



*International Contract Manufacturer to Capital
Equipment and Consumer Industries*

ELECTROTECH INVESTMENTS LIMITED

2Q FY2007 Results Presentation

10 August 2007

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although ElectroTech Investments Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about ElectroTech Investments Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;**
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;**
- changes in and new developments in technologies and trends;**
- changes in currency exchange rates;**
- changes in customer preferences and needs;**
- changes in competitive conditions in our customers' industries and our ability to compete under these conditions;**
- changes in pricing for our products; and**
- changes in our future capital needs and the availability of financing and capital to fund these needs.**

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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- ❖ **Financial Review**
 - ❖ 2Q FY2007
 - ❖ YTD June 2007
- ❖ **Business Review and Outlook**
 - ❖ Mechatronics Division
 - ❖ EMS Division
- ❖ **Questions and Answers**

ElectroTech Investments Limited

2Q FY2007 – Financial Highlights



2Q FY2007 Results Briefing

(S\$m)	2Q FY2007	2Q FY2006	Chg YoY
Revenue	61.4	57.4	7%
Gross Profit	10.7	11.6	-8%
Profit before Tax	7.5	8.4	-11%
Net Profit	5.9	6.4	-9%
<i>Net Profit Margin</i>	<i>10%</i>	<i>11%</i>	<i>-9%</i>
<i>Effective Tax Rate</i>	<i>22%</i>	<i>24%</i>	<i>-8%</i>

***Mechatronics
Division's
growth
impacted by
EMS
Division's
softer
performance***

Mechatronics (S\$m)	2Q FY2007	2Q FY2006	% Change
Revenue	42.5	37.6	+ 13%
NPAT	4.9	4.2	+ 15%
Net Profit Margin	11.5%	11.3%	

Revenue Breakdown by Business Segment

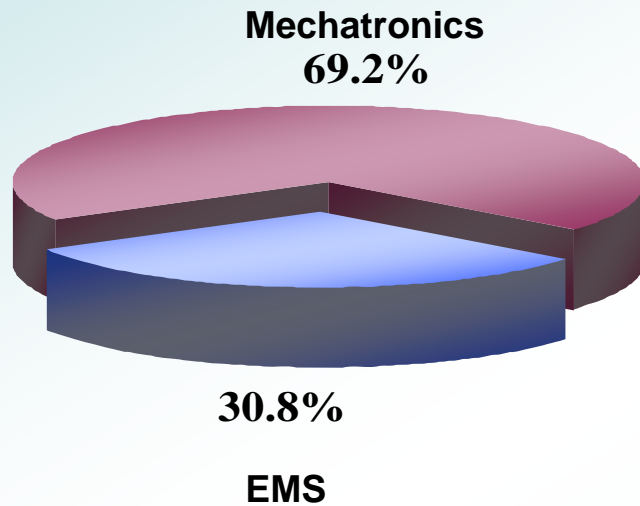
	% Change	% Contribution to Mechatronics Division
Semiconductor	+ 22%	37%
Medical	+ 14%	29%
Analytical	+ 15%	27%

EMS (S\$m)	2Q FY2007	2Q FY2006	% Change
Revenue	18.9	19.8	- 4%
NPAT	0.9	2.2	- 57%
Net Profit Margin	5.0%	11.2%	

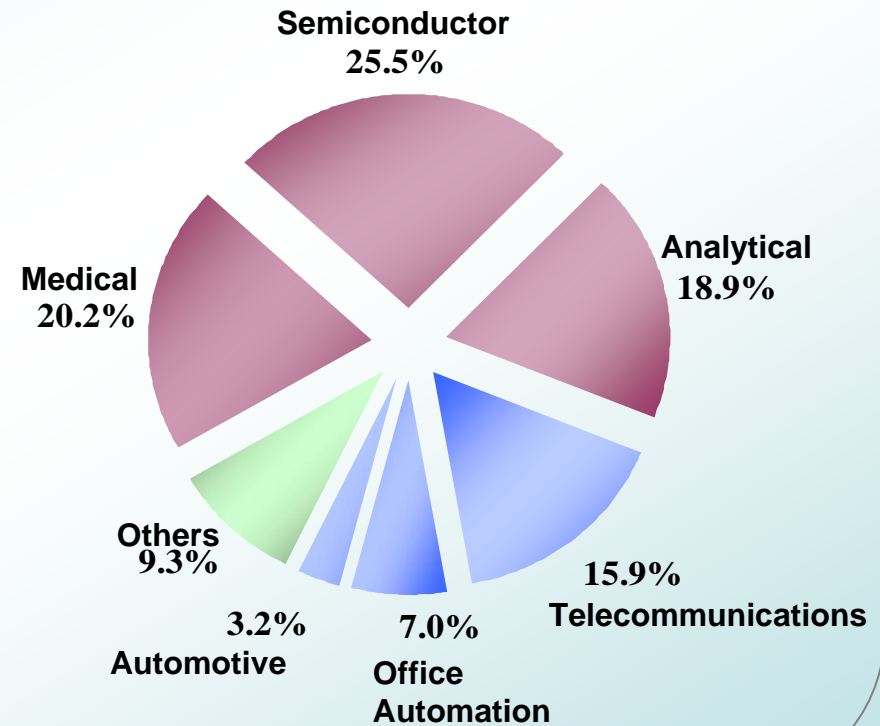
Revenue Breakdown by Business Segment

	% Change	% Contribution to EMS Division
Telco - Keypad	- 31%	46%
- Others	- 35%	6%
Office Automation	+ 83%	23%
Automotive	+ 108%	10%

Revenue Breakdown by Division



Revenue Breakdown by Business Segment



(S\$m)	YTD June 2007	YTD June 2006	Chg YOY
Revenue	118.2	108.6	9%
Gross Profit	20.7	22.6	-9%
Profit before Tax	14.3	16.1	-11%
Net Profit	11.3	12.4	-9%
<i>Net Profit Margin</i>	<i>10%</i>	<i>11%</i>	<i>-9%</i>
<i>Effective Tax Rate</i>	<i>21%</i>	<i>23%</i>	<i>-9%</i>

Mechatronics Division's revenue and net profit growth of 20% and 27% respectively impacted by keypad slowdown

Mechatronics (\$m)	YTD June 2007	YTD June 2006	% Change
Revenue	83.8	69.7	+ 20%
NPAT	9.5	7.5	+ 27%
Net Profit Margin	11.4%	10.7%	

