Offer Bonds. However, the availability of the Offers to Overseas Holders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Holders should inform themselves about and observe any applicable legal requirements and restrictions in the relevant overseas jurisdictions, and exercise caution in relation to the Offers, as this Exit Offer Letter and the Acceptance Forms have not been reviewed by any regulatory authority in any overseas jurisdiction (other than for Singapore and Hong Kong).

17.2 Responsibility of Overseas Holders

It is the responsibility of any Overseas Holder who (a) receives copies of this Exit Offer Letter, the relevant Acceptance Form and the Offeree Board Circular, and/or (b) accepts the Offers, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Holder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, the Financial Advisers, CDP, the Principal Share Registrar in Singapore, the Hong Kong Branch Share Registrar and/or any person acting on his behalf shall be fully indemnified and held harmless by such Overseas Holder for any such taxes, imposts, duties or other requisite payments as the Offeror, the Financial Advisers, CDP, the Principal Share Registrar in Singapore, the Hong Kong Branch Share Registrar and/or any person acting on his behalf may be required to pay. In (a) receiving copies of this Exit Offer Letter, the relevant Acceptance Form and the Offeree Board Circular and/or (b) accepting the Offers, the Overseas Holder represents and warrants to the Offeror, the Financial Advisers, CDP, the Principal Share Registrar in Singapore and the Hong Kong Branch Share Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Holder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

17.3 Notices

The Offeror and the Financial Advisers each reserves the right to (a) reject any acceptance of the Offers where they believe, or have reason to believe, that such acceptance may violate the applicable laws of any jurisdiction or which do not comply with the provisions and instructions of this Exit Offer Letter or the relevant Acceptance Forms; and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Offers, and the fact that the Offers have been made, to any or all Shareholders and Bondholders (including the Overseas Holders) by announcement to the SGX-ST and the SEHK and if necessary, by paid advertisement in a newspaper published and circulated in Singapore and Hong Kong, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder and/or Bondholder to receive or see such announcement or advertisement.

18. INFORMATION PERTAINING TO CPFIS INVESTORS

CPFIS Investors should receive further information on how to accept the Exit Offer from their respective CPF Agent Banks shortly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Exit Offer will receive payment of the Exit Offer Price in respect of their Offer Shares in their CPFIS accounts. Following the completion of the Delisting, the Shares cannot be deposited with CDP and the Company will arrange to forward the individual share certificates representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer to their respective CPF Agent Banks for safe-keeping. CPFIS Investors will not be allowed to use funds from their CPF accounts for further purchases of the Shares because under the Central Provident Fund (Investment Schemes) Regulations, CPF funds may only be invested in the shares of companies incorporated in Singapore that are listed on the SGX-ST, traded in Singapore dollars and included under the CPFIS. Please refer to Appendix 2A to this Exit Offer Letter for further details relating to CPFIS Investors who do not accept the Exit Offer.

19. GENERAL

19.1 Valid Acceptances

The acceptances of the Offers will be treated as valid if the requirements are fulfilled pursuant to Appendix 2A to this Exit Offer Letter for Singapore Registered Shareholders and Depositors, Appendix 2B to this Exit Offer Letter for HK Branch Registered Shareholders and/or Appendix 3 to this Exit Offer Letter for Bondholders respectively. Any decision to reject or treat as valid any acceptance will be final and binding and none of CDP, the Principal Share Registrar in Singapore, the Hong Kong Branch Share Registrar, the Tender Agent, the Offeror and the Financial Advisers (as the case may be) accepts any responsibility or liability for the consequences of such a decision.

19.2 Governing Law and Jurisdiction

The Offers, this Exit Offer Letter, the Acceptance Forms, all acceptances of the Offers and all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and the laws of Hong Kong (as applicable). The Offeror and each accepting Shareholder or Bondholder (as the case may be) agree to submit to the non-exclusive jurisdiction of the Singapore courts.

19.3 No Third Party Rights

Unless expressly provided to the contrary in this Exit Offer Letter and in the relevant Acceptance Form, a person who is not a party to any contracts made pursuant to the Offers, this Exit Offer Letter and the relevant Acceptance Form has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein and in the relevant Acceptance Form, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

19.4 Accidental Omission

Any accidental omission to despatch this Exit Offer Letter, the Offeree Board Circular and the relevant Acceptance Forms, or to give any notice, advertisement or announcement required to be given under the terms of the Offers, or any failure to receive the same by, any person to whom the Offers are made or should be made, shall not invalidate the Offers in any way.

19.5 Independent Advice

The Financial Advisers are acting for and on behalf of the Offeror in connection with the Delisting and the Offers and do not purport to advise the Shareholders and/or the Bondholders. In preparing this Exit Offer Letter on behalf of the Offeror, the Financial Advisers have not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder or Bondholder or holder of the Company Securities.

The advice of the IFA to the Relevant Directors and the Independent Board Committee and the recommendation of the Relevant Directors and the Independent Board Committee on the Delisting and the Offers are available in the Offeree Board Circular. Shareholders and/or Bondholders may wish to consider their advice before taking any action in relation to the Offers.

20. RESPONSIBILITY STATEMENTS

20.1 Pursuant to the HK Takeover Code

Mr. Wen, being the sole director of each of the Offeror, Sound Group and Beijing Sanghua, accepts full responsibility for the accuracy of information contained in this Exit Offer Letter (other than information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Exit Offer Letter have been arrived at after due and careful consideration and there are no other facts not contained in this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading.

20.2 Pursuant to the Singapore Takeover Code

Mr. Wen, being the sole director of each of the Offeror, Sound Group and Beijing Sanghua, has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Exit Offer Letter are fair and accurate and that no material facts have been omitted from this Exit Offer Letter, and he accepts responsibility accordingly. Where any information has been extracted from published or publicly available sources (including, without limitation, information in relation to the Company, the Group, the Undertaking Persons and the Financial Advisers) or obtained from the Company, the Group, the Undertaking Persons or the Financial Advisers, the sole responsibility of Mr. Wen has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Exit Offer Letter in its proper form and context.

Yours faithfully,

CIMB BANK BERHAD, SINGAPORE BRANCH

CIMB SECURITIES LIMITED

for and on behalf of
SOUND (HK) LIMITED

Any enquiries relating to this Exit Offer Letter or the Offers should be directed during office hours to the following:

CIMB Bank Berhad, Singapore Branch

*Ms. Tan Cher Ting
Director, Corporate Finance
Tel: (65) 6210 8956*

*Mr. Lim Hoon Khat
Associate Director, Corporate Finance
Tel: (65) 6210 8956*

CIMB Securities Limited

*Mr. James Li
Director, Corporate Finance
Tel: (852) 2868 0380*

*Mr. Steven Chow
Vice President, Corporate Finance
Tel: (852) 2868 0380*

*Ms. Michelle Tse
Vice President, Corporate Finance
Tel: (852) 2868 0380*

APPENDIX 1

PARTICULARS OF THE UNDERTAKING PERSONS

Shares

Name	Number of Shares comprised in the Undertakings ⁽²⁾	As a percentage of total issued Shares (%)
International Finance Corporation ⁽³⁾	103,950,000	8.06
Norges Bank ⁽¹⁾⁽³⁾	34,686,985	2.69
Prudence Investment Management (Hong Kong) Limited ⁽³⁾	26,898,000	2.09
AEP Investments (Mauritius) Limited ⁽³⁾	9,922,000	0.77
Total	175,456,985	13.60

Bonds

Name	Principal amount of Bonds comprised in the Undertakings (RMB) ⁽²⁾	As a percentage of the total outstanding principal amount of Bonds (%)	Number of Shares into which such Bonds may be converted
Prudence Investment Management (Hong Kong) Limited	203,000,000	33.83	59,985,449
AEP Investments (Mauritius) Limited	136,000,000	22.67	40,187,296
Total	339,000,000	56.50	100,172,745

Warrants

Name	Number of Warrants comprised in the Undertakings ⁽²⁾	As a percentage of the total issued Warrants (%)	Number of Shares into which such Warrants may be converted
International Finance Corporation	28,154,545	100.00	28,154,545

Notes:

- (1) As at the Latest Practicable Date, Norges Bank has a total shareholding interest of 72,497,000 Shares, representing approximately 5.62% of the total number of issued Shares, comprising (i) 34,686,985 Shares which are subject to the Undertaking provided by Norges Bank; and (ii) 37,810,015 Shares which are not subject to the Undertaking provided by Norges Bank and in respect of which there is no indication or commitment as to whether Norges Bank will accept or reject the Exit Offer in respect of such Shares.
- (2) As at the Latest Practicable Date, other than as disclosed in this Appendix 1, the Undertaking Persons do not own or control any other Company Securities.
- (3) Other than as disclosed in this Appendix 1, the Undertaking Persons have not dealt for value in any Company Securities during the Reference Period.

The proprietary dealings in the Company Securities by the Undertaking Persons during the Reference Period are set out as follows:

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
Norges Bank	6 March 2013	Acquisition of Shares	652,000	S\$0.6100	S\$0.6100
	7 March 2013	Acquisition of Shares	527,000	S\$0.6000	S\$0.6100
	23 May 2013	Acquisition of Shares	109,000	S\$0.5750	S\$0.5850
	27 May 2013	Acquisition of Shares	124,000	S\$0.5800	S\$0.6000
	28 May 2013	Acquisition of Shares	97,000	S\$0.6050	S\$0.6150
	30 May 2013	Acquisition of Shares	148,000	S\$0.6050	S\$0.6250
	31 May 2013	Acquisition of Shares	102,000	S\$0.6150	S\$0.6250
	4 June 2013	Acquisition of Shares	208,000	S\$0.6250	S\$0.6300
	5 June 2013	Acquisition of Shares	111,000	S\$0.6250	S\$0.6300
	6 June 2013	Acquisition of Shares	115,000	S\$0.6250	S\$0.6350
	7 June 2013	Acquisition of Shares	93,000	S\$0.6250	S\$0.6450
	11 June 2013	Acquisition of Shares	161,000	S\$0.6150	S\$0.6500
	12 June 2013	Acquisition of Shares	72,000	S\$0.6050	S\$0.6200
	13 June 2013	Acquisition of Shares	138,000	S\$0.5800	S\$0.6100
	14 June 2013	Acquisition of Shares	113,000	S\$0.5900	S\$0.6000
	17 June 2013	Acquisition of Shares	119,000	S\$0.5950	S\$0.6000
	18 June 2013	Acquisition of Shares	119,000	S\$0.5950	S\$0.6000
	19 June 2013	Acquisition of Shares	117,000	S\$0.5750	S\$0.5800
	20 June 2013	Acquisition of Shares	120,000	S\$0.5500	S\$0.5800
21 June 2013	Acquisition of Shares	120,000	S\$0.5400	S\$0.5550	

