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## **PRESS RELEASE**

### **Sinomem Technology Secures RMB150m Water Recycling Project in China**

**SINGAPORE, 16 March, 2007:-** Sinomem Technology (the “Company”), a global leading membrane process/engineering technology company, is pleased to announce that the company has been awarded a 30-year concession to operate a wastewater treatment plant in Siping City, Jilin Province, China and a license to sell the recycled water to industrial users in the city.

Under the agreement signed with Siping Municipal Government, Sinomem agrees to pay RMB 90,000,000 for 30-year rights to operate an existing wastewater treatment plant which has been recently constructed by the local government but has not been in operation yet. The government also guarantees a minimum treatment volume of 70,000 ton/day for the first year, 80,000 ton/day for the second year and 90,000 ton/day thereafter. The plant has a designed daily treatment capacity of 90,000 m<sup>3</sup>. When the volume in existing plant reaches full capacity, Company has option to construct a new plant with additional 90,000 ton/day treatment capacity and operate it for 30 years.

In addition, the Company plans to invest another RMB 60,000,000 over the next 2-3 years to install wastewater recycling facilities such as membrane equipment, piping etc to provide recycled water to industrial users.

The plant is expected to start operation in mid-2007. The Siping project is expected to contribute positively to the Group's results in the coming years, but the impact will not be material for FY2007.

"The Siping Wastewater recycling project marks Sinomem's entry into water recycling business in China. China is one of the countries with the lowest per capita water resources in the world. Moreover, China's water resources are very unevenly distributed, with the north-eastern part of China seeing the most severe supply-demand mismatch. One way to solve the water scarcity problem is through wastewater recycling, which is expected to provide huge business opportunity for our proprietary membrane based water-recycling technology," commented by Dr. Lan Weiguang, Group Founder and CEO, on the award of the concession.

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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 Siping City**

Siping City is located at south-west of Jinlin province, about 100km away from Changchun, the capital of Jilin Province. The city has a population of 3.3 million and a area of 14,000 square km. Siping has experienced rapid economic growth in the past few years, with GDP of RMB 33b, up 18.9% compared China's 10.4% GDP growth rate in 2005. With per capita water resource only one third of national average, the water scarcity increasingly becomes a bottleneck for Siping's economic development.

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