

What More Can We Say to a Shameless Liar?

Sound Global put out a so-called further clarification on February 17 to address the issue of its biggest customer in 2012 in this way:

*Management of the Group were aware of the **different interpretation of customer** ... in annual reports published previously and had included such BOT revenue in the disclosure of segment information within the Company's 2013 annual report.*

But in the 2013 annual report discussing its biggest revenue contributor, Sound Global doesn't make any prior year adjustments and simply repeats the 2012 disclosure in parenthesis:

(2012: Revenue from Jiangyan City Housing and Urban Construction Bureau in turnkey projects and services segment contributed 10.73% of the Group's total revenue for that year.)

We have found some excuses for them: Sound Global management simply forgot to adjust the prior year disclosure, or they thought there was no need to make any prior year adjustments. Simple as that.

What more can we say to a shameless liar who constantly moves the goalpost?

The clarification says that “the Company has referred the case to the Securities and Futures Commission of Hong Kong for investigation”. **We certainly welcome any SFC investigation into our report, as well as into the contradictory information, exaggerated disclosures and financial fraud made by Sound Global management.**

About Emerson Analytics

We are a group of seasoned equities analysts with many years of experience in the research of economic and political trends as well as individual stocks around the world. With background in various international investment banks, we have followed the development of the Chinese equities market right from day one.

We are determined to expose as much of the fraud in the Chinese stock market as we can. The most widespread and serious fraud is probably that undertaken by listed companies, in fabricating non-existent businesses and stealing shareholders money, among other tricks.