

NEWS RELEASE

ELECTROTECH REPORTS 68% GROWTH IN INTERIM NET EARNINGS TO S\$14 MILLION

- Growth driven by improved revenue across both Mechatronics and EMS Divisions

Year-end Dec (S\$mIn)	1H FY2005	1H FY2004	Chg YoY
Revenue	110.27	87.38	26.2%
Gross Profit	25.96	19.58	32.6%
Profit from Operations	19.25	12.68	51.8%
Profit before Tax	19.19	12.22	57.0%
Net Profit after Tax	13.94	8.31	67.7%
EPS (SGD cents)	5.33	3.44	54.9%

* Earnings per share is based on the weighted average number of shares of 261.6 million shares for 1H FY2005 and 241.7 million shares for 1H FY2004.

Key Highlights for 1H FY2005:

- Both Mechatronics and EMS Divisions continued to drive growth
- Cost containment measures led to improved net profit margin
- Strong cash position of S\$43.4 million with improved cash flow from operations and issue of new shares at IPO
- Net asset value of 43.41 SGD cents per share

SINGAPORE, August 4, 2005 – ElectroTech Investments Limited (“ElectroTech” or “the Group”), an international group of vertically-integrated engineering and manufacturing companies that provides contract design and manufacturing services, today reported a set of strong financial numbers for the half year ended 30 June 2005 (“1H FY2005”).

Net profit for 1H FY2005 grew by 68% to S\$13.9 million on the back of a 26% increase in total revenue to S\$110.3 million compared to 1H FY2004. Both its Mechatronics and EMS Divisions achieved stronger revenue growth of 16% and 48% respectively. While the slow

down in the Semiconductor segment partially offset improvements from the Medical and Analytical segments in the Mechatronics Division, keypads and printer trays continued to drive growth in revenue for the EMS Division.

Efforts to contain cost had kept operating expenses lower albeit registering higher revenue. As a result, margins were strengthened. Gross and net profit margins were at 24% and 13% for 1H FY2005 as compared to 22% and 10% in the previous corresponding period.

During the six months, the Group has also strengthened its balance sheet. Trade receivables increased by 10% to \$46.4 million in tandem with increase in revenue, while lower level of prepayments resulted in decline in other receivables by S\$1.5 million. Further, the Group has also reduced its bank borrowings and hire purchase with the higher net cash generated from operations during the reporting period. Together with the proceeds from the IPO, the Group has a strong cash position of S\$43.4 million as at 30 June 2005. Net asset per share also increased from 37.35 cents as at 31 December 2004 to 43.41 cents as at 30 June 2005.

Said Mr Gooi Soon Hock, President and Executive Director of ElectroTech Investments, "We are encouraged by our financial numbers for the first half which reaffirm our continuous efforts in driving sustainable earnings growth. With the proceeds from our IPO listing in May this year, we will be building our capabilities further by growing our Mechatronics and EMS businesses. Execution and development of our expansion plans will be done in a cautious and gradual manner.

We would like to caution that the second half of this financial year will not see the same increase that was recorded in this half year.

We believe that our ability to integrate across the value chain, starting from product design to manufacturing and secondary processes, will continue to enhance our competitiveness."

In the third quarter, the Group is seeing a short-term slow down in demand from its customers in the semiconductor sector. While the Group expects revenue of Mechatronics Division to be lower in the third quarter of FY2005 (“3Q FY2005”), the performance of the EMS Division is expected to be buoyant. As such, the Group expects its overall performance for 3Q FY2005 to be satisfactory.

About ElectroTech Investments Limited

ElectroTech Investments Limited is an international group of vertically-integrated 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 specialises in the design and manufacture of complex electro-mechanical box build 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 specialises 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 build 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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