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
Prudence Investment Management (Hong Kong) Limited	31 December 2012	Acquisition of Shares	160,000	S\$0.5800	S\$0.5800
	2 January 2013	Acquisition of Shares	211,000	S\$0.5900	S\$0.5900
	3 January 2013	Acquisition of Shares	367,000	HK\$3.8500	HK\$3.8800
	3 January 2013	Acquisition of Shares	1,026,000	S\$0.6000	S\$0.6250
	4 January 2013	Acquisition of Shares	1,012,000	S\$0.6150	S\$0.6400
	7 January 2013	Acquisition of Shares	500,000	S\$0.6500	S\$0.6600
	8 January 2013	Acquisition of Shares	221,000	S\$0.6450	S\$0.6500
	9 January 2013	Acquisition of Shares	66,000	S\$0.6550	S\$0.6550
	10 January 2013	Acquisition of Shares	794,000	S\$0.6550	S\$0.6850
	10 January 2013	Sale of Shares	886,000	S\$0.6850	S\$0.6850
	11 January 2013	Acquisition of Shares	474,000	S\$0.6650	S\$0.6800
	14 January 2013	Acquisition of Shares	35,000	HK\$4.3000	HK\$4.4000
	14 January 2013	Acquisition of Shares	366,000	S\$0.6550	S\$0.6700
	15 January 2013	Acquisition of Shares	271,000	S\$0.6400	S\$0.6550
	16 January 2013	Acquisition of Shares	31,000	HK\$4.1700	HK\$4.1800
	16 January 2013	Acquisition of Shares	177,000	S\$0.6500	S\$0.6550
	17 January 2013	Acquisition of Shares	45,000	HK\$4.1800	HK\$4.2300
	17 January 2013	Acquisition of Shares	129,000	S\$0.6450	S\$0.6500
	18 January 2013	Acquisition of Shares	350,000	S\$0.6400	S\$0.6500
	21 January 2013	Acquisition of Shares	25,000	HK\$4.2500	HK\$4.2500
	21 January 2013	Acquisition of Shares	159,000	S\$0.6600	S\$0.6600
	22 January 2013	Acquisition of Shares	6,000	S\$0.6500	S\$0.6500
	23 January 2013	Acquisition of Shares	499,000	S\$0.6500	S\$0.6550
	24 January 2013	Acquisition of Shares	73,000	HK\$4.3500	HK\$4.4900
	24 January 2013	Acquisition of Shares	1,003,000	S\$0.6900	S\$0.7000

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
	25 January 2013	Acquisition of Shares	450,000	HK\$4.3000	HK\$4.3000
	25 January 2013	Acquisition of Shares	99,000	S\$0.6850	S\$0.6900
	28 January 2013	Acquisition of Shares	300,000	HK\$4.3000	HK\$4.3000
	29 January 2013	Acquisition of Shares	29,000	HK\$4.3400	HK\$4.3400
	30 January 2013	Acquisition of Shares	27,000	HK\$4.2000	HK\$4.3000
	30 January 2013	Acquisition of Shares	98,000	S\$0.6750	S\$0.6750
	31 January 2013	Acquisition of Shares	70,000	HK\$4.2500	HK\$4.3600
	1 February 2013	Acquisition of Shares	40,000	HK\$4.2100	HK\$4.2200
	1 February 2013	Acquisition of Shares	73,000	S\$0.6550	S\$0.6550
	5 February 2013	Acquisition of Shares	64,000	S\$0.6450	S\$0.6450
	7 February 2013	Acquisition of Shares	160,000	S\$0.6450	S\$0.6450
	8 February 2013	Acquisition of Shares	20,000	HK\$4.1000	HK\$4.1000
	15 February 2013	Acquisition of Shares	22,000	HK\$4.2300	HK\$4.3000
	19 February 2013	Acquisition of Shares	180,000	S\$0.6550	S\$0.6550
	20 February 2013	Acquisition of Shares	30,000	S\$0.6500	S\$0.6550
	20 February 2013	Sale of Shares	116,000	S\$0.6600	S\$0.6650
	21 February 2013	Acquisition of Shares	144,000	S\$0.6450	S\$0.6550
	21 February 2013	Sale of Shares	50,000	S\$0.6600	S\$0.6600
	22 February 2013	Sale of Shares	12,000	HK\$4.2000	HK\$4.2000
	22 February 2013	Sale of Shares	61,000	S\$0.6550	S\$0.6550
	26 February 2013	Acquisition of Shares	40,000	S\$0.6550	S\$0.6550
	26 February 2013	Sale of Shares	100,000	S\$0.6600	S\$0.6650
	27 February 2013	Acquisition of Shares	41,000	S\$0.6500	S\$0.6500
	1 March 2013	Sale of Shares	42,000	HK\$4.0500	HK\$4.0800
	1 March 2013	Sale of Shares	400,000	S\$0.6350	S\$0.6450
	4 March 2013	Acquisition of Shares	10,000	HK\$3.9000	HK\$3.9000
	4 March 2013	Sale of Shares	633,000	HK\$3.9000	HK\$4.0500
	4 March 2013	Acquisition of Shares	622,000	S\$0.5850	S\$0.5950
	5 March 2013	Acquisition of Shares	24,000	HK\$3.8000	HK\$3.8000
	5 March 2013	Sale of Shares	48,000	HK\$3.7200	HK\$3.9800
	5 March 2013	Acquisition of Shares	190,000	S\$0.5450	S\$0.5500
	6 March 2013	Sale of Shares	60,000	HK\$4.0200	HK\$4.0600
	6 March 2013	Acquisition of Shares	54,000	S\$0.6000	S\$0.6150
	7 March 2013	Acquisition of Shares	1,000	HK\$3.9500	HK\$3.9500
	7 March 2013	Sale of Shares	90,000	HK\$4.0000	HK\$4.0000
	7 March 2013	Acquisition of Shares	50,000	S\$0.6000	S\$0.6050
	8 March 2013	Acquisition of Shares	8,000	HK\$3.9500	HK\$3.9500
	8 March 2013	Sale of Shares	9,000	HK\$3.9500	HK\$3.9500
	8 March 2013	Acquisition of Shares	8,000	S\$0.6050	S\$0.6050
	11 March 2013	Acquisition of Shares	25,000	HK\$3.8000	HK\$3.8500
	12 March 2013	Sale of Shares	40,000	HK\$4.0000	HK\$4.0000
	12 March 2013	Acquisition of Shares	40,000	S\$0.6000	S\$0.6000
	14 March 2013	Acquisition of Shares	12,000	HK\$3.7500	HK\$3.9000
	14 March 2013	Sale of Shares	72,000	HK\$3.7200	HK\$3.7500
	14 March 2013	Acquisition of Shares	72,000	S\$0.5450	S\$0.5600
	15 March 2013	Sale of Shares	30,000	HK\$3.8100	HK\$3.8200
	15 March 2013	Acquisition of Shares	80,000	S\$0.5250	S\$0.5300
	18 March 2013	Sale of Shares	62,000	HK\$3.7000	HK\$3.7500
	18 March 2013	Acquisition of Shares	80,000	S\$0.5050	S\$0.5100
	19 March 2013	Sale of Shares	7,000	HK\$3.7400	HK\$3.7400
	19 March 2013	Acquisition of Shares	232,000	S\$0.4950	S\$0.5000
	20 March 2013	Sale of Shares	50,000	HK\$3.7400	HK\$3.7400

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
	20 March 2013	Acquisition of Shares	440,000	S\$0.4950	S\$0.4950
	21 March 2013	Sale of Shares	73,000	HK\$3.8500	HK\$3.9600
	21 March 2013	Acquisition of Shares	753,000	S\$0.5150	S\$0.5200
	21 March 2013	Sale of Shares	50,000	S\$0.5250	S\$0.5250
	22 March 2013	Sale of Shares	200,000	S\$0.5250	S\$0.5250
	25 March 2013	Acquisition of Shares	200,000	S\$0.5300	S\$0.5350
	25 March 2013	Sale of Shares	400,000	S\$0.5300	S\$0.5400
	26 March 2013	Acquisition of Shares	15,000	HK\$3.7500	HK\$3.7500
	26 March 2013	Sale of Shares	21,000	HK\$3.7000	HK\$3.7500
	27 March 2013	Acquisition of Shares	41,000	HK\$3.5000	HK\$3.6700
	28 March 2013	Acquisition of Shares	36,000	HK\$3.5900	HK\$3.7400
	2 April 2013	Acquisition of Shares	10,000	HK\$3.5800	HK\$3.5800
	10 April 2013	Acquisition of Shares	20,000	HK\$3.5500	HK\$3.5500
	15 April 2013	Acquisition of Shares	12,000	HK\$3.5500	HK\$3.5500
	17 April 2013	Acquisition of Shares	10,000	HK\$3.4200	HK\$3.4200
	18 April 2013	Acquisition of Shares	10,000	HK\$3.3000	HK\$3.3000
	19 April 2013	Acquisition of Shares	272,000	S\$0.5200	S\$0.5250
	22 April 2013	Acquisition of Shares	32,000	HK\$3.4000	HK\$3.4900
	22 April 2013	Sale of Shares	6,000	HK\$3.4100	HK\$3.5200
	22 April 2013	Acquisition of Shares	571,000	S\$0.5200	S\$0.5450
	23 April 2013	Acquisition of Shares	854,000	S\$0.5350	S\$0.5450
	24 April 2013	Sale of Shares	2,000	HK\$3.5200	HK\$3.5200
	24 April 2013	Acquisition of Shares	218,000	S\$0.5400	S\$0.5500
	25 April 2013	Sale of Shares	4,000	HK\$3.5600	HK\$3.5600
	25 April 2013	Acquisition of Shares	142,000	S\$0.5450	S\$0.5500
	26 April 2013	Acquisition of Shares	89,000	S\$0.5550	S\$0.5600
	29 April 2013	Acquisition of Shares	600,000	S\$0.5550	S\$0.5700
	30 April 2013	Sale of Shares	6,000	HK\$3.6500	HK\$3.6500
	30 April 2013	Acquisition of Shares	1,388,000	S\$0.5550	S\$0.5700
	2 May 2013	Acquisition of Shares	362,000	S\$0.5600	S\$0.5700
	3 May 2013	Acquisition of Shares	757,000	S\$0.5600	S\$0.5700
	6 May 2013	Acquisition of Shares	460,000	S\$0.5650	S\$0.5800
	7 May 2013	Acquisition of Shares	338,000	S\$0.5800	S\$0.5850
	8 May 2013	Acquisition of Shares	1,114,000	S\$0.5700	S\$0.5850
	9 May 2013	Acquisition of Shares	890,000	S\$0.5700	S\$0.5800
	10 May 2013	Acquisition of Shares	40,000	HK\$3.7000	HK\$3.9000
	10 May 2013	Sale of Shares	10,000	HK\$3.9000	HK\$3.9000
	10 May 2013	Acquisition of Shares	436,000	S\$0.5700	S\$0.5800
	13 May 2013	Acquisition of Shares	40,000	HK\$3.5900	HK\$3.7100
	13 May 2013	Acquisition of Shares	870,000	S\$0.5550	S\$0.5700
	14 May 2013	Acquisition of Shares	40,000	HK\$3.6000	HK\$3.7000
	14 May 2013	Acquisition of Shares	740,000	S\$0.5600	S\$0.5650
	15 May 2013	Acquisition of Shares	20,000	HK\$3.7000	HK\$3.7000
	15 May 2013	Acquisition of Shares	148,000	S\$0.5600	S\$0.5700
	16 May 2013	Acquisition of Shares	10,000	HK\$3.6500	HK\$3.6500
	16 May 2013	Acquisition of Shares	112,000	S\$0.5700	S\$0.5800
	20 May 2013	Acquisition of Shares	60,000	HK\$3.9400	HK\$3.9700
	20 May 2013	Sale of Shares	60,000	HK\$4.0500	HK\$4.0700
	20 May 2013	Acquisition of Shares	641,000	S\$0.5800	S\$0.6000
	21 May 2013	Acquisition of Shares	37,000	HK\$3.9000	HK\$4.2000
	21 May 2013	Sale of Shares	20,000	HK\$4.0700	HK\$4.0700
	21 May 2013	Acquisition of Shares	1,353,000	S\$0.5950	S\$0.6000