Revenue Breakdown by Business Segment		
	% Change	% Contribution to Mechatronics Division
Semiconductor	+ 32%	36%
Medical	+ 20%	29%
Analytical	+ 22%	27%

EMS (\$m)	YTD June 2007	YTD June 2006	% Change
Revenue	34.4	38.9	- 12%
NPAT	1.8	5.1	- 64%
Net Profit Margin	5.3%	13.0%	

Revenue Breakdown by Business Segment		
	% Change	% Contribution to EMS Division
Telco - Keypad	- 29%	52%
- Others	- 36%	6%
Office Automation	+ 37%	19%
Automotive	+ 123%	7%

Balance Sheet Highlights (S\$m)	30 Jun 2007	31 Dec 2006	% Change
Shareholders' Equity	166.6	159.8	4%
Cash & Cash Equivalents *	39.8	46.2	-14%
Total Borrowings	0.9	1.0	-16%

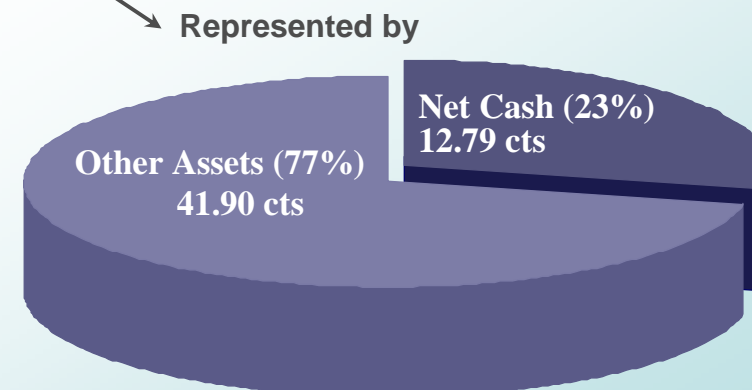
* Include short term funds with a financial institution

Balance Sheet Highlights (Days)	30 Jun 2007	31 Dec 2006
Inventories Turnover	87	77
Accounts Receivables Turnover	74	75
Accounts Payables Turnover	76	88

Cash Flow Highlights (S\$m)	YTD Jun 07	YTD Jun 06	% Change
Net cash flow from operations	3.0	10.4	-71%
Capital expenditure	3.6	2.6	38%

Key Financial Indicators	YTD Jun 07	YTD Jun 06	% Change
ROAE (%) - Annualised	13.9	17.4	-20%
ROAE (ex-Net Cash) (%) - Annualised	18.7	23.3	-20%
EBIT interest coverage *	235.7	234.0	1%
Earnings per share (cents)	3.72	4.08	-9%
Net assets per share (cents)	54.69	47.83	14%

