

NEWS RELEASE

ELECTROTECH POSTS STRONG 1Q FY2005 RESULTS

- Both the Mechatronics and EMS Divisions continue to drive growth in earnings and margins

Financial Highlights

Year-end Dec (S\$mIn)	1Q FY2005	1Q FY2004	Chg YoY
Revenue	53.79	39.69	35.5%
Gross Profit	13.40	8.30	61.4%
Profit from Operations	9.74	4.96	96.3%
Profit before Tax	9.67	4.77	102.7%
Net Profit after Tax	6.78	3.08	119.7%
EPS (SGD cents)	2.78	1.28	117.2%

**Earnings per share is based on the weighted average number of shares of 243.7 million shares for 1Q FY2005 and 240.7 million shares for 1Q FY2004.*

SINGAPORE, June 1, 2005 – Mainboard-listed ElectroTech Investments Limited (“ElectroTech” or “the Group”), an international group of engineering and manufacturing companies that provide contract design and manufacturing services, today announced a strong set of results for its first quarter financial year ended March 31, 2005 (“1Q FY2005”).

“We are pleased with our strong performance in the first quarter of FY2005. Both our Mechatronics and EMS business divisions continue to generate strong top line and bottom line results,” said Mr Gooi Soon Hock, President and Executive Director of ElectroTech.

For this financial quarter, the EMS Division’s revenue increased by 69% to S\$18.2 million while Mechatronics Division grew by 23% to S\$35.6 million. Together, these two divisions contributed a revenue of S\$53.8 million, a 36% increase from the S\$39.7 million in the previous corresponding quarter.

On the back of the higher revenue, Gross Profit improved by 61% to S\$13.4 million. This is attributed to the better sales mix, higher capacity utilization and improved process control for both business divisions. As a result, gross profit margin increased from 21% to 25%.

The Group recorded an increase of 120% in its Net Profit to S\$6.8 million for 1Q FY2005 compared to S\$3.1 million in 1Q FY2004. Most notable was the improvement in the net margin, which grew from 8% to 13%.

Added Mr Gooi, "Going forward, we will be focusing on implementing our expansion plans. We believe that the trend by our customers to outsource their manufacturing requirements and our plans to continuously increase our integrated capabilities will enable us to continue our growth.

Since our listing, we have appointed Mr Ling Yong Wah as independent director on May 12. Mr Ling is a Chartered Accountant and an Assistant Vice President at Seavi Venture Services Pte Ltd. He brings extensive experience in the areas of finance and investments. We also accepted the resignation of Mr Jen Shek Voon, one of our independent directors on May 20. We will like to record our appreciation to Mr Jen for his contributions to the Board during his tenure. Following these changes, the Board now comprises two executive directors, one non-executive director and three Singapore resident independent directors. I am glad to note that these are in line with the current requirements of the Code of Corporate Governance and will like to assure our shareholders that we intend to continue to maintain the highest standard of corporate governance."

About ElectroTech Investments Limited

ElectroTech Investments Limited is an international group of engineering and manufacturing companies that provide contract design and manufacturing services to a diverse international client base in various industry and product sectors. It is broadly divided into two business divisions – the Mechatronics Division and the EMS Division.

The Mechatronics Division comprises the Frencken Group based primarily in The Netherlands, with operations in Malaysia and Czech Republic. This Division specializes in the design and manufacture of complex electro-mechanical box built assemblies and precision-engineered systems for original equipment manufacturers (OEMs). It serves mainly high precision industrial machinery and capital equipment clients in the medical, analytical and semiconductor sectors.

The EMS Division comprises the Precico Group, which is primarily based in Penang, Malaysia, with a subsidiary in Cambridge, UK, and a branch office in Tokyo, Japan. This Division specializes in providing vertically integrated plastic and electronics manufacturing services ranging from single key plastic component to product design and development and final test and assembly of complete modules and box built products. It serves mainly the electronics, telecommunications and office automation clients.

Together, these two Divisions provide a comprehensive range of integrated outsourcing services that include product design and engineering, project management and supply chain management and support.

DBS Bank Ltd is the Manager, Underwriter and Placement Agent for the IPO.

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