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
	22 May 2013	Acquisition of Shares	26,000	HK\$3.7700	HK\$3.7900
	22 May 2013	Acquisition of Shares	443,000	S\$0.5800	S\$0.5900
	23 May 2013	Acquisition of Shares	20,000	HK\$3.7000	HK\$3.7000
	23 May 2013	Acquisition of Shares	945,000	S\$0.5750	S\$0.5850
	24 May 2013	Acquisition of Shares	10,000	HK\$3.6800	HK\$3.6800
	27 May 2013	Acquisition of Shares	210,000	HK\$3.8200	HK\$3.9400
	27 May 2013	Sale of Shares	20,000	HK\$4.0100	HK\$4.0600
	27 May 2013	Acquisition of Shares	813,000	S\$0.5750	S\$0.6000
	28 May 2013	Sale of Shares	29,000	HK\$4.0500	HK\$4.0600
	28 May 2013	Acquisition of Shares	673,000	S\$0.5950	S\$0.6150
	29 May 2013	Sale of Shares	100,000	HK\$4.1600	HK\$4.3400
	29 May 2013	Acquisition of Shares	1,068,000	S\$0.6050	S\$0.6200
	30 May 2013	Acquisition of Shares	196,000	S\$0.6050	S\$0.6150
	31 May 2013	Sale of Shares	229,000	HK\$4.3000	HK\$4.4000
	31 May 2013	Acquisition of Shares	159,000	S\$0.6100	S\$0.6250
	3 June 2013	Sale of Shares	45,000	HK\$4.3000	HK\$4.4000
	3 June 2013	Acquisition of Shares	281,000	S\$0.6200	S\$0.6250
	4 June 2013	Acquisition of Shares	20,000	HK\$4.2000	HK\$4.2000
	4 June 2013	Acquisition of Shares	387,000	S\$0.6250	S\$0.6300
	5 June 2013	Sale of Shares	40,000	HK\$4.1500	HK\$4.1500
	5 June 2013	Acquisition of Shares	169,000	S\$0.6200	S\$0.6250
	6 June 2013	Sale of Shares	20,000	HK\$4.2500	HK\$4.2500
	6 June 2013	Acquisition of Shares	354,000	S\$0.6200	S\$0.6300
	7 June 2013	Sale of Shares	6,000	HK\$4.2400	HK\$4.2400
	7 June 2013	Acquisition of Shares	256,000	S\$0.6250	S\$0.6450
	10 June 2013	Sale of Shares	21,000	HK\$4.2000	HK\$4.2000
	10 June 2013	Acquisition of Shares	481,000	S\$0.6400	S\$0.6600
	11 June 2013	Acquisition of Shares	20,000	HK\$3.9000	HK\$4.0000
	11 June 2013	Sale of Shares	118,000	HK\$4.0000	HK\$4.2000
	11 June 2013	Acquisition of Shares	296,000	S\$0.6350	S\$0.6500
	13 June 2013	Acquisition of Shares	68,000	HK\$3.8000	HK\$3.9200
	14 June 2013	Acquisition of Shares	21,000	HK\$3.8000	HK\$3.9000
	17 June 2013	Acquisition of Shares	10,000	HK\$3.8000	HK\$3.8000
	18 June 2013	Acquisition of Shares	14,000	HK\$3.8000	HK\$3.8000
	20 June 2013	Acquisition of Shares	20,000	HK\$3.5800	HK\$3.6800
	21 June 2013	Acquisition of Shares	11,000	HK\$3.5000	HK\$3.5500
	24 June 2013	Acquisition of Shares	10,000	HK\$3.4300	HK\$3.4300
	25 June 2013	Acquisition of Shares	22,000	HK\$3.5000	HK\$3.5400
	25 June 2013	Sale of Shares	423,000	HK\$3.4100	HK\$3.5100
	25 June 2013	Acquisition of Shares	100,000	S\$0.5350	S\$0.5400
	26 June 2013	Sale of Shares	50,000	HK\$3.5000	HK\$3.5000
	26 June 2013	Acquisition of Shares	50,000	S\$0.5450	S\$0.5450
	27 June 2013	Acquisition of Shares	2,000	HK\$3.7000	HK\$3.7000
	27 June 2013	Sale of Shares	120,000	HK\$3.6900	HK\$3.7400
	27 June 2013	Acquisition of Shares	100,000	S\$0.5650	S\$0.5700
	1 July 2013	Acquisition of Shares	300,000	S\$0.6450	S\$0.6500
	2 July 2013	Acquisition of Shares	87,000	HK\$3.6800	HK\$3.9900
	2 July 2013	Sale of Shares	80,000	HK\$3.9400	HK\$3.9600
	2 July 2013	Acquisition of Shares	227,000	S\$0.6350	S\$0.6350
	2 July 2013	Sale of Shares	41,000	S\$0.6350	S\$0.6350
	3 July 2013	Sale of Shares	20,000	HK\$3.9500	HK\$3.9500
	3 July 2013	Acquisition of Shares	150,000	S\$0.6350	S\$0.6400

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
	4 July 2013	Sale of Shares	86,000	HK\$3.9600	HK\$4.0100
	5 July 2013	Sale of Shares	80,000	HK\$4.0100	HK\$4.0400
	5 July 2013	Acquisition of Shares	17,000	S\$0.6350	S\$0.6350
	8 July 2013	Sale of Shares	10,000	HK\$3.9900	HK\$3.9900
	9 July 2013	Sale of Shares	30,000	HK\$4.0400	HK\$4.0400
	10 July 2013	Sale of Shares	103,000	HK\$4.0200	HK\$4.0500
	10 July 2013	Acquisition of Shares	150,000	S\$0.6300	S\$0.6350
	11 July 2013	Acquisition of Shares	25,000	HK\$4.0200	HK\$4.0400
	11 July 2013	Sale of Shares	240,000	HK\$3.9800	HK\$4.0400
	11 July 2013	Acquisition of Shares	126,000	S\$0.6300	S\$0.6350

Dealing Party	Date	Nature of Dealing	Principal amount of Bonds (RMB)	Price for every
				RMB100 face value of Bonds
Prudence Investment Management (Hong Kong) Limited	10 January 2013	Acquisition of Bonds	5,000,000	RMB110.0000
	19 April 2013	Acquisition of Bonds	5,000,000	RMB98.5000
	6 May 2013	Acquisition of Bonds	7,000,000	RMB99.5000
	7 May 2013	Acquisition of Bonds	13,000,000	RMB100.1300
	4 July 2013	Acquisition of Bonds	18,000,000	RMB102.1000
	10 July 2013	Acquisition of Bonds	18,000,000	RMB101.7500

APPENDIX 2A

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER BY SINGAPORE REGISTERED SHAREHOLDERS AND DEPOSITORS

1. ACCEPTANCE PROCEDURES FOR DEPOSITORS

1.1 Depositors whose Securities Accounts are credited with Offer Shares. If you have Offer Shares standing to the credit of your Securities Account, you should receive this Exit Offer Letter together with the SG FAA. If you do not receive the SG FAA, you may obtain a copy of such SG FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807.

Acceptance. If you wish to accept the Exit Offer, you should:

- (a) complete the SG FAA in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAA (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer). In particular, you must state in Part A on page 1 of the SG FAA, the number of Offer Shares in respect of which you wish to accept the Exit Offer.

If you:

- (i) do not specify such number; or
- (ii) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date;

- (b) sign the SG FAA in accordance with the instructions in this Exit Offer Letter and the SG FAA; and
- (c) deliver the completed and signed SG FAA in its entirety (no part may be detached or otherwise mutilated):
- (i) **by hand**, to Sound (HK) Limited c/o The Central Depository (Pte) Limited, 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807; or
- (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Sound (HK) Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. If the completed and signed SG FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Exit Offer Letter and the accompanying SG FAA to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and SG FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Exit Offer *via* Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5.00 p.m. (Hong Kong and Singapore time) on the date falling one (1) Business Day before the Closing Date.** CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the SG FAA and in this Exit Offer Letter as if the SG FAA had been completed and delivered to CDP. All acceptances by Depository Agents can only be submitted using the SG FAA. Acceptances of the Exit Offer *via* Electronic Acceptance on the Closing Date will be rejected.

1.2 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Exit Offer Letter together with the SG FAA. If you do not receive that SG FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from The Central Depository (Pte) Limited, 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807.

Acceptance. If you wish to accept the Exit Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (a) complete and sign the SG FAA in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAA; and
- (b) deliver the completed and signed SG FAA in its entirety (no part may be detached or otherwise mutilated):
 - (i) **by hand**, to Sound (HK) Limited c/o The Central Depository (Pte) Limited, 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Sound (HK) Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in each case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. If the completed and signed SG FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Exit Offer.

- 1.4 Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the SG FAA, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, the Financial Advisers and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance of the Exit Offer in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or by 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (if the Date of Receipt is on the Closing Date). None of CDP, the Financial Advisers and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

- 1.5 Receipt.** No acknowledgement of receipt will be given by CDP for submissions of the SG FAA made by hand or by post or deposited into boxes located at CDP’s premises. All communications, notices, documents and payments will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares in your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service or (b) CDP Phone Service if you have a T-PIN.
- 1.6 Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the SG FAA or Electronic Acceptance, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Exit Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Exit Offer, in the event the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms (including, without limitation, earmarking, blocking, and/or transferring the relevant number of such Offer Shares from the “Free Balance” of your Securities Account to a “Suspense Account”).
- 1.7 Return of Offer Shares.** In the event the Exit Offer does not become or is not declared unconditional in all respects in accordance with its terms, the relevant number of Offer Shares in respect of which you have accepted the Exit Offer will be returned to the “Free Balance” of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse of the Exit Offer.
- 1.8 Offer Conditional.** In the event the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Exit Offer Price by way of a crossed Singapore dollar cheque drawn on a bank in Singapore for the appropriate amount and sent by ordinary mail to your mailing address as recorded with CDP, or in such manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk.
- 1.9 No Securities Account.** If you do not have any existing Securities Account in your name at the date and time of acceptance of the Exit Offer, your acceptance as contained in the SG FAA will be rejected.

2. ACCEPTANCE PROCEDURES FOR SINGAPORE REGISTERED SHAREHOLDERS

2.1 Singapore Registered Shareholders. Singapore Registered Shareholders who hold Offer Shares should receive this Exit Offer Letter together with the SG FAT.

Acceptance. If you wish to accept the Exit Offer, you should:

(a) complete the SG FAT in accordance with the provisions and instructions in this Exit Offer Letter and in the SG FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer). In particular, you must state in Part A of the SG FAT the number of Offer Shares in respect of which you wish to accept the Exit Offer. If you:

(i) do not specify any number in the SG FAT; or

(ii) specify a number which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the SG FAT,

you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the SG FAT;

(b) sign the SG FAT in accordance with the instructions in this Exit Offer Letter and in the SG FAT; and

(c) deliver:

(i) the completed and signed SG FAT in its entirety (no part may be detached or otherwise mutilated);

(ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Singapore Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the memorandum and articles of association of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and in the SG FAT; and

(iii) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person duly authorised by it),

either **by hand**, to Sound (HK) Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or **by post**, in the enclosed pre-addressed envelope at your own risk, to Sound (HK) Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, **in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.** If the completed and signed SG FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

2.2 Receipt. No acknowledgement of receipt of any SG FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, the Financial Advisers or the Principal Share Registrar in Singapore.