* EBIT interest coverage = Profit before interest & tax / Interest on borrowings



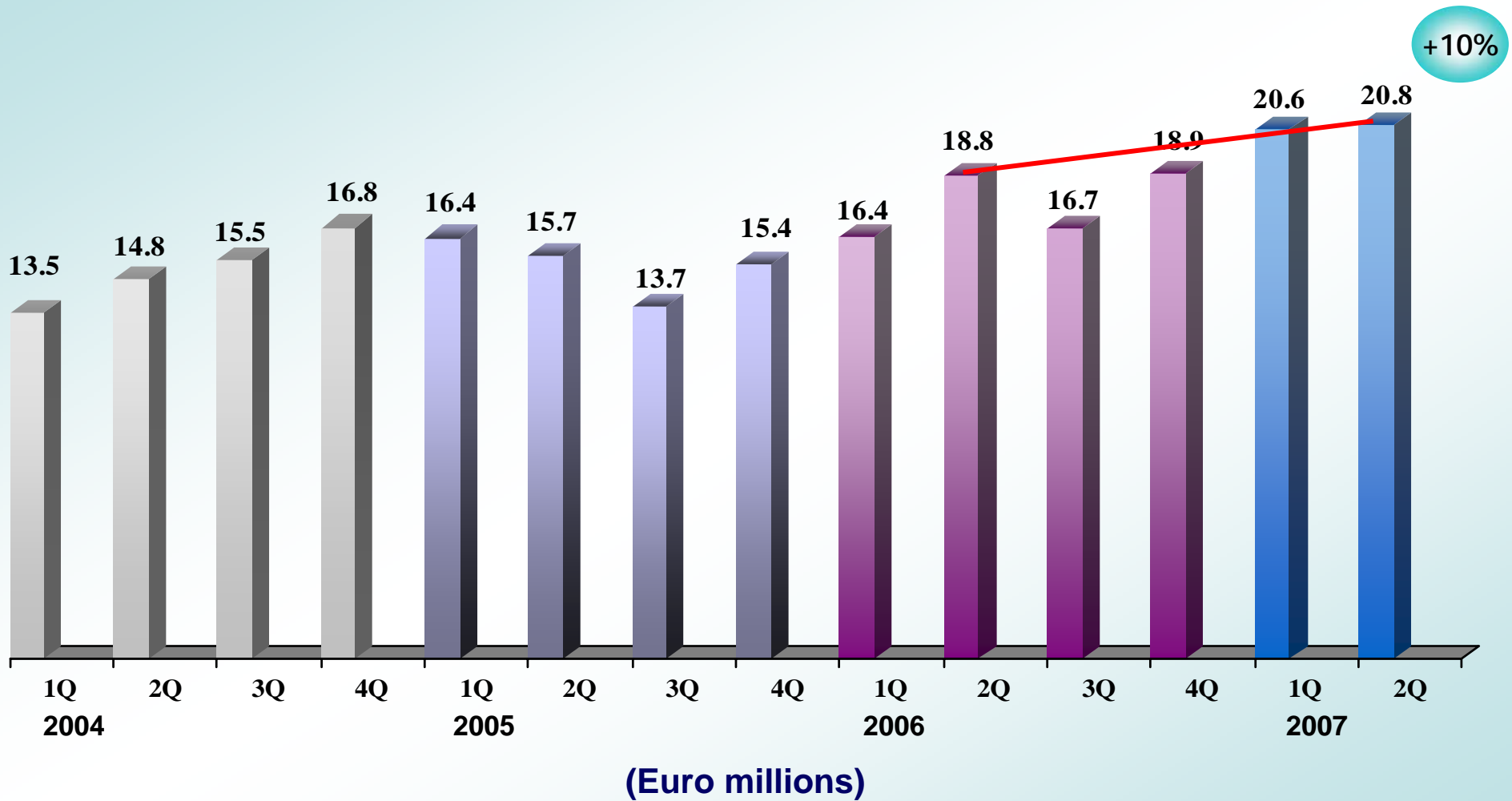


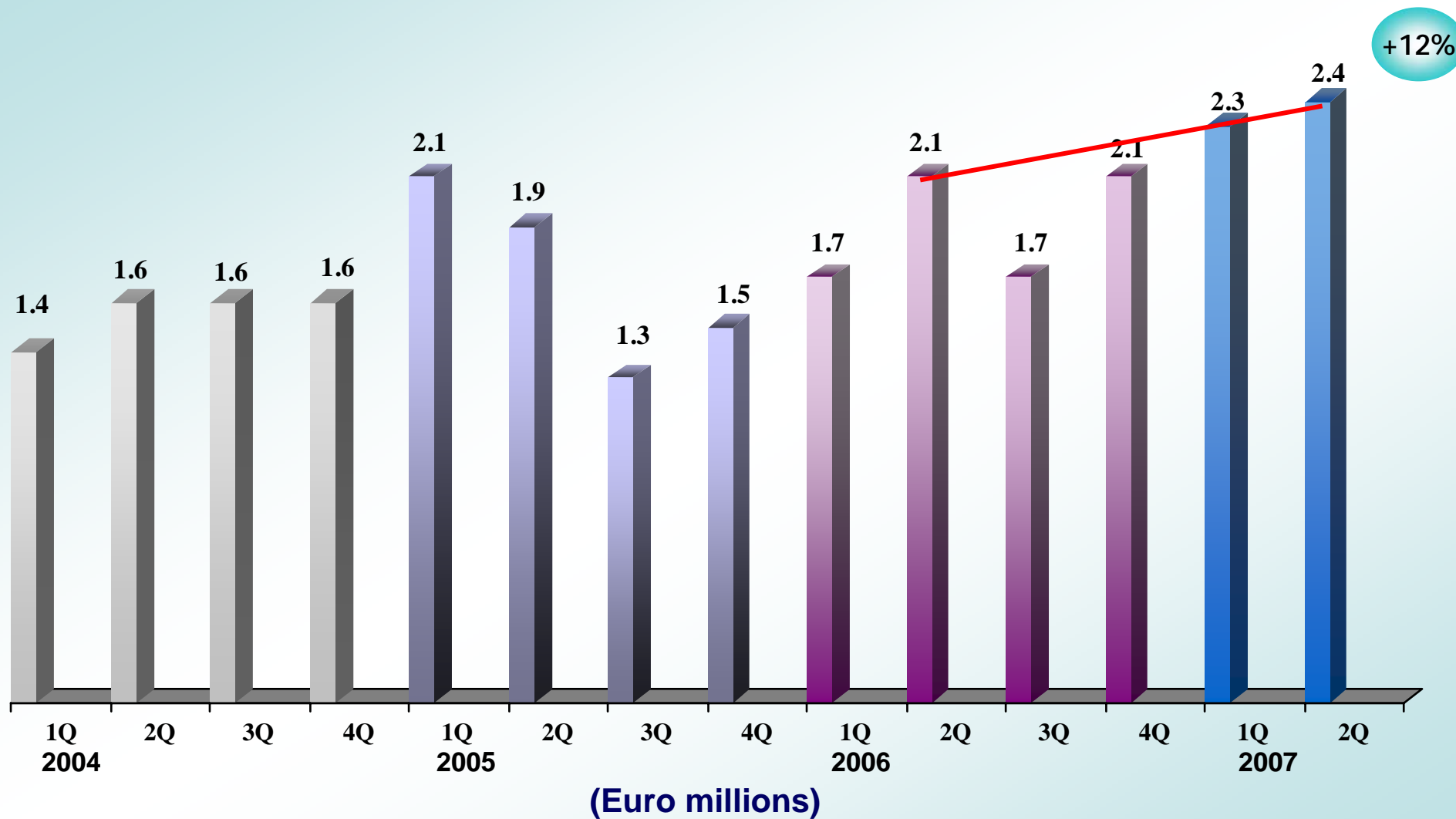
Business Review

Mechatronics Division

Mechatronics Division

