



Registration No. 200208107G

PRESS RELEASE

Sinomem Technology expands into ceramic membrane production

SINGAPORE, 1 March 2007:- Sinomem Technology (the “Company”), a global leading membrane based process/engineering technology company, is pleased to announce that the company has entered into an agreement with ItN Nanovation AG, a German Stock Exchange listed company specializing in Nano coating technology development, to setup Joint Ventures (the “JV”) for ceramic membrane development, production and marketing. Key terms of the proposed JVs are as follows:

- 1) To set up two JV companies in Xiamen, China. First JV will specialize in product development and production. Sinomem and ItN Nanovation AG will have a 50.1% and 49.9% stake in the company respectively. Second JV will specialize in market and sales. Sinomem and ItN Nanovation AG will have a 49.9% and 50.1% stake in the company respectively. This arrangement is to be meeting the revenue consolidation need from both companies. All the paid-up capital will be paid in cash. The total investment in production facilities is estimated at Euro 3.0 million.
- 2) The first JV will pay Euro 324,250 to ItN for all the know-hows and technologies related to ceramic tube membrane production and ItN will stop producing ceramic tube membranes in its German plant once the new plant in Xiamen has the comparable capacity and is able to produce similar quality products. ItN is also entitled to collect a royalty of Euro 8/m² for products based on its

transferred technologies for a period of 5 years starting from 1 July 2009. The products based on the technologies developed by Sinomem Technology will have a similar arrangement as mutually agreed.

None of the substantial shareholders and Directors have any interest in the transaction. The transaction is not expected to have material impact on the Group's earnings and net tangible assets per share for fiscal year ending 31 December 2007.

“Compared with polymer membrane, ceramic membrane can resist higher temperature therefore it is increasingly gaining popularity in high temperature applications such as those for petrochemical process. Therefore, Ceramic membrane is considered an important complement to polymer membrane. Sinomem has already committed significant resources in product development to tap the good market potential of ceramic products for more than 2 years. The joint venture with ItN Nanovation will undoubtedly speed up our expansion in this segment. The riding on ItN's world-class nanomaterial technologies, coupled with Sinomem's well established track record in industrial separation/purification and low manufacturing cost in China, I am confident that the new ceramic JV will become a leading ceramic membrane supplier.” Dr. Lan Weiguang, Group Founder and CEO, comments on the JV agreement.

Dr. Tillmann Lauk, CEO of ItN Nanovation AG says: “ We are very proud that we can team up with a player of the calibre of Sinomem Technology in order to achieve jointly a break-through for ceramic tube membranes. In various applications ceramic membranes offer superior product features compared to polymere membranes. We are convinced that price wise this Joint Venture will lead to a very competitive position, and hence foster the growth ambitions of our both companies.”

For more information, please contact the following:

Dr. Pu Weidong
Vice President
Tel 65-64816966
Fax 65-64816066
Email: puwd@sinomem.com

Mr. Andreas Kuntz
Public and Investor Relations Manager
ItN Nanovation AG
Untertuerkheimer Strasse 25
D – 66117 Saarbrücken
Tel +49-681-5001- 467
Fax +49-681-5001-499
Email: andreas.kuntz@itn-nanovation.com

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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.

About ItN Nanovation AG

ItN Nanovation AG is a company headquartered in Saarbrücken Germany, being listed at the German stock exchange, Frankfurt, (Prime Standard; share code: ISIN DE 000 AOJL 461; Bloomberg I7N GR; Reuters I7NG.DE; website: www.ItN-Nanovation.com) and specialized in the development and production of nano-technologically engineered coatings as well as ceramic membranes. ItN Nanovation AG gained substantial experience and know how in the field of production of ceramic components and ceramic coatings. ItN Nanovation AG is proud to look back on a five-year in-depth experience in membrane engineering.