2.3 Return of Offer Shares. In the event the Exit Offer does not become or is not declared unconditional in all respects in accordance with its terms, the SG FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, not later than 14 days from the lapse of the Exit Offer.

3. SETTLEMENT

3.1 When Settlement Due. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Exit Offer Letter and in the SG FAA and/or the SG FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the relevant number of Offer Shares tendered by the accepting Shareholders in acceptance of the Exit Offer are standing to the credit of the "Free Balance" of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Singapore Takeover Code, to the accepting Shareholder (or in the case of Singapore Registered Shareholders, their designated agents, as they may direct) by means of a crossed Singapore dollar cheque drawn on a bank in Singapore and sent by ordinary post to their respective addresses as they appear in the records of CDP or in the Singapore Register (as the case may be), at the risk of the accepting Shareholders (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) as soon as practicable and in any case:

- (a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within the earlier of seven (7) Business Days and ten (10) calendar days of the date on which the Exit Offer becomes unconditional; or
- (b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within the earlier of seven (7) Business Days and ten (10) calendar days of the date of such receipt.

Settlement of the consideration to which any Shareholder is entitled under the Exit Offer will be implemented in full in accordance with the terms of the Exit Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

3.2 Method of Settlement. Payment of the Exit Offer Price will be made by way of a crossed Singapore dollar cheque drawn on a bank in Singapore (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) for the appropriate amount.

4. INFORMATION PERTAINING TO CPFIS INVESTORS

The Shares that are quoted on the SGX-ST and held by CPFIS Investors are deposited with CDP through their respective CPF Agent Banks. However, following the completion of the Delisting, the Shares cannot be deposited with CDP, and the Company will arrange to forward the individual share certificates, representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer, to their respective CPF Agent Banks for safe-keeping.

CPF Agent Banks levy a service fee to administer each share counter held on behalf of each CPFIS Investor. In addition to the existing fees, CPF Agent Banks may impose, *inter alia*, additional charges for the safe-keeping of share certificates and administrative charges for the splitting, withdrawal or depositing of such share certificates. CPFIS Investors who do not accept the Exit Offer should consult their respective CPF Agent Banks on the additional charges that may be imposed.

5. GENERAL

- 5.1 Disclaimer.** The Offeror, the Financial Advisers, CDP and/or the Principal Share Registrar in Singapore will be entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Exit Offer through the SG FAA and/or the SG FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Exit Offer Letter and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Advisers, CDP and/or the Principal Share Registrar in Singapore accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 5.2 Discretion.** Each of the Offeror and the Financial Advisers reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the relevant Acceptance Forms. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Advisers, CDP and/or the Principal Share Registrar in Singapore accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 5.3 Scrip and Scripless Offer Shares.** If you hold some Offer Shares in the form of share certificates and others with CDP, you should complete a SG FAT for the former and a SG FAA for the latter, in accordance with the procedures set out in this Appendix 2A. If you wish to accept the Exit Offer in respect of all such Offer Shares, the SG FAT and/or the SG FAA must be accurately completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the procedures for acceptance set out in this Appendix 2A.
- 5.4 Acceptances received on Saturday, Sunday or public holiday.** Acceptances in the form of the SG FAA and/or the SG FAT received by CDP and/or the Principal Share Registrar in Singapore (as the case may be), for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- 5.5 Deposit Time.** If you hold Offer Shares in the form of share certificates and which are registered on the Singapore Register, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Exit Offer by way of the SG FAA if you were to deposit your share certificate(s) with CDP after the date of despatch of this Exit Offer Letter. If you wish to accept the Exit Offer in respect of such Offer Shares held by way of share certificates, you should complete the SG FAT and follow the procedures set out in paragraph 2 of this Appendix 2A and in the SG FAT.

- 5.6 Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or, in the case of share certificate holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Singapore Register) will be sent by ordinary post to your mailing address appearing in the records of CDP or the Singapore Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such address as may be specified by you in the SG FAT, at your own risk).
- 5.7 Evidence of Title.** Delivery of the duly completed and signed SG FAA and/or the SG FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant documents required by the Offeror, to the Offeror, CDP and/or the Principal Share Registrar in Singapore, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), the Financial Advisers, CDP and/or the Principal Share Registrar in Singapore, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.
- 5.8 Loss in Transmission.** The Offeror, the Financial Advisers, CDP and/or the Principal Share Registrar in Singapore, as the case may be, shall not be liable for any loss in transmission of the SG FAA and/or the SG FAT, as the case may be.
- 5.9 Acceptance Irrevocable.** The acceptance of the Exit Offer made by you using the SG FAA and/or the SG FAT, as the case may be, shall be irrevocable and any instructions or subsequent SG FAA(s) and/or SG FAT(s) received by CDP and/or the Principal Share Registrar in Singapore, as the case may be, after the initial SG FAA and/or the SG FAT, as the case may be, has been received shall be disregarded.

6. NO RIGHT OF WITHDRAWAL IN RELATION TO THE EXIT OFFER

Except as expressly provided in this Exit Offer Letter, the HK Takeover Code and the Singapore Takeover Code, all acceptances of the Exit Offer shall be irrevocable.

APPENDIX 2B

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER BY HK BRANCH REGISTERED SHAREHOLDERS

1. ACCEPTANCE PROCEDURES FOR HK BRANCH REGISTERED SHAREHOLDERS

If you wish to accept the Exit Offer, you should complete and sign the HK FAT in accordance with the provisions and instructions in this Exit Offer Letter and the HK FAT (which instructions and provisions shall be deemed to form part of the Exit Offer). If you do not receive the HK FAT, you may obtain a copy of such HK FAT from the office of the Hong Kong Branch Share Registrar upon production of satisfactory evidence that you are a Shareholder.

(a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Exit Offer, you must send the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof):

(i) **by hand**, to Sound (HK) Limited c/o Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong; or

(ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Sound (HK) Limited c/o Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong,

in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. It is your responsibility to affix adequate postage on the said envelope.

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Exit Offer in respect of your Shares, you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Exit Offer on your behalf and requesting it to deliver the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Hong Kong Branch Share Registrar;

(ii) arrange for the Shares to be registered in your name by the Company through the Hong Kong Branch Share Registrar, and send the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Hong Kong Branch Share Registrar;

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Exit Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Exit Offer must be received by the Hong Kong Branch Share Registrar). In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction *via* the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Exit Offer must be received by the Hong Kong Branch Share Registrar).
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Exit Offer in respect of your Shares, the HK FAT should nevertheless be completed and delivered to the Hong Kong Branch Share Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Hong Kong Branch Share Registrar as soon as possible thereafter. If you have lost your Share certificate(s), you should also write to the Hong Kong Branch Share Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Hong Kong Branch Share Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Exit Offer in respect of your Shares, you should nevertheless complete the HK FAT and deliver it to the Hong Kong Branch Share Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror, the Financial Advisers or their respective agent(s) to collect from the Hong Kong Branch Share Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Hong Kong Branch Share Registrar as if it was/they were delivered to the Hong Kong Branch Share Registrar with the HK FAT.

- (e) Acceptance of the Exit Offer will be treated as valid only if the completed HK FAT and the relevant documents is received by the Hong Kong Branch Share Registrar **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date** and the Hong Kong Branch Share Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares;
 - (ii) from a HK Branch Registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Hong Kong Branch Share Registrar or the SEHK.
- (f) If the HK FAT is executed by a person other than the HK Branch Registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Hong Kong Branch Share Registrar must be produced.
- (g) Seller's ad valorem stamp duty for transfer of Shares registered in the seller's name through the Hong Kong Branch Share Registrar arising in connection with acceptance of the Exit Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Exit Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Shareholder on acceptance of the Exit Offer. The Offeror or its processing agent will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Exit Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Exit Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any HK FAT, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Exit Offer has previously been revised or extended, with the consent of the Executive, in accordance with the HK Takeover Code, the HK FAT must be received by 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date in accordance with the instructions printed on the HK FAT, and the Exit Offer will close at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.
- (b) The Offeror and the Company will jointly issue an announcement through the website of the SEHK not later than 7.00 p.m. (Hong Kong and Singapore time) on the Closing Date stating whether the Exit Offer has been extended, revised or has expired.

- (c) In the event that the Offeror decides to extend the Exit Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Exit Offer, to those Shareholders who have not accepted the Exit Offer.

3. ANNOUNCEMENT

- (a) By 6.00 p.m. (Hong Kong and Singapore time) on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the SEHK of its decision in relation to the revision, extension or expiry of the Exit Offer. The Offeror must publish an announcement on the website of the SEHK by 7.00 p.m. (Hong Kong and Singapore time) on the Closing Date stating whether the Exit Offer has been extended, revised or has expired.

Such announcement must state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Exit Offer have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or its concert parties before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or its concert parties during the Offer Period;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the HK Takeover Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.
- (b) In computing the total number of Shares represented by acceptances, only valid acceptances in complete and good order and which have been received by the Offeror (or for the avoidance of doubt, any of the Offeror's related corporations), the Financial Advisers, and the Hong Kong Branch Share Registrar **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date**, being the latest time and date for acceptance of the Exit Offer, shall be included.

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Exit Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph 3 of this Appendix 2B titled "Announcement" above, the Executive may require pursuant to Rule 19.2 of the HK Takeover Code that the Shareholders who have tendered acceptance to the Exit Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the HK Takeover Code and Rule 28 of the Singapore Takeover Code can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the relevant application form(s) to the relevant Shareholder(s).

5. SETTLEMENT

Provided that the accompanying HK FAT for the Shares, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Hong Kong Branch Share Registrar **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date**, a cheque for the amount due to each of the accepting Shareholders in respect of the Shares tendered under the Exit Offer (less seller's ad valorem stamp duty payable by them, as the case may be) will be despatched to the accepting Shareholders by ordinary post at their own risk as soon as possible and in any case:

- (a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within the earlier of seven (7) Business Days and ten (10) calendar days of the date on which the Exit Offer becomes unconditional; or
- (b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within the earlier of seven (7) Business Days and ten (10) calendar days of the date of such receipt.

For the avoidance of doubt, in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, while the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Singapore dollars, the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars using the prevailing exchange rate for Hong Kong dollars prior to the date of payment as may be determined by the Offeror.

Settlement of the consideration to which any accepting Shareholder is entitled under the Exit Offer will be paid by the Offeror in full in accordance with the terms of the Exit Offer (save for the payment of seller's ad valorem stamp duty) set out in this Exit Offer Letter (including this Appendix) and the accompanying HK FAT, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

6. STAMP DUTY

Seller's ad valorem stamp duty arising in connection with acceptance of the Exit Offer amounting to HK\$1.00 for every HK\$1,000.00 or part thereof of the amount payable in respect of relevant acceptances by the HK Branch Registered Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the HK Branch Registered Shareholders who accept the Exit Offer. The Offeror or its processing agent will then pay the stamp duty so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty.

7. TAX IMPLICATIONS

HK Branch Registered Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications of their acceptance of the Exit Offer. It is emphasised that none of the Offeror, parties acting in concert with it, the Financial Advisers, the Hong Kong Branch Share Registrar, any of their respective directors or any persons involved in the Exit Offer are in a position to advise the HK Branch Registered Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Exit Offer.

