



*Treat waste the BMS way*

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**MEDIA RELEASE**

## **Bio-Treat Stays on Course with Steady Revenues for Nine Months in FY07/08; Growth Still Intact**

*Group's Growth Strategy to focus on Value over Volume*

**SINGAPORE - 14 May 2008** - Bio-Treat Technology Limited ("Bio-Treat" or "The Group"), China's leading waste and wastewater treatment company, today reported that the group was staying on course with steady revenues for the nine months ended 31 March 2008. The underlying growth continues to remain intact with the addition of three new projects.

The Group's strong business fundamentals led to the securing of three large-scale Build-Operate-Transfer (BOT) projects in Binzhou, Foshan and Xuancheng in the PRC respectively during the financial year under review.

For the nine months ended 31<sup>st</sup> March 2008, the Group reported a 1.8% increase in revenue to RMB1.14 billion, up from RMB1.12 billion for the corresponding period a year ago. Net profit slipped 9.2% to RMB222.98 million mainly due to the decrease of profit contributions from turnkey projects.

The lower market demand for turnkey projects in the PRC contributed significantly to the fall in the operating performance of the Group. With respect to its practice of picking the most lucrative and quality wastewater treatment projects and avoiding longer credit periods, the Group recorded a 14.7% decrease in revenue to RMB348.6 million, from RMB408.5 million comparing with the corresponding period last year. Meanwhile, net profit also fell 20.3% to RMB71 million, from RMB89 million in the same period last year.

“We continue to make good progress in securing new BOT and TOT projects. We have recently added a significant wastewater treatment facility in Xuancheng City to our portfolio,” said Mr Dennis Chan, Bio-Treat’s Chief Executive Officer. The Xuancheng project is a RMB66 million contract to build and operate a 50,000 tons wastewater treatment facility.

Mr Chan added: “The foreign exchange fluctuation contributed to the slip in our profit figures. However, Bio-Treat remains confident that the completion of more BOT and TOT projects will provide better earnings stream and contribute recurring revenue.”

The Group currently has an extensive portfolio of large-scale BOT/TOT projects, with 7 projects completed out of 15 projects in total. The Group expects to complete all its planned projects, at which point Bio-Treat would be able to treat one million tons of wastewater per day.

Bio-Treat’s BOT projects in Suqian and Jiangdu had commenced production from April 2008 and will contribute to The Group’s revenue in the next quarter. Three more quality BOT projects located in Suzhou, Beijing and Lianyungang are also expected to be completed later this year. These projects, together with the rest of the BOT projects located in Nanjing, Nanjing Luhe, Binzhou, Foshan and Xuancheng, will contribute to the Bio-Treat’s recurring revenue stream upon their completion within FY2009.

Looking ahead, Bio-Treat will continue to focus on its long-term vision to be a leading market player in the wastewater treatment industry in the PRC. Bio-Treat’s growth strategy is to focus on cherry-picking BOT and TOT projects in target cities that have favourable economic conditions.

“Our resources and energy will be focused on creating a business model that will provide us with quality and sustainable growth. While it will take time to realise our vision, we believe our strong business fundamentals and strategy will bring us to greater heights in the wastewater treatment industry,” said Mr Chan.

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***About Bio-Treat Technology Limited***

Bio-Treat Technology Limited (Bio-Treat) is China's leading waste and wastewater treatment company.

Bio-treat develops and applies biotechnology for the treatment of waste and wastewater. Its unique and proprietary BMS Biological Process Technology (BMS Technology) synergies a BMS blend of microorganisms and effective engineering design to form a highly cost-effective and efficient alternative to treat the wastewater in the most environmental friendly way. BMS Technology meets the effluent standards set out by the State and local Environmental Protection Administration in the PRC. Since its first trial in 1993, BMS Technology has been applied to over 500 wastewater treatment projects in the PRC - from residential to commercial and municipal projects.

Bio-treat has a first mover advantage in environmental protection in China. With its innovative BMS Technology and products, coupled with a proven track record of over 200 waster water treatment in PRC over the last two years, Bio-treat is poised to become the waste and waste water treatment stock of choice.

Bio-treat Technology is listed on the Main Board of the Singapore Exchange since February 2004.

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