



## **PRESS RELEASE**

### **Sinomem Wins S\$10 Million Contract**

**Singapore, 14 September 2004:** - **Sinomem Technology Limited** (“**Sinomem**”), a leading membrane-based process specialist has been awarded a S\$10 million contract from CSPC Zhongrun Pharmaceutical Co., Ltd (“Zhongrun”), a subsidiary company of China Pharmaceutical Group Co., Ltd (“China Pharm”), a company listed on the Hong Kong Stock Exchange. China Pharm is one of the top three pharmaceutical enterprises in the PRC specializing in bulk drugs such as semi-synthesized antibiotics and vitamins series products. It is one of the largest producers of bulk penicillin, 7-ACA and vitamin C in the PRC as well as the world.

Sinomem will supply customized and fully automated membrane-based separation and purification solutions utilising its proprietary advanced membrane processes such as Ultrafiltration and Nanofiltration processes for the production of a wide range of antibiotics and vitamin series products. Such processes will replace costly traditional filtration methods such as flocculation, rotary vacuum drum filters, centrifuge and filter presses. The contract also includes engineering consultancy services, technical supervision for equipment installation, commissioning and maintenance of the system. Scheduled to be completed in 1H2005, the contract is expected to contribute positively to Sinomem’s earnings in 2005.

Dr Lan Wei Guang, founder and Managing Director of Sinomem said, “China Pharm is a long-term strategic partner to Sinomem and our relationship started way back in 1999. Since then, we have successfully worked together to develop

innovative proprietary membrane-based separation processes and engineering solutions using our deep knowledge of fermentation-based production processes for products such as bulk antibiotic and vitamin series products. We are very encouraged by our success in this niche market. With growing global competition, we expect more PRC manufacturers to modernize their production processes. Sinomem will continue to build upon our track record of innovation to accelerate the rate of adoption of advanced membrane-based separation and purification solutions for the production of other fermentation-based products.”

Mr Yue Jin, General Manager of Zhongrun, added “We have a very good relationship with Sinomem; their technology and systems have proved to be superior in the critical process of separation and purification for bulk drugs production in our business. Since implementing Sinomem’s technology in our Shijiazhuang’s plant, we have managed to dramatically improve the quality of our penicillin products, raise yields by 5% and reduce total production costs by 6-7%, all of which have greatly enhanced our competitiveness in the marketplace. We are looking to reap similar economic benefits at our new plant in our Inner Mongolia project.”

Advanced membrane-based separation and purification solutions have a proven record in enhancing the overall production process such as through improved product quality and higher production yields. In addition, they also help to conserve the environment as their use in the production process reduces consumption of raw materials and energy and also minimizes pollution and waste discharge.

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#### **About Sinomem Technology Limited**

Sinomem Technology Limited (Bloomberg - SINO SP; Reuters – SINO.SI) is a leading membrane technology provider and process specialist based in Xiamen, China and headquartered in Singapore. Established in 1996, it was listed on the Singapore Exchange on 18 June 2003. The company provides integrated process and engineering solutions for separation, purification and

cleaner production using its proprietary advanced membrane technology. Its customers include key players in the pharmaceutical, chemical and dyestuff, food and beverage, water and wastewater treatment industries in the PRC. The group currently derives more than 90% of its revenues from customers in the pharmaceutical industry in China. The pharmaceutical industry in China is valued at RMB 330 bn by 2002 and is expected to grow by 15-18% p.a. (*Source: Asia Market Intelligence: Business Consulting Division*) ([www.sinomem.com](http://www.sinomem.com)).

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