8. GENERAL

- (a) All communications, notices, HK FAT, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to the Shareholders will be delivered by or sent to them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, the Financial Advisers, or their respective agents, or the Hong Kong Branch Share Registrar or any other parties involved in the Exit Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Exit Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Financial Advisers that the Shares tendered under the Exit Offer are sold by such person or persons free from all Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), which may be declared, made or paid by the Company on or after the Joint Announcement Date.
- (c) Acceptance of the Exit Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the HK FAT is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Exit Offer.
- (d) Acceptances in the form of the HK FAT received by the Hong Kong Branch Share Registrar, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- (e) The provisions set out in the accompanying HK FAT form part of the terms of the Exit Offer.
- (f) The accidental omission to despatch this Exit Offer Letter and/or the accompanying HK FAT and transfer of either of them to any person to whom the Exit Offer is made shall not invalidate the Exit Offer in any way.
- (g) Due execution of HK FAT will constitute an authority to the Offeror or its agents to complete and execute on behalf of the person accepting the Exit Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such other person as it may direct the Shares in respect of which such person has accepted the Exit Offer.
- (h) The Exit Offer is made in accordance with the HK Takeover Code and the Singapore Takeover Code.

- (i) Reference to the Exit Offer in this Exit Offer Letter and in the HK FAT shall include any extension or revision thereof.
- (j) In the event of any inconsistency between (1) the English version of this Exit Offer Letter and the accompanying English version of the HK FAT and (2) the Chinese version of this Exit Offer Letter and the accompanying Chinese version of the HK FAT, the English version shall prevail.

APPENDIX 3

PROCEDURES FOR ACCEPTANCE OF THE BONDS OFFER BY AN ACCEPTING BONDHOLDER

The following summarises the procedures to be followed by all Accepting Bondholders in tendering their Bonds in acceptance of the Bonds Offer.

Unless the context otherwise requires, all references herein to Bondholders include each person who is shown on the records of Euroclear and Clearstream, Luxembourg. **A Bondholder with Bonds registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact that broker dealer, commercial bank, trust company or other nominee if such Bondholder desires to tender those Bonds.**

There are no guaranteed delivery provisions provided for by the Offeror in connection with the Bonds Offer under the terms of this Exit Offer Letter. Bondholders must tender the Bonds in accordance with the procedures set forth hereunder.

A beneficial owner who holds Bonds through Euroclear or Clearstream, Luxembourg and wishes to effectively tender its Bonds must arrange for a Direct Participant to deliver a valid Tender Instruction, which includes the proper Note Instructions (as defined below), to Euroclear or Clearstream, Luxembourg. Only a Direct Participant may submit a Tender Instruction to Euroclear or Clearstream, Luxembourg.

The tender by a Bondholder of the Bonds pursuant to the Bonds Offer in accordance with the procedures set forth in this Exit Offer Letter will constitute a binding agreement between such Accepting Bondholder and the Offeror in accordance with the terms and subject to the conditions set forth in this Exit Offer Letter. Sufficient time should be allowed to assure timely delivery. **No documents should be sent to the Offeror or the Tender Agent.**

The tender of the Bonds will constitute a representation and an agreement on the part of the Accepting Bondholder thereof to deliver good and marketable title to all Tendered Bonds free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

1. PROCEDURES FOR ACCEPTANCE OF THE BONDS OFFER

To tender Bonds in acceptance of the Bonds Offer, an Accepting Bondholder who is not a Direct Participant must arrange for a Direct Participant to deliver its Tender Instruction, which includes its Note Instructions, to Euroclear or Clearstream, Luxembourg by the deadlines specified by Euroclear or Clearstream, Luxembourg, such deadlines being not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Only a Direct Participant may submit a Tender Instruction to Euroclear or Clearstream, Luxembourg.

The term “**Note Instructions**” means irrevocable instructions to: (i) block any attempt to transfer an Accepting Bondholder’s Bonds on or before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date; and (ii) in the case of a tender, debit the Accepting Bondholder’s account on the Bonds Settlement Date, or in respect of such lesser portion of the Accepting Bondholder’s Bonds as are accepted by the Offeror, upon receipt of an instruction from the Tender Agent, subject in each case to the automatic withdrawal of the irrevocable instruction in the event that the Bonds Offer is terminated by the Offeror prior to the Closing Date, in each case as notified to Euroclear or Clearstream, Luxembourg by the Tender Agent. Note Instructions can be delivered only by Direct Participants.

An Accepting Bondholder's Tender Instruction, which includes its Note Instructions, must be delivered and received by Euroclear or Clearstream, Luxembourg in accordance with the procedures established by them and on or prior to the deadlines established by each of these Clearing Systems. Accepting Bondholders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of Tender Instructions to Euroclear or Clearstream, Luxembourg.

Beneficial owners that hold Bonds through a custodian may not submit a Tender Instruction directly. Such Accepting Bondholders should contact their relevant custodians to submit a Tender Instruction on their behalf. A separate Tender Instruction must be submitted on behalf of each beneficial owner of Bonds.

Notwithstanding any other provision hereof, payment for Bonds accepted for purchase pursuant to the Bonds Offer will in all cases be made only after timely receipt by the Tender Agent of a timely and valid book-entry confirmation with respect to such Bonds tendered through Euroclear or Clearstream, Luxembourg, with a Tender Instruction, which includes its Notes Instruction. Under no circumstances will interest be paid on the consideration for the Bonds Offer as a result of any delay in making such payments.

Exit Offer and Bonds Offer Mutually Exclusive. For the avoidance of doubt, whilst the Bonds Offer is conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, the Exit Offer is not conditional upon acceptances received in relation to the Bonds Offer. The Exit Offer and the Bonds Offer are separate and are mutually exclusive, such that the Bonds Offer does not form part of the Exit Offer, and *vice versa*.

Without prejudice to the foregoing, if Bondholders wish to convert their Bonds in order to accept the Exit Offer in respect of the Conversion Shares arising pursuant to such conversion, they may not accept the Bonds Offer in respect of such Bonds. Conversely, if the Bondholders wish to accept the Bonds Offer in respect of their Bonds, they may not convert those Bonds in order to accept the Exit Offer in respect of such Conversion Shares arising pursuant to such conversion. Please refer to Section 16 of this Exit Offer Letter for further details.

No Letter of Transmittal. There is no letter of transmittal for this Bonds Offer. Accepting Bondholders who hold Bonds through Euroclear or Clearstream, Luxembourg must tender Bonds through Euroclear's or Clearstream, Luxembourg's procedures.

No Guaranteed Delivery. There are no guaranteed delivery procedures provided by the Offeror in connection with this Bonds Offer. As only Accepting Bondholders are authorised to tender Bonds, beneficial owners of Bonds that are held in the name of a custodian must contact such entity sufficiently in advance of the Closing Date if they wish to tender Bonds and be eligible to receive the consideration for the Bonds Offer.

Accepting Bondholder's Representations, Warranties and Undertakings. By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, the relevant Accepting Bondholder and any Direct Participant submitting such Tender Instruction on such Accepting Bondholder's behalf shall be deemed to agree to, acknowledge, represent, warrant and undertake to the Offeror, the Financial Advisers and the Tender Agent the following on each of the Closing Date and the Bonds Settlement Date (if such Accepting Bondholder or the Direct Participant is unable to make these acknowledgements, agreements, representations, warranties and undertakings, such Accepting Bondholder or Direct Participant should contact the Tender Agent immediately):

- (a) It has received, reviewed and accepted the terms, conditions, risk factors and other considerations of the Bonds Offer, as described in this Exit Offer Letter.

- (b) It agrees and consents to its relevant Bonds being blocked in the relevant Clearing System.
- (c) By having its relevant Bonds blocked in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent (and for the Tender Agent to provide such details to the Offeror, the Financial Advisers and/or other relevant parties).
- (d) Upon the terms and subject to the conditions of the Bonds Offer, it tenders in acceptance of the Bonds Offer the principal amount of Bonds in its account blocked in the relevant Clearing System and, subject to, and effective upon, the purchase by the Offeror of the Bonds blocked in such Clearing System, it renounces all right, title and interest in and to all such Bonds purchased by or at the direction of the Offeror pursuant to the Bonds Offer and waives and releases any rights or claims it may have against the Offeror with respect to any such Bonds or the Bonds Offer.
- (e) All authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations, shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity.
- (f) No information has been provided to it by the Offeror, the Financial Advisers, the Tender Agent, or any of their respective directors, officers, employees, advisers, agents or affiliates, with regard to the tax consequences for Accepting Bondholders arising from the tender of Bonds in acceptance of the Bonds Offer and the receipt of the Bonds Offer Price in respect of such Tendered Bonds, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its tendering Bonds in acceptance of the Bonds Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Offeror, the Financial Advisers, the Tender Agent, or any of their respective directors, officers, employees, advisers, agents or affiliates, or any other person, in respect of such taxes and payments.
- (g) It shall indemnify the Offeror, the Financial Advisers, and the Tender Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given pursuant to, the Bonds Offer (including any acceptance thereof) by any such Accepting Bondholder.
- (h) Either (aa) (i) it is the beneficial owner of the Bonds being tendered in acceptance of the Bonds Offer and (ii) it is not a U.S. person, is located and resident outside the United States and is participating in the Bonds Offer from outside the United States or (bb) (i) it is validly acting on behalf of the beneficial owner of the Bonds being tendered in acceptance of the Bonds Offer on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is not a U.S. Person and it is located and resident outside the United States and is participating in the Bonds Offer from outside the United States.
- (i) It has full power and authority to tender the Bonds and to sell, assign and transfer the Bonds it has tendered in acceptance of the Bonds Offer pursuant to the Tender Instruction and, if such Bonds are accepted for purchase by the Offeror pursuant to the Bonds Offer, such Bonds will be transferred to, or to the order of, or for the

account of the Offeror, and the Offeror shall acquire good title thereto free from all Encumbrances together with all rights, interests, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Bonds Record Date for which falls on or after the Joint Announcement Date but excluding the Excluded Interest Payment and such Bonds shall continue to be transferable and convertible into Conversion Shares, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Offeror to be necessary or desirable to complete the transfer of such Bonds or to evidence such power and authority.

- (j) It holds and will hold, until the Bonds Settlement Date, the relevant Bonds blocked in the relevant Clearing System and, in accordance with the requirements of such Clearing System and by the deadline required by such Clearing System, it has submitted, or has caused to be submitted, the Tender Instruction and Note Instructions to such Clearing System to authorise the blocking of the Tendered Bonds with effect on and from the date of such submission so that, at any time pending the transfer of such Bonds on the relevant Bonds Settlement Date to the Tender Agent (on behalf of the Offeror) on its behalf, no transfers, redemption or conversion of such Bonds may be effected.
- (k) It acknowledges that no representation was made by the Offeror, the Financial Advisers and/or the Tender Agent to induce such Accepting Bondholder to accept the Bonds Offer.
- (l) It understands that the submission of a valid Tender Instruction in accordance with the procedures set out herein will be irrevocable (except in the limited circumstances as prescribed under the HK Takeover Code and the Singapore Takeover Code).
- (m) It understands that tenders of Offer Bonds in accordance with the procedures described in this Exit Offer Letter and acceptance of such Offer Bonds by the Offeror will constitute a binding agreement between such Accepting Bondholders and the Offeror upon the terms and subject to the conditions of this Exit Offer Letter. For purposes of the Bonds Offer, it understands that validly Tendered Bonds (or defectively Tendered Bonds with respect to which the Offeror has or has caused to be waived in respect of such defect) will be deemed to have been accepted by the Offeror if, as and when the Offeror gives written notice thereof to the Tender Agent.
- (n) It hereby waives any and all other rights with respect to the Tendered Bonds (including, without limitation, the Accepting Bondholder's waiver of any existing or past defaults and their consequences in respect of the Tendered Bonds).
- (o) It releases and discharges the Offeror from any and all claims such Accepting Bondholder may have now, or may have in the future, arising out of, or related to, the Tendered Bonds, including, without limitation, any claims that such Accepting Bondholder is entitled to receive, additional principal or interest payments with respect to the Tendered Bonds or to participate in any redemption or defeasance of the Tendered Bonds.
- (p) It agrees that the Offeror will have no obligation to pay the Bonds Offer Price unless such Accepting Bondholder complies with its obligations set out in this Exit Offer Letter and such procedures as required by the Clearing Systems and will, upon request, execute and deliver any additional documents as may be required to give effect to such acceptance and the transfer of such Tendered Bonds to the Offeror (or its nominee) to complete the sale, assignment, transfer and cancellation of such Tendered Bonds or to evidence such power and authority.

