

NEWS RELEASE

ELECTROTECH INVESTMENTS LIMITED

UNAUDITED FULL YEAR RESULT FOR 2005

ELECTROTECH RECORDED ALL TIME HIGH NET PROFIT OF \$27.2 MILLION WITH IMPRESSIVE GROWTH OF 25%

- RECORD REVENUE OF \$212.6 MILLION – GROWTH OF 10%
- NET MARGIN OF 13%, UP FROM 11%
- EPS ROSE TO 9.59 CENTS, FROM 8.95 CENTS
- NET CASH OF \$34.7 MILLION, COMPRISING 25% OF EQUITY

Year-end Dec (\$mIn)	FY2005	FY2004	Chg YoY
Revenue	212.6	193.6	+10%
Gross Profit	47.4	44.6	+ 6%
Profit from Operations	34.8	30.4	+14%
Profit before Tax	35.1	29.6	+19%
Net Profit after Tax	27.2	21.7	+25%
EPS (SGD cents)*	9.59	8.95	+ 7%

* Earnings per share is based on the weighted average number of shares of 283.3 million shares for FY2005 and 242.7 million shares for FY2004.

KEY HIGHLIGHTS FOR FY2005

- Net profit grew by 25% to report record profit of \$27.2 million in spite of Mechatronics' performance being impaired by cyclical downturn in the semiconductor segment.
- Cost containment, non-amortisation of goodwill and lower effective tax rate are additional contributory factors in improving net profits.
- Strong Balance Sheet with net cash of \$34.7 million.
- Net asset value of 45.95 SGD cents per share, of which 11.40 SGD cents comprise net cash.

SINGAPORE, *February 23, 2006* – ElectroTech Investments Limited (“ElectroTech” or “the Group”) announced today that it achieved record net profit of \$27.2 million for the year ended 31 December 2005 (“FY2005”), an impressive growth of 25% over the previous financial year. The stellar performance was recorded on the back of revenue growth of 10% to \$212.6 million in FY2005, from \$193.6 million in the previous year.

Said Mr Gooi Soon Hock, President and Executive Director of ElectroTech, “I am pleased to report that the Group posted a **new** record net profit of \$27.2 million in FY2005, representing a commendable profit growth of 25%. We were able to achieve this growth in spite of the cyclical slowdown in the semiconductor segment. The uniqueness of ElectroTech’s model enable us to achieve this, where the diversity of the Mechatronics and EMS businesses complement each other to bridge cyclical factors so as to sustain overall growth momentum.”

EARNINGS REVIEW

- The Group recorded a revenue growth of 10% to \$212.6 million, attributable primarily to the EMS Division growing by 27% while the Mechatronics Division grew marginally by 1%. The EMS Division benefited from its strategy of focusing on value added and integrated manufacturing services. From it, the division was able to scale up revenue of its principal segments and in particular the keypad revenue, which grew by 42% over the previous year. At the Mechatronics Division, revenue was affected by the cyclical slowdown of the semiconductor industry.
- Gross profit margin decreased slightly from 23% to 22%, principally from a marginal shift in sales mix.
- Higher revenue, containment of operational cost, non-amortisation of goodwill (in compliance with FRS103) and lower finance cost, coupled with higher interest income, improved profitability. These factors, together with the lowering of the statutory tax rate in The Netherlands from 34.5% to 31.5%, drove profit after tax up by 25% to \$27.2 million.

PROSPECTS

The Group expects revenue for its Mechatronics Division to grow steadily with the continuing recovery of the semiconductor segment, coupled with the consistent growth of its medical and analytical segments. At the EMS Division, the keypad business is expected to face pricing pressure, which may potentially negate the full benefit of the expanded facility. Management is limiting the level of margin compression by improving process control and methodology to potentially lower attrition rates.

Barring any unforeseen circumstances, the Group expects to remain profitable in the 1st quarter of 2006.

Added Mr Gooi, "The Mechatronics Division is expected to grow steadily from its existing and new customers, capitalising on its strong design coupled with development capability offerings. Our customers, most of whom are global leaders with leading edge technology, can seamlessly leverage on our capabilities through co-developments. At the EMS division, the Group will continue to nurture its strategic shift towards value-added manufacturing and its integrated manufacturing platform to drive growth and broaden customer base amidst an ever challenging business environment."

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 an international client base. It has two business divisions – namely,

- the Mechatronics Division, and
- the EMS Division.

The Mechatronics Division comprises the Frencken Group based in The Netherlands, with operations in Malaysia and Czech Republic. This Division specialises 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 semiconductor, medical and analytical sectors.

The EMS Division comprises the Precico Group, which is based in Malaysia, with a marketing and sales subsidiary in Cambridge, United Kingdom and a branch office in Tokyo, Japan. This Division specialises in providing vertically integrated plastics and electronics manufacturing services ranging from product design and development to final test and assembly of key components, modules and box-built products. It serves mainly electronics, telecommunications, office automation and automotive 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, which serves as an international total solutions and one-stop manufacturing partners to its clients.

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