Sales – Quarterly Performance

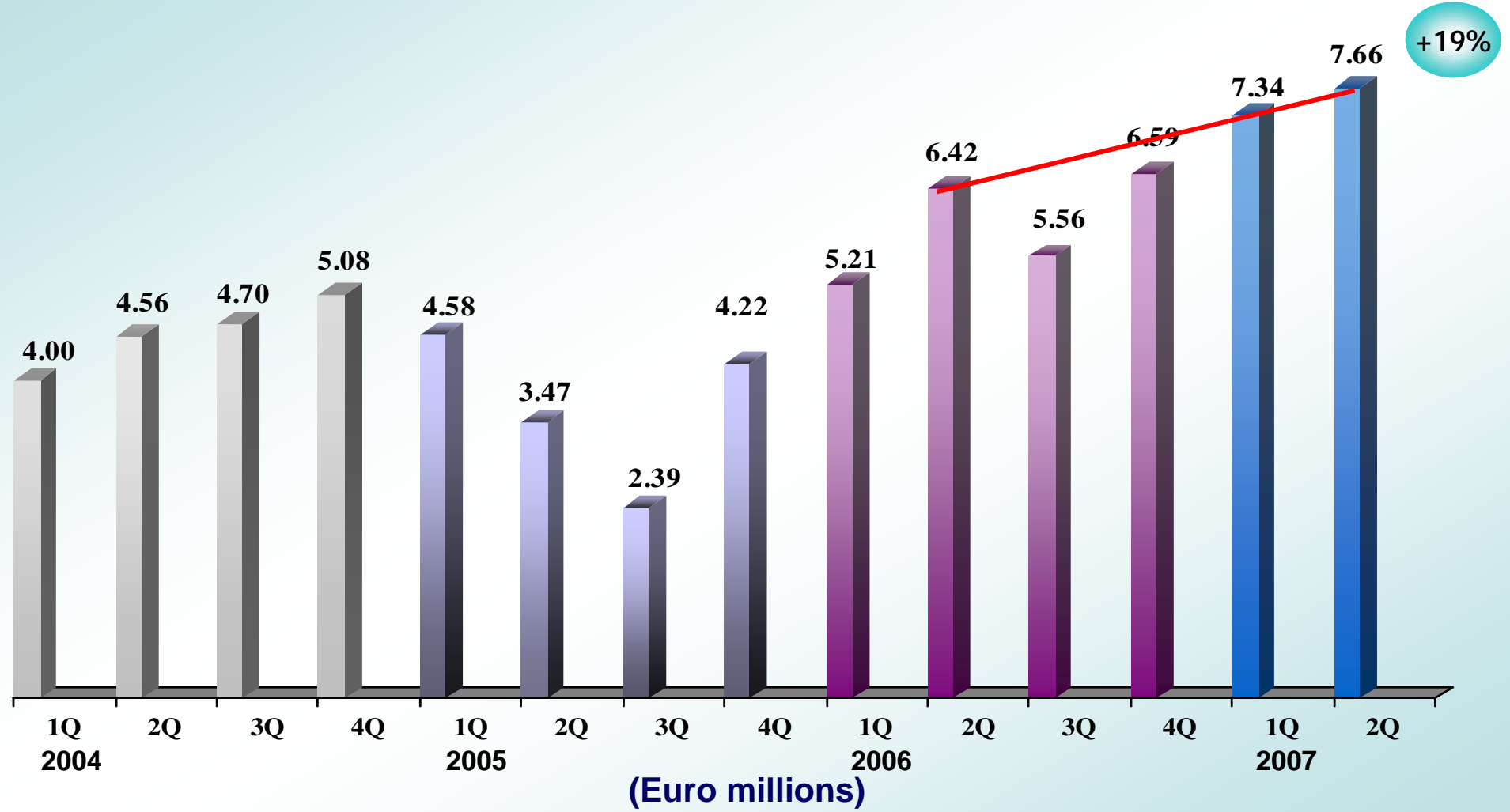




Mechatronics Division

Sales Analysis – Semiconductor Segment

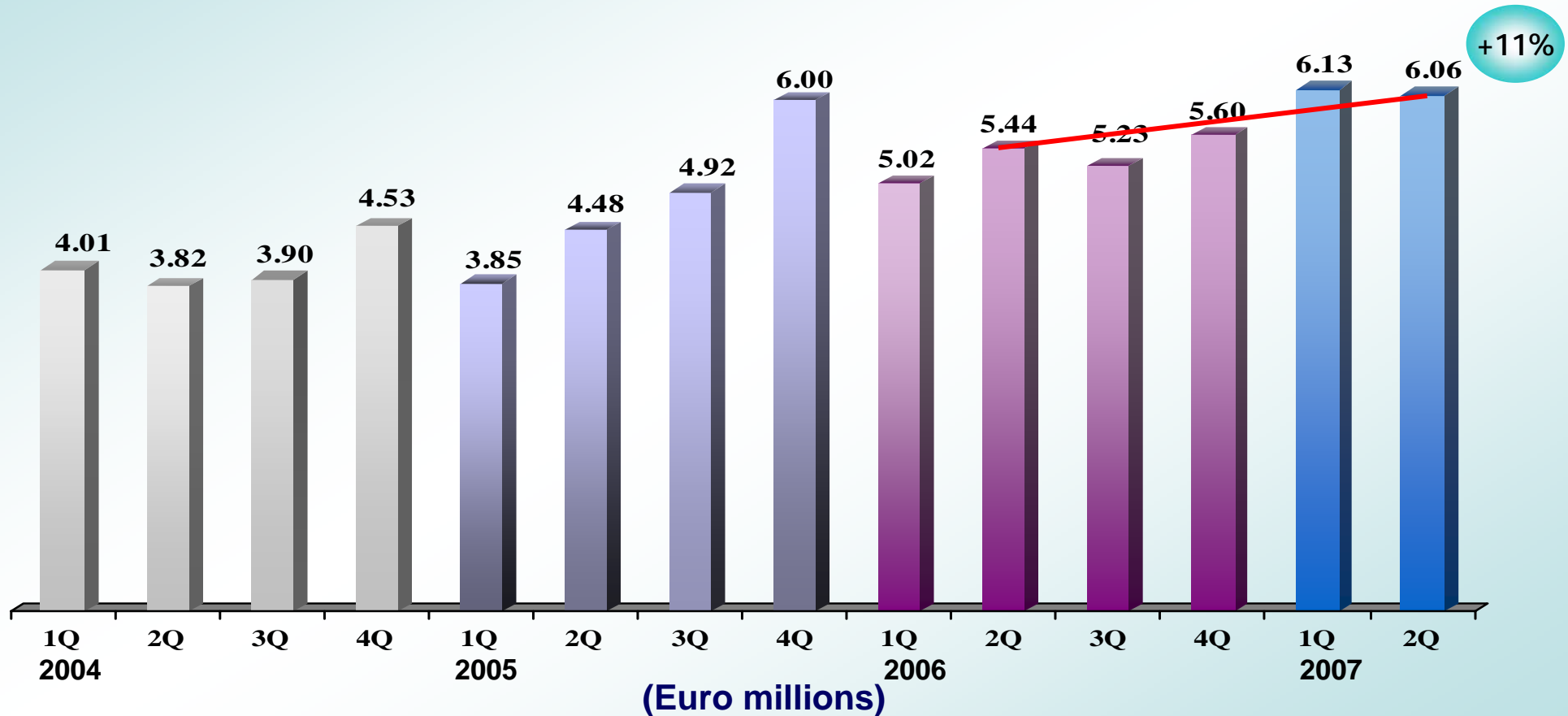
- Increased revenue of +19% yoy and +4% over the previous quarter



