

MEMTECH INTERNATIONAL LTD.

(Incorporated in the Republic of Singapore)
Company Registration Number: 200312032Z

REPLY TO SGX'S QUERY ON BUSINESS TIMES ARTICLE DATED 10 APRIL 2006

The Board of Directors of Memtech International Ltd. ("the Company") refers to the Business Times article entitled "Memtech sees profit boost as it targets MNCs" published on 10 April 2006.

The Business Times article stated that the Company hopes to achieve double digit growth this year. The Company wishes to clarify that the "double digit growth" was mentioned on the basis that the Group does not have to make the provision for doubtful debts in 2006 through better credit risk and control as well as improving our lenses and plastic component operations, and in that event, the Group's profitability would have improved by more than 10%.

On the prospect of our Group for 2006, we have in our announcement of FY2005 results dated 24 February 2006, stated that "The mobile phone market remains competitive but growth is expected to continue with strong demand in replacement sales and the large potential promised by 3G mobile phones. In 2005, whilst the China mobile market underwent a period of severe adjustment and consolidation, we made the conscious effort to upgrade the quality of our customer base and secured several strong new customers. We have also succeeded in widening our overseas market network, leading to higher export sales which accounted for 41% of the total sales as compared to 33% previously. Against this backdrop, we expect, barring unforeseen circumstances, our performance in 2006 to be better than 2005. We also expect our lens and plastic components operations to improve in 2006."

The Business Times article also stated that the Company has about 40% of the market for mobile phone keypads in China. The Company would like to clarify that based on internal assessment, the Group's market share of sales to Chinese Handset Manufacturers is approximately between 30% to 40%. The Group's market share has not changed significantly since our IPO on 22 July 2004.

Tan Seng Chun, Company Secretary on 10 April 2006 to the SGX.