

Sinomem Technology Limited
Registration No. 200208107G

Sinomem expands into membrane based tap water treatment business in China

The Board of Directors of Sinomem Technology Limited (the "Company") wishes to announce that the Company has been awarded a 30-year BOT concession by Gongzhuling Municipal Government, Jilin Province, People's Republic of China ("PRC") to convert and expand existing traditional sand filtration based tap water plant with a capacity of 22,000 ton/day to a membrane based plant with a final treatment capacity of 100,000 ton/day (the "Project").

The Company shall operate the plant for 30 years. The Project will be executed in two phases with 50,000 ton/day capacity in each. The total investment is estimated at RMB 350 million which will be financed from internal resources. On completion, the project is expected to be one of the largest membrane based tap water plants in PRC.

The Project 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.

By Order of the Board

Dr Lan Weiguang
Managing Director
24 September 2009