Mechatronics Division

Sales Analysis – Medical Segment

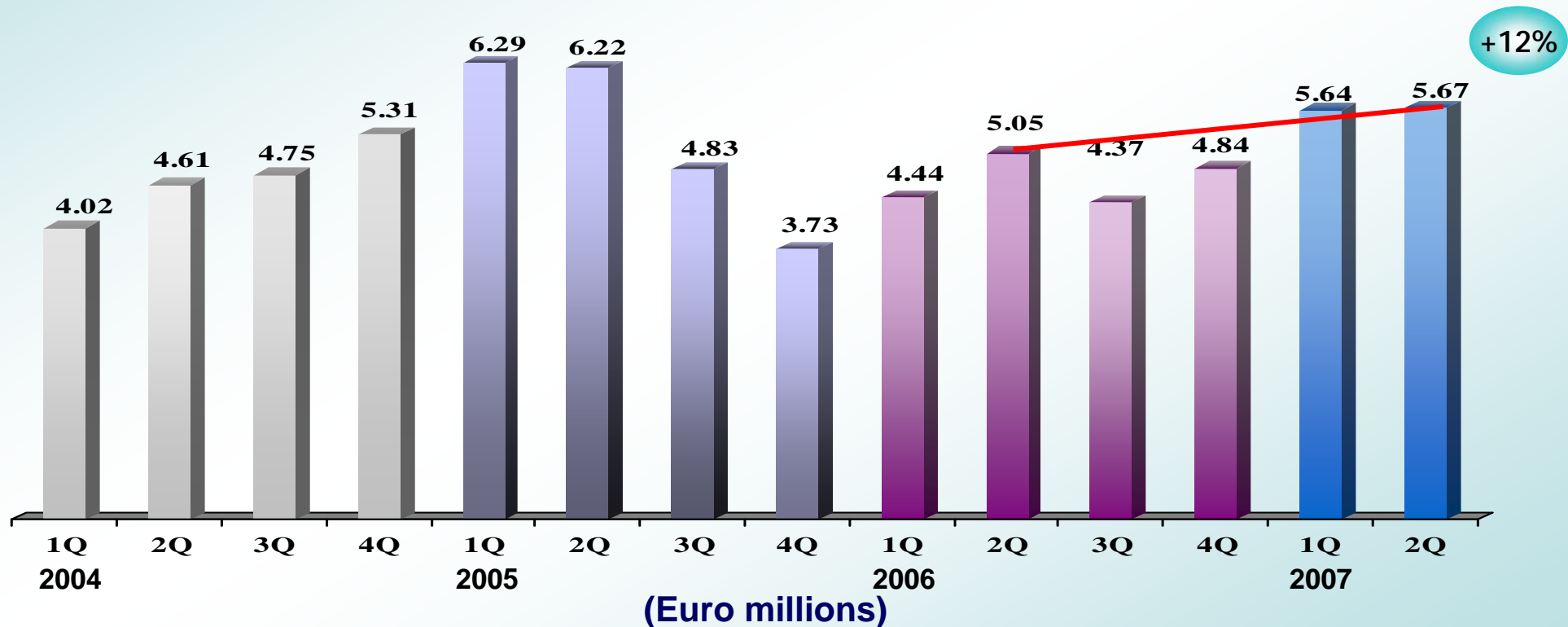
- Revenue growth of +11% yoy and -1% over the previous quarter
- Marginal decline over the previous quarter due to the delay in the launch of projects for its new customer



Mechatronics Division

Sales Analysis – Analytical Segment

- Revenue growth of +12% yoy with no significant increase over the previous quarter
- Sustained stability during FY2006 is flowing into FY2007 and translating to higher growth



Expanded Assembly and Warehouse Facilities at Frencken Mechatronics

- Fully operational since June 2007
- New facility is fully dedicated to the rapidly expanding medical business segment

Completed Renovation and Expansion of Frencken Malaysia

- Mass production launch of assembly modules for the medical business segment will start in 4QFY07
- Various new assembly projects will be progressively launched over the next few years

CFRR Alliance – To Widen our Value Add and Supply Chain

- *Your idea* > our concept, design, engineering, production, service > *your product*
- CFRR Alliance – which combines the complementary skills and experience of 4 top companies in their respective field – is going well and within expectation
- First project secured with CFRR Alliance responsible for the development and Frencken Group for the manufacturing

- **Upbeat Outlook and Prospects**
- **Revenue in FY2007 expected to about 15% higher than FY2006**

Semiconductor

- Based on current visibility, sales revenue in 2HFY07 is expected to be lower than 1HFY07
- However, revenue in FY2007 is estimated to be higher than FY2006

Medical

- Strong growth expected in 2HFY07 as compared to 1HFY07
- Growth in orders for a new customer and mass production launch of a major project for an existing customer
- Revenue growth in FY2007 will be significantly higher than FY2006

Analytical

- Current visibility indicates revenue in 2HFY07 to be at similar level as 1HFY07
- Revenue growth in FY2007 should be higher than FY2006

Mission Statement

- To be the first choice *design, development* and *production partner* of high accuracy industrial systems/equipment for OEMs
- We do our utmost to enable our clients to be successful in their market

Strategy

- Market Focus:
 - *Semiconductor*
 - *Medical*
 - *Analytical*
 - *Others – such as energy and environment*
- Sustainable revenue growth of 10% - 20% year-on-year
- Growth based on development and re-engineering products for existing and new customers
- Focus on the 3 Best OEM companies in each business and market segment
- Aim to be the *Best in Class* Mechatronics company and stay ahead of our competitors



