

PRESS RELEASE

SINOMEM PLACES OUT 61,780,000 NEW SHARES AT 71 CENTS EACH TO STRENGTHEN CAPITAL BASE FOR INVESTMENTS IN AND ACQUISITIONS OF SYNERGISTIC BUSINESSES, PRODUCTS AND TECHNOLOGIES IN RELATION TO MEMBRANE INDUSTRY VALUE CHAIN

SINGAPORE – 28 September 2005 – Sinomem Technology Limited (“Sinomem” or the “Company”), an integrated process and engineering solutions provider for separation, purification and cleaner production purposes in diverse industries using advanced membrane technology, has announced today that its placement agent, CIMB-GK Securities Pte Ltd., has procured subscription for 61,780,000 new ordinary shares of \$0.02 each at S\$0.71 per share. A majority of the placement shares has been subscribed by institutional investors.

The 61,780,000 placement shares will be issued after the receipt of the approval in-principle of the Singapore Exchange Securities Trading Limited for the listing and quotation of the placement shares.

On 26 September 2005, Sinomem announced that it had entered into a placement agreement with CIMB-GK Securities Pte. Ltd. to procure subscription and payment on a best efforts basis for, up to 61,780,000 placement shares at the placement price of S\$0.71 for each share.

Dr Lan Wei Guang, Sinomem’s Managing Director and the founder of the Group said, “We are extremely delighted with the strong vote of confidence from the institutional investors and we will continue to work hard to ensure that their confidence in us is well-placed. This placement exercise has strengthened our shareholder base and provided the Group with the requisite funds to continue to look out for synergistic businesses to enhance our upstream and downstream integration via investments and acquisitions of the membrane industry value chain.”

He further added, “To fuel further growth, the Group has continued its corporate strategies to leverage on its capabilities by exploiting synergies which will integrate both downstream and upstream activities based on our membrane process and engineering technology. One key move by the Group was to focus on the production and sales of gibberellins (a plant growth regulator) and other fermentation-based biochemical products. In line with its strategy to invest in upstream activities, the Group will also set up a joint venture with Microdyn-Nadir GmbH (M-N) to engage in research and development, production and sale of advanced membrane material, with the help of advanced membrane technology and manufacturing expertise from M-N.”

The Company will not issue any marketable securities for a period of 90 days from the date of completion of the placement. Dr Lan will also not dispose of any interest in his shares for a period of 90 days from completion of the placement.

About Sinomem Technology Limited

Sinomem Technology Limited 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 advanced membrane technology. This includes the upstream activities such as membrane production and downstream activities such as production of biochemical products applying membrane process and engineering technology .

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