

Sinomem Technology Limited
Registration No. 200208107G

Sinomem secures new wastewater treatment/recycling project in China

The Board of Directors of Sinomem Technology Limited (the “Company”) wishes to announce that the Company has secured a wastewater treatment/recycling BOT project from the Baichen City Municipal Government in Baichen City, Jilin Province, People’s Republic of China (“PRC”) with a treatment capacity of 50,000m³/day and an operating concession period of 30 years (the “Project”).

The construction work of the Project was partially completed by the Baichen City Municipal Government. The Company has entered into an investment agreement with Baichen City Municipal Government to pay RMB30 million to Baichen City Municipal Government for the initial construction work done and to complete the rest of the construction work. Construction is expected to be completed in the first quarter of 2010. The total investment, inclusive of construction costs, is estimated at RMB 70 million. The consideration was determined on the willing-buyer, willing-seller basis after arm’s length negotiations between the Company and Baichen City Municipal Government.

The Project will be funded from internal resources and is not expected to have any material impact on the Group’s net tangible assets per share and earnings per share for the financial year ending 31 December 2009.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Project.

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By Order of the Board
Dr Lan Weiguang
Managing Director
18 August 2009