

## **Sinomem Secures Its First MBR-based Wastewater Treatment BOT Project**

**Singapore, 8 August 2006:-** Mainboard-listed Sinomem Technology Ltd (“Sinomem” or “the company”), a leading membrane-based integrated process and engineering technology company, is pleased to announce that the company has been awarded a 30-year concession to build, own, operate and transfer a 80,000 m<sup>3</sup>/day wastewater treatment plant (“Plant”) in Ji An, Jiangxi Province, PRC. Under the concession, the plant will be used to treat the industrial wastewater from Ji An Hi-tech Economic Development Zone and domestic wastewater from Ji An City. The construction of plant will be carried out in two phases, each having a capacity of 40000m<sup>3</sup>/day. Total investment for Phase I is about RMB80 million, and construction is expected to take 12-18 months. The timing of Phase II construction is expected to be around 2-3 years after phase I plant starts to operate, depending on the capacity utilization of Phase I and the projection of wastewater discharge in the areas covered. The process to be used for the plant will be based on Sinomem’s proprietary membrane bioreactor (MBR) product, BIO-CEL, to ensure stable and high quality effluent as well as to handle the industrial and municipal wastewater combination.

The company will form a joint venture with business partners to undertake the project. Sinomem is expected to have a 40% stake in the JV. The investment will be funded by internal financial resources.

The joint venture is not expected to have any material impact on the net tangible assets or the earnings per share of the Company for the financial year ending 31 December 2006.

None of the Company's directors or substantial shareholders has any interest, direct or indirect, in the project.

Commenting on the company's first BOT project, Dr. Lan Weiguang, the Group Founder and CEO, said, 'The award of the BOT contract by the Ji An government provides Sinomem a good opportunity to demonstrate the excellent operating characteristics, namely high treatment efficiency, low land occupation, and stable and high quality effluent, of our patented MBR product, BIO-CEL. In addition, the Ji An project will also enable Sinomem to build up engineering expertise for wastewater treatment projects. '

Dr. Lan continued, "After the Songhua River pollution incident, the environment protection authorities in China have put greater emphasis on the effluent stability and quality of both industrial and municipal wastewater treatment projects. Unlike most of the wastewater plants which are only able to treat certain type of wastewater, for example either industrial or domestic wastewater, our Ji An wastewater plant will be able to treat a combination of both industrial and domestic wastewater. The BIO-CEL based wastewater treatment process has extremely good adaptability to influent, making the effluent quality less subject to changes in influent quality. This is the main reason why we have received intensive inquiries on our newly launched BIO-CEL since the Songhua River pollution incident."

"To better leverage on our proprietary MBR related technologies and products, we intend to boost our engineering capability for wastewater treatment projects, expanding our role from as an equipment/component vendor to a turnkey solution provider," Dr. Lan added.

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## **About Sinomem Technology Limited**

Sinomem Technology Limited (Bloomberg - SINO SP; Reuters – SINO.SI) was incorporated on 18 September 2002 under the laws of the Republic of Singapore, On 18 June 2003; the company was listed on the mainboard of the Singapore Exchange Securities Trading Limited. The company and its subsidiaries provide integrated process and engineering solutions for separation, purification and cleaner production purposes for their customers in diverse industries through the use of its proprietary advanced membrane technology. This includes the upstream activities such as advanced membrane material production and downstream activities such as the production of biochemical products through membrane process and engineering technology.

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