Business Review

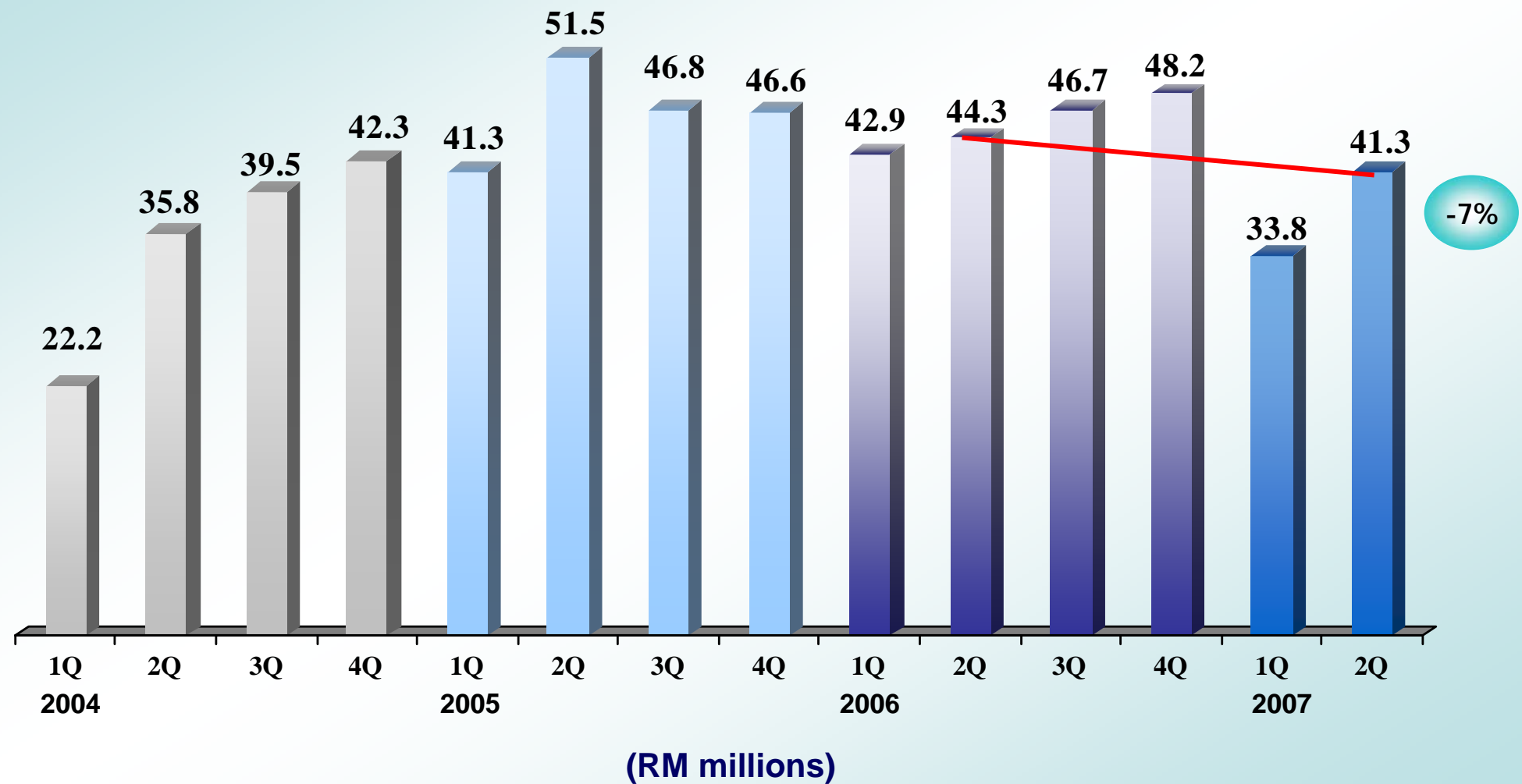
EMS Division

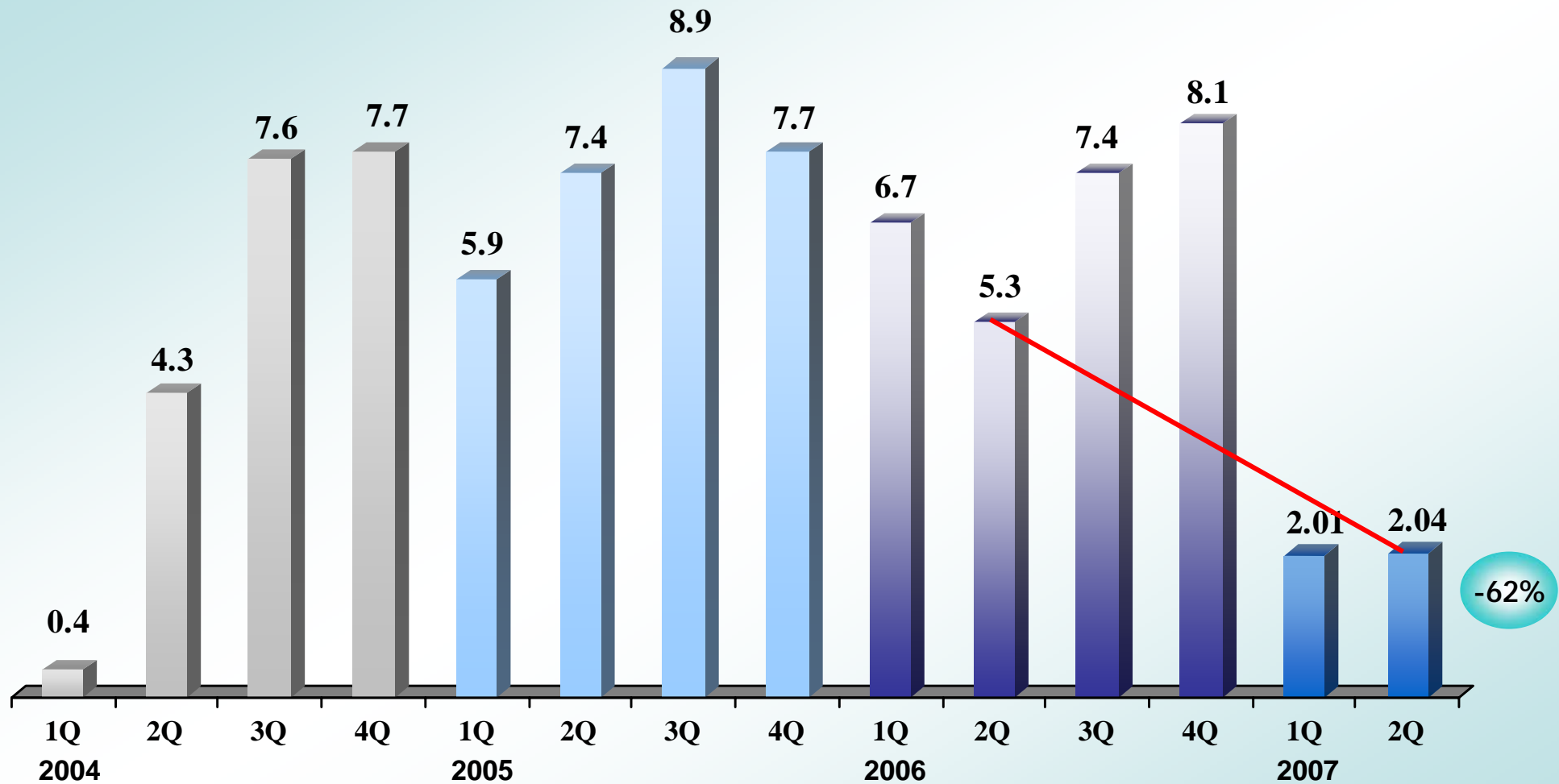
EMS Division

Sales – Quarterly Performance



2Q FY2007 Results Briefing



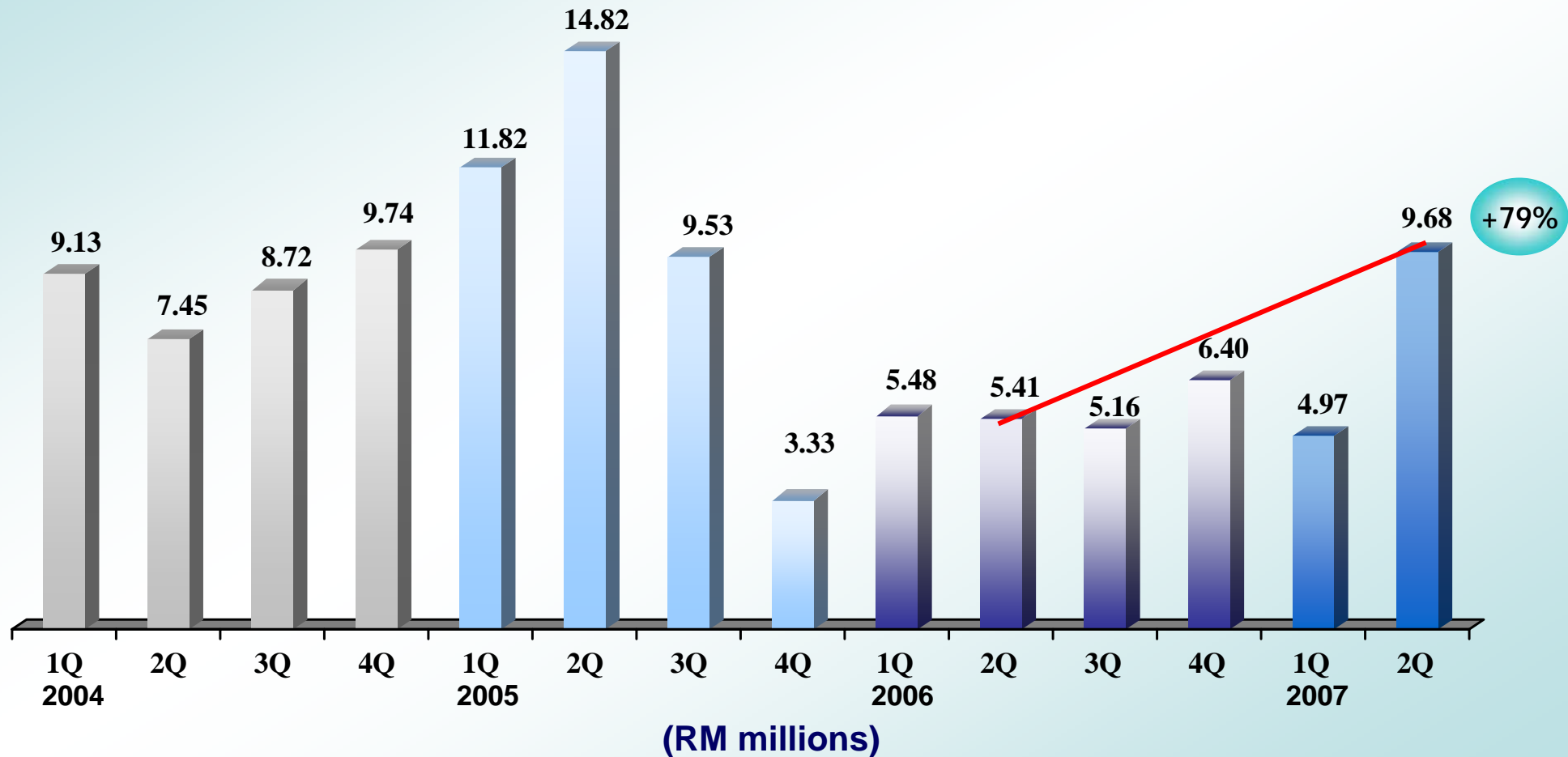


(RM millions)

- Dip of 33% yoy and 7% as compared to the previous quarter
- Challenging market conditions in 2QFY07 – volatile revenue, short visibility and pricing pressure due to shrinking handset CM margins



- Growth of 79% yoy and 95% as compared to the previous quarter
- Revenue growth derived from existing products and customers



Integrated Manufacturing Services (IMS)

- Target date of official integration remains as 1 January 2008 (dependent on readiness of the ERP system).
- Completed consolidation of the Technical & Engineering departments. Ongoing expansion to cater for new projects in the automotive and electro-mechanical business segment.
- Other departments are transiting towards the consolidated group structure.

Continuous Upgrading of Facilities to match Future Business Needs

- New PCB assembly area with ESD flooring fully operational since June 2007.
- Planning further reconfiguration of the product assembly area to cater for growth of the electro-mechanical assembly business in the coming years.
- Rescheduled refurbishment of a dedicated laser and printing facility for the automotive business as moulding machines can be shifted only after production of buffer stock required by a customer in OA segment.

Investments to Expand our Service Offerings

- Two (2) units of sputtering machines together with supporting facilities will be commissioned and tested in Dec 2007/Jan 2008. Commercial production scheduled to commence in 1QFY08.
- Additional 2 units of double injection moulding machine will be added (bringing the total no. to 4) by 4QFY07 to cater for additional demand from the automotive business segment.

- FY2007 revenue estimated to be lower than FY2006
- Current visibility indicates 2HFY07 revenue to be better than 1HFY07

Keypads

- Anticipate slight improvement in sales revenue in 2HFY07 as compared to 1HFY07
- Revenue in FY2007 estimated to be about 25% lower than FY2006
- Envisage a more stable start in 1HFY08 based on new models secured/under discussions

Office Automation

- Revenue in FY2007 expected to be higher than FY2006
- Mass production launch of one current development project in Dec 2007 plus new industrialisation programmes in the pipeline reinforces optimistic longer term growth prospects

Automotive

- Steady revenue growth from sales of products in FY2007, compared to FY2006
- Progressive mass production launch of various new projects over the next 12 months will further add to revenue growth in 2008 and beyond

