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PRESS RELEASE

Sinomem Technology achieved 21.2% earnings growth in the nine months ended 30 September 2006

Financial Highlights

	9m 2006	9m 2005	Chg
	(S\$m)	(S\$m)	(%)
Revenue	69.8	50.4	38.4
Gross profit	25.7	22.6	13.5
Profit before tax	22.0	17.8	23.3
Profit after tax	21.6	17.1	26.1
Net Profit	19.4	16.0	21.2
EPS (S¢)	4.2	4.0	5.0
NTA (S¢)	34.4	31.6	9.0

SINGAPORE, 14 November 2006:- Sinomem Technology, a leading membrane process/engineering technology company, today announced its results for the nine months ended 30 September 2006.

Revenue up 38.4% in 9m 2006. Group revenue jumped 38.4% year-over-year to S\$69.8 million mainly due to the strong demand for both our membrane-based process/engineering services and downstream products, which experienced 26.9% and 68.8% growth respectively.

Gross profit up 13.5%. During the quarter, the gross profit was S\$25.7 million, up 13.5% as a result of higher revenue.

Operating costs well under control. Total operating costs increased 13.4% to S\$7.0 million as a result of higher revenue. As percentage of sales, operating costs declined 2.2 percentage points from 12.2% in 9m 2005 to 10.0% in 9m 2006.

21.2% growth in net profit attributable to shareholders. Net profit increased by 21.2% from S\$16.0 million in 9m 2005 to S\$19.4 million in 9m2006 due to the strong contribution from our downstream nutraceutical manufacturing business and the earnings contribution from Microdyn Nadir and Shandong TianLi Biochemical Co., Ltd

Balance sheet remained healthy. As at 30 September 2006, the group was in net cash position of S\$ 55.8 million. Net cash per share was 12.1 cents.

Commenting on the third quarter results, Dr. Lan Weiguang, the MD and Founder of Sinomem Technology said, “Thanks to the strong performance of our upstream and downstream business, we experienced strong revenue growth of 38.4% and maintained a healthy earnings growth rate of 21.2% in 9m 2006. “

“Going forward, we will step up our efforts in execution of our Research, Development, Pilot-testing and Application (RDPA) program, which is expected to further strengthen our leadership in technology and market. We have successfully developed certain proprietary solutions for non-pharmaceutical industries, such as strong acid recovery for iron and steel industry, which is expected to fuel the growth of our process/engineering business in the next 2-3 years.” Dr. Lan added.

Dr. Lan continued “The downstream business delivered satisfying results in the third quarter. I am optimistic that with the adoption of new fermentation processes, membrane-based separation process and better economy of scale in our new fermentation plant in Ji An, which is scheduled to start operation in the first quarter of 2007, downstream product manufacturing business will continue to deliver strong performance in the future.”

“The turnaround of our upstream membrane development and manufacturing business is very encouraging. In addition to continuous commitment of resources to our R&D in Microdyn Nadir to maintain our leadership in high-end industrial polymer membrane technology development, we intend to expand into ceramic membrane development and manufacturing at big steps. Compared with polymer membrane, ceramic membrane can resist higher temperature and therefore has wide application in petrochemical industry. In addition, ceramic membranes can also complement with polymer membranes to achieve better cost efficiency in our traditional pharmaceutical applications. With our endless input in the R&D, we are confident that the earnings turnaround of upstream membrane business is sustainable and it will become an important contributor in the next 3-5 years.” Dr. Lan continued.

“With the completion of construction of our Ji An BOT wastewater treatment plant in early 2007, our Germany-patented MBR product, BIO-CEL, will be able to set up a tract record for municipal wastewater treatment/recycling applications in China. Given the increasing water scarcity in north part of China, where water demand is surging due to industrialisation and urbanisation, our BIO-CEL based water solution is expected to see huge business opportunity in wastewater treatment/recycling.” Dr. Lan concluded.

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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