- (q) It understands that the acceptance by such Accepting Bondholder of the Bonds Offer in accordance with the procedures described in this Exit Offer Letter constitutes such Accepting Bondholder's irrevocable acceptance of the Bonds Offer, upon the terms and subject to the conditions in this Exit Offer Letter. The Accepting Bondholder irrevocably agrees to (aa) transfer ownership of such Tendered Bonds on the account books maintained by Euroclear and Clearstream, Luxembourg together, in any such case, with all accompanying evidences of transfer and authenticity, to, or to the order of, the Offeror; and (bb) present such Tendered Bonds for transfer on the relevant security register.
- (r) It has read and agrees to all of the terms and conditions of the Bonds Offer contained in this Exit Offer Letter.
- (s) The Bonds Offer is subject to and conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and the Offer Bonds continuing to be transferable and convertible into Conversion Shares. If the Exit Offer lapses or if the relevant Offer Bonds cease to be transferable or convertible into Conversion Shares, the Bonds Offer will lapse accordingly.
- (t) The delivery and surrender of any Tendered Bonds is not effective until receipt by the Tender Agent of instructions from the relevant Clearing System. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Offer Bonds will be determined by the Offeror, the Offeror's authorised agent and/or the Financial Advisers at their sole and absolute discretion, which determination shall be final and binding.
- (u) Neither the Offeror, the Financial Advisers nor the Tender Agent is making any recommendation as to whether or not Bondholders should tender Bonds in response to the Bonds Offer.
- (v) It is a person into whose possession this Exit Offer Letter may be lawfully delivered in accordance with the laws of the jurisdiction in which he/she/it is located.
- (w) It has observed and will observe the laws of all relevant jurisdictions, has obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance, in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Offeror or any person acting in concert with it, the Financial Advisers, the Tender Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Bonds Offer.

If an Accepting Bondholder is unable to give the foregoing representations, warranties and undertakings, such Accepting Bondholder should contact the Tender Agent immediately.

The Tender Agent has informed the Offeror that all custodians and beneficial Bondholders of the Offer Bonds hold their Offer Bonds through Clearing System accounts and that there are no physical Bonds in non-global form. If you believe that you are holding Offer Bonds in physical form, you may tender your Offer Bonds pursuant to the terms of the Bonds Offer through the Tender Agent.

2. TENDER INSTRUCTIONS

Beneficial owners of Offer Bonds held through Euroclear or Clearstream, Luxembourg, and who would like to accept the Bonds Offer must instruct the Direct Participant through which the same are held to cause its Offer Bonds to be tendered in accordance with the procedures set out below.

To effectively tender the Offer Bonds that are held through Euroclear or Clearstream, Luxembourg, Direct Participants of Euroclear or Clearstream, Luxembourg, as the case may be, must electronically transmit their Tender Instruction (including the proper Note Instructions) *via* a message to Euroclear or Clearstream, Luxembourg, as the case may be, containing the following information:

- (i) the event or reference number issued by Euroclear or Clearstream, Luxembourg;
- (ii) the name of the account holder and the securities account number in which the Offer Bonds that the Accepting Bondholder wishes to tender in acceptance of the Bonds Offer are held;
- (iii) the aggregate principal amount of such Offer Bonds tendered in acceptance of the Bonds Offer in integral multiples of RMB100,000;
- (iv) the Direct Participant's contact person, contact email and telephone number; and
- (v) any other information as may be required by Euroclear or Clearstream, Luxembourg, and duly notified to the Accepting Bondholder prior to the submission of the Tender Instructions.

In addition, the Accepting Bondholder must (aa) cause Euroclear or Clearstream, Luxembourg, as the case may be, to block the position in the Tendered Bonds in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as the case may be; and (bb) instruct Euroclear or Clearstream, Luxembourg, as the case may be, to send the Tender Agent an electronic message confirming: (i) the participant's electronic Tender Instruction and (ii) that the position in the Offer Bonds being tendered in acceptance of the Bonds Offer has been blocked from trading pending settlement of the Bonds Offer or termination thereof, in each case of (aa) and (bb), on or prior to the deadlines specified by Euroclear or Clearstream, Luxembourg, such deadlines being not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Euroclear and Clearstream, Luxembourg intend to collect from their Direct Participants: (1) instructions to (a) tender the Offer Bonds and deliver the acceptances held by them on behalf of their participants and (b) credit the Direct Participants' accounts on the Bonds Settlement Date, in respect of all Tendered Bonds; and (2) irrevocable authorisation to disclose the names of the Direct Participants and information about the foregoing instructions to the Tender Agent (and for the Tender Agent to provide such details to the Offeror and the Financial Advisers or any relevant parties).

THE METHOD OF DELIVERY OF THE OFFER BONDS AND OTHER DOCUMENTS TO THE TENDER AGENT, INCLUDING ACCEPTANCE OF THE BONDS OFFER BY TENDER INSTRUCTION (WHICH CAUSES THE ACCOUNT IN RESPECT OF THE TENDERED BONDS TO BE BLOCKED IN ACCORDANCE WITH THE PROCEDURES OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS THE CASE MAY BE) IS AT THE ELECTION AND RISK OF THE ACCEPTING BONDHOLDER. NO GUARANTEED DELIVERY PROCEDURE IS AVAILABLE FOR THE DELIVERY OF THE OFFER BONDS. THE TENDERING OF THE OFFER BONDS PURSUANT TO THE BONDS OFFER WILL BE DEEMED TO HAVE OCCURRED UPON RECEIPT BY THE TENDER AGENT, VIA THE RELEVANT CLEARING SYSTEM, OF A VALID TENDER INSTRUCTION IN ACCORDANCE WITH THE REQUIREMENTS OF SUCH CLEARING SYSTEM.

All questions as to the form, validity and eligibility of documents, including the Tender Instruction, and the validity, eligibility (including time of receipt) and acceptance for payment of Tendered Bonds, will be determined by the Offeror or its authorised agents, which determination shall be final and binding. The Offeror also reserves the absolute right to reject any and all Tender Instructions or revocation instructions determined by it not to be in proper form or the acceptance for payment or the payment for which, in the opinion of the Offeror or the Financial Advisers (or their respective legal advisers), may be unlawful. The Offeror also reserves the right to waive any and all conditions of the Bonds Offer and any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. The Offeror also reserves the right to waive any such defect, irregularity or delay in respect of particular Bonds, whether or not the Offeror elects to waive similar defects, irregularities or any delay in respect of other Bonds. All Accepting Bondholders will be deemed to have waived any right to receive notice of the acceptance of such Tendered Bonds for payment. The Offeror's interpretation of the terms and conditions of the Bonds Offer shall be final and binding. No alternative, conditional or contingent tenders will be accepted.

Unless waived, any defect, irregularity or delay in connection with tenders must be cured within such time as the Offeror shall determine. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Offeror, the Financial Advisers, the Tender Agent or any of their affiliates or any other person will be under any duty to give notification of any defects, irregularities or delays in such tenders, nor will such entities incur any liability for failure to give such notification. Tenders of such Offer Bonds will be deemed not to have been made until such irregularities have been cured or waived. Any Offer Bonds received by the Tender Agent that are not properly tendered and as to which the irregularities have not been cured or waived will be unblocked from the relevant account in the relevant Clearing System.

The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Bonds Settlement Date in respect of all of the Tendered Bonds and which are accepted for purchase by the Offeror, upon receipt by such Clearing System of an instruction from the Tender Agent to receive such Tendered Bonds for the account of the Offeror and against credit of the relevant amount in cash from the Offeror equal to the relevant settlement amount in respect of the Bonds, subject to the automatic revocation of those instructions on the date of any termination of the Bonds Offer (including where such Bonds are not accepted by the Offeror for purchase) or the valid revocation of such Tender Instruction in limited circumstances.

3. SETTLEMENT

Upon the terms and subject to the conditions of the Bonds Offer, the Offeror will accept for purchase, and pay for, the Tendered Bonds as soon as possible and in any case:

- (i) in respect of acceptances of the Bonds Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within the earlier of seven (7) Business Days and ten (10) calendar days of the date on which the Exit Offer becomes unconditional; or
- (ii) in respect of acceptances of the Bonds Offer which are complete and valid in all respects and are received **after** the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within the earlier of seven (7) Business Days and ten (10) calendar days of the date of such receipt.

In all cases, payment for Bonds accepted for purchase pursuant to the Bonds Offer will be made only after confirmation of book-entry transfer thereof.

For purposes of the Bonds Offer, the Offeror will be deemed to have accepted for purchase validly Tendered Bonds (or defectively Tendered Bonds with respect to which the Offeror has waived such defect) if, as and when the Offeror gives written notice thereof to the Tender Agent. With respect to Tendered Bonds that are to be returned to Accepting Bondholders, the Bonds will be returned without expense to the Accepting Bondholder promptly (or, in the case of Bonds tendered by book-entry transfer, such Bonds will be credited to the account maintained at the Clearing System from which such Bonds were delivered) after the expiration or termination of the Bonds Offer.

Payment for Tendered Bonds will be made by the Offeror or its authorised agents by depositing such payment in immediately available funds with the relevant Clearing Systems and causing the consideration for the Bonds Offer to be transmitted to such Accepting Bondholders.

If any Tendered Bonds are not accepted for payment for any reason pursuant to the terms and conditions of the Bonds Offer, such Bonds will be credited to an account maintained at the Clearing System from which such Bonds were delivered promptly following the Closing Date or the termination of the Bonds Offer.

Settlement of the consideration to which any Accepting Bondholder is entitled under the Bonds Offer will be implemented in full in accordance with the terms of the Bonds Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Accepting Bondholder.

4. LAPSE OF BONDS OFFER

If the Bonds Offer lapses, the Tender Agent is required to instruct the relevant Clearing System to return the Tendered Bonds pursuant to the Bonds Offer promptly to the Accepting Bondholder through applicable procedures of Euroclear or Clearstream, Luxembourg and the Offer Bonds tendered pursuant to the Bonds Offer will be unblocked in the relevant Clearing System account. Any such Offer Bonds returned will be deemed to be not validly tendered for purposes of the Bonds Offer.