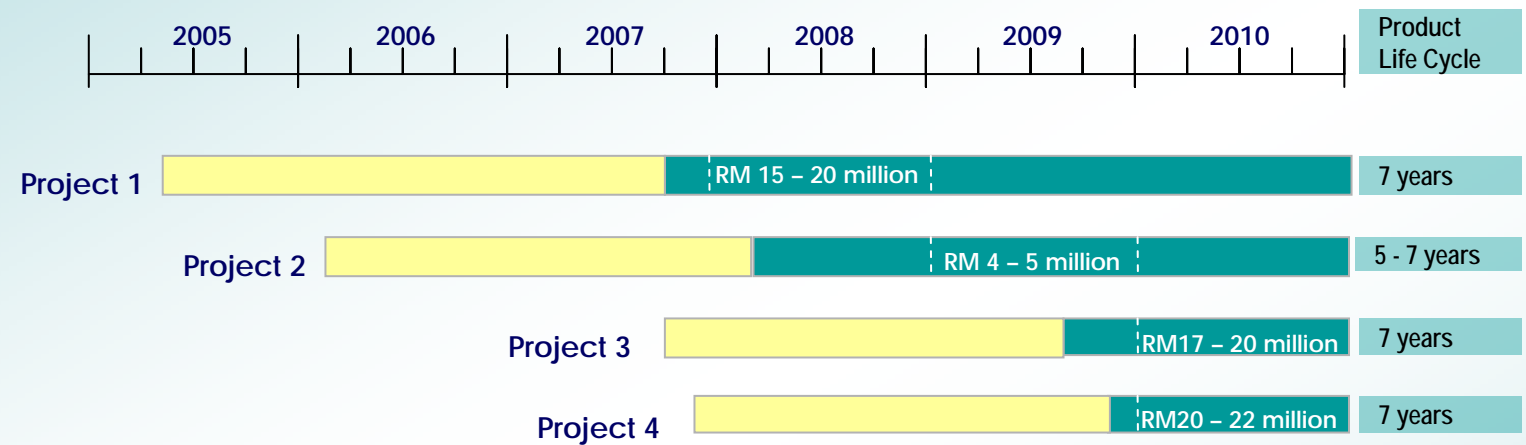
● Short term decline – transiting to longer term stability:

- In midst of transition to achieve longer term stability.
- Continued focus on the automotive and high end office automation business segments requires longer industrialisation and qualification period – in return for stable revenue and longer product life cycles.
- Shaping these two segments as the key growth drivers of the EMS Division in the coming years.

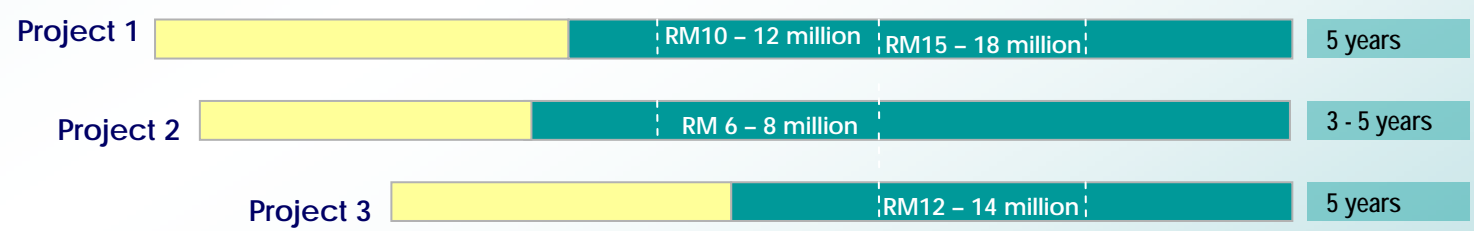
Increasing Turnover from New Projects (status update as at July 2007)

2Q FY2007 Results Briefing

Office Automation
higher value products with long product life cycle

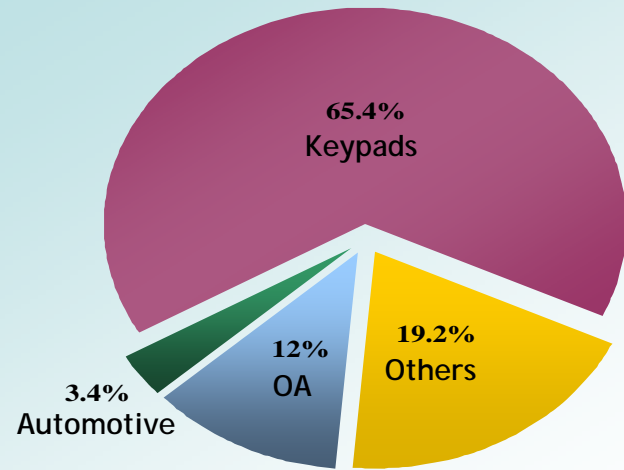


Automotive
higher barrier of entry products with low volatility and longer product life cycle



Initial development and qualification
 Estimated start of mass production

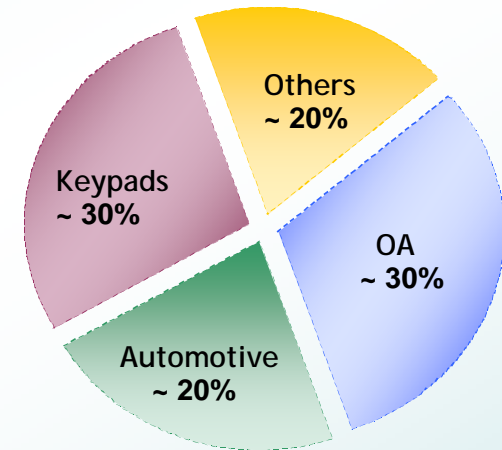
FY2006 (Actual)



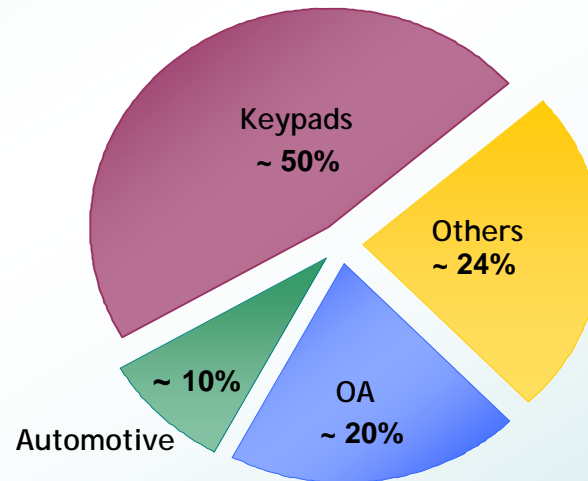
NEAR-TERM ADJUSTMENT
TO ENHANCE
LONG-TERM STABILITY

EMS
REVENUE
TO
DECLINE
IN FY2007

FY2010 (Projected)



TARGET A
MORE
BALANCED
MIX ON
EXPANDED
REVENUE
BASE



FY2007 (Estimated)

- **Robust business model**
 - total outsourcing solutions from product design and engineering to commercial production
- **Sustainable competitive advantage**
 - emphasis on integrated design and modules assembly raises entry barriers and increases value-add to customers
- **Sound financial position**
 - supports continued expansion of technological capabilities and increased geographical presence
- **Aiming for greater stability and higher operating leverage**
 - strengthening foothold in industries with lesser volatility, longer product life cycles and more stable growth potential

Thank You