



## **MEMTECH INTERNATIONAL LTD.**

Company Registration Number: 200312032Z

### **Investment in VLU Corporation Limited**

The Board of Directors of Memtech International Ltd. wishes to announce that the Company had entered into an Investment Agreement (“Agreement”) with VLU Corporation Limited (“VLU”), a company incorporated in South Korea and Dr. Jae-Min Kim (“Dr. Kim”) in relation to investment in VLU.

The Company shall invest in VLU by subscribing 3,333 ordinary shares with par value of KRW5,000 each at KRW281,160 each. Total contribution shall be KRW937,106,280 (approximately US\$1 million). Upon completion of the aforesaid subscription of shares, the Company shall own 25% of the issued share capital of VLU.

VLU is a startup company incorporated in October 2006 with principal activities of manufacturing and sale of rheocasting magnesium alloy products. Dr. Kim, a major shareholder of VLU holding 55% shares prior to our investment, has invented a new rheocasting magnesium alloy technology that will improve the production efficiency and composite of magnesium alloy casted products as compared to the current thixoforming technology. In accordance with the Agreement, Dr. Kim will assign all rheocasting related technologies to VLU. VLU will apply the technologies to produce mobile phone related magnesium alloy components such as mobile phone casing.

The Company will fund the investment in VLU from its existing working capital.

The investment does not have any material effect on the net tangible assets and earnings per share of the Company for the current financial year.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

Submitted by Tan Seng Chun, Company Secretary on 27 August 2007 to the SGX.