5. GENERAL

- (a) All communications, notices and Bond certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Bonds Offer to be delivered by or sent to or from the Bondholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, the Financial Advisers, the Tender Agent or other parties involved in the Bonds Offer or any of their respective agents accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The Bonds Offer, and all acceptances of the Bonds Offer and all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be, governed by, and construed in accordance with, the laws of Singapore and the laws of Hong Kong (as applicable). The Offeror and each Accepting Bondholder agrees to submit to the non-exclusive jurisdiction of the Singapore courts.

- (c) Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, by accepting the Bonds Offer, the Accepting Bondholders are deemed to constitute a warranty to the Offeror that: (aa) the Tendered Bonds are free from all Encumbrances together with all rights, interests, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Bonds Record Date for which falls on or after the Joint Announcement Date but excluding the Excluded Interest Payment and on the terms set out in this Exit Offer Letter; and (bb) the Tendered Bonds continuing to be transferable and convertible into Conversion Shares.
- (d) Bondholders should fully observe the laws of the relevant jurisdiction, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Any Bondholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

APPENDIX 4

ADDITIONAL INFORMATION ON THE OFFEROR AND SOUND GROUP

1. DIRECTOR

The name, address and description of the sole director of the Offeror and Sound Group as at the Latest Practicable Date, are set out below:

Name	Address	Description
Mr. Wen Yibo	RM 422-3, No. 2 Yuhui Road Chaoyang District Beijing, PRC (北京市朝陽區 育慧街二號3樓422號)	Director

2. REGISTERED OFFICES

- 2.1 Offeror.** The registered office of the Offeror is 1805, 18/F, Tower 2 Lippo Centre, 89 Queensway, Hong Kong (香港金鐘道89號力寶中心2座18樓1805室).
- 2.2 Sound Group.** The registered office of Sound Group is No. 7A Zaojun Temple, Beixiaguan Road, Haidian District, Beijing, PRC (北京市海淀區北下關街道皂君廟甲7號).
- 2.3 Beijing Sanghua.** The registered office of Beijing Sanghua is No. 7A Zaojun Temple, Beixiaguan Road, Haidian District, Beijing, PRC (北京市海淀區北下關街道皂君廟甲7號).
- 2.4 Ms. Zhang.** The address of Ms. Zhang is Rm 422-3, No. 2 Yuhui Road, Chaoyang District, Beijing, PRC (北京市朝陽區育慧街二號3樓422號).
- 2.5 Sound Water.** The registered office of Sound Water is P.O. Box 438, Road Town, Tortola, British Virgin Islands.
- 2.6 Green Capital.** The registered office of Green Capital is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- 2.7 CIMB Hong Kong.** The registered office of CIMB Hong Kong is Units 7706-08, Level 77, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- 2.8 CIMB Singapore.** The registered office of CIMB Singapore is 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623.

3. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

- 3.1 Offeror.** The Offeror is primarily an investment holding company and was incorporated in Hong Kong on 10 May 2013. As at the Latest Practicable Date, the Offeror is authorised to issue a maximum of 1,000,000 ordinary shares of HK\$1.00 each and currently has an issued and paid-up share capital of HK\$1,000,000 divided into 1,000,000 ordinary shares of HK\$1.00 each. The Offeror is a wholly-owned subsidiary of Sound Group.
- 3.2 Sound Group.** Sound Group is a company incorporated in the PRC on 18 April 2000. It is principally engaged in the businesses of water and wastewater treatment and solid waste treatment. As at the Latest Practicable Date, Sound Group has a registered capital of RMB100 million. Sound Group is owned as to 29% by Mr. Wen, 70% by Beijing Sanghua and 1% by Mr. Hu Xinling, an independent third party.

4. SUMMARY OF FINANCIAL INFORMATION

4.1 Offeror. As the Offeror was incorporated on 10 May 2013, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

4.2 Sound Group. A summary of the audited consolidated profit and loss statements of Sound Group and its subsidiaries for FY2010, FY2011 and FY2012 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of Sound Group and its subsidiaries for FY2010, FY2011 and FY2012 (copies of which are available for inspection as mentioned in paragraph 4 of Appendix 7 to this Exit Offer Letter).

	FY2010 (audited) (RMB'000)	FY2011 (audited) (RMB'000)	FY2012 (audited) (RMB'000)
Revenue	1,819,976	2,476,930	2,993,863
Exceptional items	–	–	–
Profit before income tax	346,086	465,771	592,262
Profit after income tax	279,542	373,678	489,445
Minority interests	112,181	163,995	238,732
Profit attributable to shareholders	167,361	209,683	250,714
Basic earnings per share (RMB cents)	n.a. ⁽¹⁾	n.a. ⁽¹⁾	n.a. ⁽¹⁾
Net dividends per share (RMB cents)	n.a. ⁽¹⁾	n.a. ⁽¹⁾	n.a. ⁽¹⁾

Note:

(1) "n.a." denotes not available.

5. STATEMENT OF ASSETS AND LIABILITIES

A summary of the audited consolidated balance sheet of Sound Group and its subsidiaries as at 31 December 2012 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of Sound Group and its subsidiaries for FY2012 (a copy of which is available for inspection as mentioned in paragraph 4 of Appendix 7 to this Exit Offer Letter).

**As at
31 December 2012
(audited)
(RMB'000)**

ASSETS

Current assets

Cash and cash equivalents	2,210,669
Short-term investments	5,000
Notes receivables	930
Accounts receivables	2,205,305
Other receivables	536,739
Prepayments	300,979
Inventories	69,889

Total current assets	5,329,511
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Non-current assets

Long-term receivables	145,888
Long-term investments	341,562
Cost-book value differentials	8,933
Circulation right for non-tradable shares	26,656
Net fixed assets	869,946
Construction-in-progress	434,834
Intangible assets	1,769,889
Long-term prepayments	4,509
Other assets	6,816

Total non-current assets	3,609,033
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Deferred tax assets	29,178
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Total assets	8,967,722
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LIABILITIES

Current liabilities

Short-term borrowings	1,338,000
Notes payable	50,036
Accounts payables	945,465
Receipts in advance	31,834
Accrued salaries	3,242
Accrued welfare benefits	4,234
Dividend payable	3,687
Interest payable	18,096
Tax payable	159,288
Other payables	483,907
Short-term portion of long-term borrowings	49,940
Other current liabilities	425,459

Total current liabilities	3,513,188
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	As at 31 December 2012 (audited) (RMB'000)
Long-term liabilities	
Long-term borrowings	527,828
Long-term payables	389,975
Special accounts payable	117,971
Other non-current liabilities	56,920
Total long-term liabilities	1,092,695
Total liabilities	4,605,883
Minority interests	2,235,523
SHAREHOLDERS' EQUITY	
Share capital	100,000
Capital reserves	251,466
Surplus reserves	301,438
Accumulated profits	1,473,412
Total shareholders' equity	2,126,316
Total liabilities and equity	8,967,722

6. MATERIAL CHANGES IN FINANCIAL POSITION

- 6.1 Offeror.** As at the Latest Practicable Date, save for the making and financing of the Offers, there has been no known material change in the financial position of the Offeror since the date of its incorporation.
- 6.2 Sound Group.** As at the Latest Practicable Date, save for the making and financing of the Offers and in the ordinary course of its business (including investments acquired thereunder), there has been no known material change in the financial position of Sound Group and its subsidiaries since 31 December 2012, being the date of Sound Group's last published audited accounts.

7. SIGNIFICANT ACCOUNTING POLICIES

- 7.1 Offeror.** As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be disclosed.
- 7.2 Sound Group.** The audited consolidated financial statements of Sound Group and its subsidiaries have been prepared in accordance with the Accounting Standards for Business Enterprises in the PRC. The significant accounting policies of Sound Group and its subsidiaries are set out in Section 4 of the notes to the audited consolidated financial statements of Sound Group and its subsidiaries for FY2012 (a copy of which is available for inspection as mentioned in paragraph 4 of Appendix 7 to this Exit Offer Letter).

8. CHANGES IN ACCOUNTING POLICIES

- 8.1 Offeror.** As no audited financial statements of the Offeror have been prepared to date, there are no changes in accounting policies to be disclosed.
- 8.2 Sound Group.** As at the Latest Practicable Date, there has been no change in the accounting policies of Sound Group and its subsidiaries since the date of its audited consolidated financial statements for FY2012 which will cause the figures set out in paragraphs 4 and 5 above to be not comparable to a material extent.

APPENDIX 5

ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Wen Yibo	RM 422-3, No. 2 Yuhui Road Chaoyang District Beijing, PRC	Executive Director and Chairman
Mr. Zhang Jingzhi	Room 904, Gate 1, Block 3 Qing Feng Hua Jing Yuan Court Hai Dian District Beijing, PRC	Executive Director and Chief Executive Officer
Mr. Wang Kai	No.710, 2nd Floor, Block 6 Beijiadi Road Fengtai District Beijing, PRC	Executive Director and Chief Financial Officer
Mr. Jiang Anping	#1202, Unit 3, Block 2 No. A2, Yuquan Road Haidian District Beijing, PRC	Executive Director
Mr. Luo Liyang	5-904, 11th Building No. 7 Courtyard Fengqiao Road Fengtai District Beijing, PRC	Executive Director
Mr. Wong See Meng	513 Yio Chu Kang Road #02-27 The Calrose Singapore 787067	Independent Non-Executive Director
Mr. Seow Han Chiang Winston	312 Serangoon Avenue 2 #04-186 Singapore 550312	Independent Non-Executive Director
Mr. Fu Tao	No. 601 1st Unit, Block C12 No. 9 Courtyard Sanlihe Road Haidian District Beijing, PRC	Independent Non-Executive Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$175,944,790.23 comprising 1,290,000,000 Shares (based on a search conducted at the ACRA on the Latest Practicable Date).

Based on information provided by the Company to the Offeror, as at the Latest Practicable Date, the Company has (i) outstanding Bonds which are convertible into up to 177,296,896 Shares and (ii) outstanding Warrants convertible into 28,154,545 Shares.

3. OPTION SCHEME

Based on information provided by the Company to the Offeror, as at the Latest Practicable Date, the Company has 32,504,400 outstanding Options entitling the Optionholders to subscribe for 32,504,400 new Shares, of which 24,378,300 Options are exercisable.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, there has not been any material change in the financial position or prospects of the Group since 31 December 2012, being the date of the last audited balance sheet of the Company laid before its Shareholders in general meeting.

5. REGISTERED OFFICE

The registered office of the Company is at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542.

APPENDIX 6

DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY SECURITIES

The disclosures of holdings and dealings in the Company Securities set out below are based on responses to enquiries that the Offeror has made.

1. HOLDINGS OF SHARES OF THE RELEVANT PERSONS

The holdings of Shares of the Relevant Persons as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
Sound Water (BVI) Limited	701,784,000	54.40	–	–	701,784,000	54.40
Mr. Wen Yibo ⁽¹⁾	11,733,000	0.91	713,289,000	55.29	725,022,000	56.20
Green Capital Holdings Limited	11,505,000	0.89	–	–	11,505,000	0.89
CIMB Securities (Singapore) Pte. Ltd. ⁽²⁾	606	0.00	–	–	606	0.00

Notes:

- (1) Mr. Wen is deemed to be interested in (i) the 701,784,000 Shares held by Sound Water (BVI) Limited (which is owned as to 90% by him and 10% by his spouse, Ms. Zhang Huiming) and (ii) the 11,505,000 Shares held by Green Capital Holdings Limited (which is owned as to 50% by Ms. Tang Lianfang and 50% by Mr. Zhang Linmao, the mother-in-law and father-in-law of Mr. Wen respectively).
- (2) CIMB Securities (Singapore) Pte. Ltd. is an affiliate of the Financial Advisers.
- (3) Based on 1,290,000,000 Shares in issue as at the Latest Practicable Date.

2. DEALINGS IN SHARES BY THE RELEVANT PERSONS DURING THE REFERENCE PERIOD

Saved as disclosed below, none of the Relevant Persons had dealt for value in any Company Securities (excluding dealings on a non-discretionary basis which are subject to private disclosure under the HK Takeover Code and Singapore Takeover Code) during the Reference Period.

Dealing Party	Date	Nature of Dealing	Number of Shares	Price per Share	
				Minimum	Maximum
CIMB Securities (Singapore) Pte. Ltd.	24 January 2013	Acquisition	11,000	S\$0.7000	S\$0.7000
	24 January 2013	Sale	11,000	S\$0.7000	S\$0.7000
	14 February 2013	Acquisition	1,311,000	S\$0.6500	S\$0.6700
	14 February 2013	Sale	905,000	S\$0.6550	S\$0.6650
	18 February 2013	Acquisition	89,000	S\$0.6550	S\$0.6550
	18 February 2013	Sale	250,000	S\$0.6550	S\$0.6600
	19 February 2013	Sale	141,000	S\$0.6550	S\$0.6550
	15 March 2013	Acquisition	50,000	S\$0.5400	S\$0.5400
	15 March 2013	Sale	50,000	S\$0.5300	S\$0.5300
	20 March 2013	Acquisition	100,000	S\$0.5000	S\$0.5000
	20 March 2013	Sale	100,000	S\$0.5000	S\$0.5000
	28 March 2013	Acquisition	216,000	S\$0.5450	S\$0.5500
	28 March 2013	Sale	210,000	HK\$3.5500	HK\$3.6000
	1 April 2013	Acquisition	40,000	S\$0.5300	S\$0.5350
	2 April 2013	Acquisition	37,000	S\$0.5400	S\$0.5450
	2 April 2013	Sale	40,000	HK\$3.5500	HK\$3.5500
	3 April 2013	Acquisition	70,000	S\$0.5400	S\$0.5450
	4 April 2013	Acquisition	902,000	S\$0.5500	S\$0.5650
	4 April 2013	Sale	855,000	S\$0.5500	S\$0.5650
	5 April 2013	Acquisition	60,000	S\$0.5400	HK\$0.5450
	5 April 2013	Sale	89,000	S\$0.5400	HK\$3.5800
	8 April 2013	Acquisition	22,000	S\$0.5450	S\$0.5450
	8 April 2013	Sale	22,000	HK\$3.5500	HK\$3.5600
	9 April 2013	Acquisition	47,000	S\$0.5600	S\$0.5600
	9 April 2013	Sale	49,000	S\$0.5650	HK\$3.6200
	10 April 2013	Acquisition	48,000	S\$0.5500	S\$0.5550
	10 April 2013	Sale	48,000	HK\$3.6000	HK\$3.6000
	15 April 2013	Acquisition	30,000	S\$0.5400	S\$0.5400
	16 April 2013	Sale	30,000	S\$0.5400	S\$0.5400
	18 April 2013	Acquisition	40,000	S\$0.5250	S\$0.5300
	18 April 2013	Sale	29,000	HK\$3.2500	HK\$3.3200
	19 April 2013	Acquisition	20,000	S\$0.5200	S\$0.5200
	19 April 2013	Sale	31,000	HK\$3.3000	HK\$3.3000
22 April 2013	Acquisition	264,000	S\$0.5250	S\$0.5450	
22 April 2013	Sale	264,000	HK\$3.3400	HK\$3.5400	
23 April 2013	Acquisition	30,000	S\$0.5450	S\$0.5450	
23 April 2013	Sale	30,000	HK\$3.4800	HK\$3.5000	
24 April 2013	Acquisition	80,000	S\$0.5450	S\$0.5500	
24 April 2013	Sale	50,000	HK\$3.5000	HK\$3.5000	
25 April 2013	Acquisition	336,000	S\$0.5550	S\$0.5550	
25 April 2013	Sale	296,000	S\$0.5550	HK\$3.5400	
26 April 2013	Sale	73,000	S\$0.5550	S\$0.5550	
CIMB Securities Ltd.	28 March 2013	Acquisition	100,000	HK\$3.5500	HK\$3.5500
	5 April 2013	Acquisition	58,000	HK\$3.5500	HK\$3.5500

APPENDIX 7

ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 No Other Holdings or Dealings.** Save as disclosed in Appendix 6 to this Exit Offer Letter, as at the Latest Practicable Date, none of the Offeror, the director of the Offeror and parties acting in concert with the Offeror owns, controls, or has agreed to acquire or has dealt for value in any Company Securities during the Reference Period.
- 1.2 No Indemnity Arrangements.** As at the Latest Practicable Date, save as disclosed in Section 5.2(c) and Section 7 of this Exit Offer Letter, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Singapore Takeover Code or Note 8 to Rule 22 of the HK Takeover Code, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.
- 1.3 Security Interests, Borrowing or Lending of Company Securities.** As at the Latest Practicable Date, none of the Offeror or any parties acting in concert with the Offeror has (i) granted a security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise, save as disclosed in Section 5.2 of this Exit Offer Letter, or (ii) borrowed or lent any Company Securities from or to another person.
- 1.4 Irrevocable Undertakings.** As at the Latest Practicable Date, save as disclosed in Section 7 of this Exit Offer Letter, none of the Offeror or any parties acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offers.
- 1.5 No Agreement having any Connection with or Dependence upon the Exit Offer.** As at the Latest Practicable Date, save as disclosed in Section 5.2(c) and Section 7 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror or any parties acting in concert with the Offeror and (b) any of the current or recent Directors or any of the current or recent Shareholders, having any connection with or dependence upon the Exit Offer.
- 1.6 Transfer of Offer Shares.** As at the Latest Practicable Date, save as disclosed in Section 5.2 of this Exit Offer Letter, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Exit Offer will or may be transferred, charged or pledged to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its related corporations (within the meaning of Section 6 of the Singapore Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.
- 1.7 No Payment or Benefit to the Directors.** As at the Latest Practicable Date, there is no agreement, arrangement or undertaking for payment or other benefit being made or given to any Director or any director of a corporation which is by virtue of Section 6 of the Singapore Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer. For the avoidance of doubt, no benefit has been given to any Director as compensation for loss of office or otherwise in connection with the Exit Offer.

- 1.8 No Agreement Conditional upon Outcome of the Exit Offer.** As at the Latest Practicable Date, save as disclosed in Section 5.2(c) and Section 7 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the Directors or any other person in connection with or conditional upon the outcome of the Exit Offer or relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Exit Offer or is otherwise connected with the Exit Offer. Section 5.2(c) and Section 7 of this Exit Offer Letter refer to the Mighty Sky Undertaking, the Securities Undertakings and the Options Undertakings, which are conditional upon the outcome of the Exit Offer. If the Condition is not satisfied, the Mighty Sky Undertaking, the Securities Undertakings and the Options Undertakings will lapse accordingly.
- 1.9 Transfer Restrictions.** As at the Latest Practicable Date, as far as the Offeror is aware, there is no restriction in the memorandum and articles of association of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.
- 1.10 No Material Change in Information.** Save for the information relating to the Offeror and the Offers that is publicly available, there has been, within the knowledge of the Offeror, no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

- 2.1 Costs and Expenses.** All costs and expenses of or incidental to the Offers including the preparation and circulation of this Exit Offer Letter and the Acceptance Forms (other than professional fees and other costs relating to the Offers incurred or to be incurred by the Company), stamp duty (excluding the relevant applicable seller ad valorem stamp duty payable in Hong Kong, details of which are set out in Appendix 2B to this Exit Offer Letter) and transfer fees resulting from acceptances of the Offers, will be paid by the Offeror.
- 2.2 Financial Advisers' Consent.** Each of CIMB Singapore and CIMB Hong Kong, as the Singapore financial adviser and the Hong Kong financial adviser to the Offeror respectively in connection with the Delisting and the Exit Offer, has given and has each not withdrawn their respective written consents to the issue of this Exit Offer Letter with the inclusion herein of their respective names and the references to their respective names, in the form and context in which their respective names appear in this Exit Offer Letter.
- 2.3 Share Registrars' Consent.** Each of Boardroom Corporate & Advisory Services Pte. Ltd. and Tricor Investor Services Limited has given and has not withdrawn their respective written consents to the issue of this Exit Offer Letter with the inclusion herein of their respective names and the references to their respective names, in the form and context in which their respective names appear in this Exit Offer Letter.
- 2.4 Tender Agent's Consent.** Lynchpin Bondholder Management has given and has not withdrawn its written consent to the issue of this Exit Offer Letter with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Exit Offer Letter.

3. MARKET QUOTATIONS

3.1 Closing Prices. The following table sets out the closing prices of the Shares on the SGX-ST and the SEHK on (i) the Latest Practicable Date; (ii) 6 September 2013 (being the last day on which the Shares were traded immediately preceding the Joint Announcement Date); (iii) 27 June 2013 (being the Last Traded Day); and (iv) the last day of each month from December 2012 (being six (6) calendar months prior to the Possible Offer Announcement Date) to October 2013:

	Closing price on the SGX-ST (S\$)	Closing price on the SEHK (HK\$)
26 November 2013 (being the Latest Practicable Date)	0.715	4.490
6 September 2013 (being the last day on which the Shares were traded prior to the Joint Announcement Date)	0.645	3.950
27 June 2013 (being the Last Traded Day)	0.570	3.630
October 2013	0.700	4.440
September 2013	0.695	4.250
August 2013	0.635	3.880
July 2013	0.600	3.810
June 2013	0.570	3.630
May 2013	0.630	4.330
April 2013	0.560	3.610
March 2013	0.550	3.600
February 2013	0.650	4.030
January 2013	0.660	4.250
December 2012	0.580	3.720

Source: Bloomberg L.P.

3.2 Highest and Lowest Closing Prices of the Shares. The highest and lowest closing prices of the Shares on the SGX-ST and the SEHK during the Reference Period, are as follows:

	Price	Dates
Highest closing price on the SGX-ST	S\$0.715	19 November 2013, 20 November 2013, 21 November 2013, 22 November 2013, 25 November 2013 and 26 November 2013
Lowest closing price on the SGX-ST	S\$0.495	19 March 2013
Highest closing price on the SEHK	HK\$4.500	20 November 2013 and 25 November 2013
Lowest closing price on the SEHK	HK\$3.250	18 April 2013

Source: Bloomberg L.P.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours at the office of the Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; (ii) during normal business hours at the office of the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong; (iii) on the website of the SFC (<http://www.sfc.hk>); and (iv) on the website of the Company (<http://www.soundglobal.com.sg>), from the date of this Exit Offer Letter until the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the Joint Announcement;
- (c) the Undertakings and the Mighty Sky Undertaking;
- (d) the audited financial statements of Sound Group and its subsidiaries for FY2010, FY2011 and FY2012; and
- (e) the letters of consent from the Financial Advisers, the Principal Share Registrar in Singapore, the Hong Kong Branch Share Registrar and the Tender Agent as referred to in paragraph 2 of this Appendix 7.

