



MEMTECH INTERNATIONAL LTD
Company Registration Number: 200312032Z

Investment in Raytech Co., Ltd

The Board of Directors of Memtech International Ltd. (the "Company") wishes to announce that the Company has entered into a Joint Venture Agreement ("Agreement") with Celestin Technologies Limited and Mr. Wong Kin Ping in relation to the establishment of a joint venture company, Raytech Co. Ltd. ("Raytech") in Hong Kong.

Under the Agreement, the Company will subscribe for 5,325,000 ordinary shares of HK\$1 each at par in Raytech. Upon completion of the aforesaid subscription of shares, the Company will own 35.5% of the issued share capital of Raytech Co., Ltd. Raytech will in turn acquire 100% of the issued share capital of Celestin Integrated Micro-System (Shenzhen) Co., Ltd. ("Celestin Shenzhen"), a company incorporated in Shenzhen, the People's Republic of China. The principal activities of Celestin Shenzhen are research, design and trading of wireless and bluetooth antenna for the mobile phone industry. The Company will assist Celestin Shenzhen to develop its manufacturing base and establish its sales network in China.

The investment is part of our corporate strategy to expand our product offerings that will complement our core business. Celestin Shenzhen was established in late 2004 with a team of micro-wave scientists led by Dr. Huang Yong. Prior to setting up Celestin Shenzhen, Dr. Huang was the Deputy Director of the Antenna Division of Research Institute of Navigation Technology in Xian, Shannxi Province, China and was involved in several national projects. Celestin Shenzhen will focus its efforts in Research and Development of bluetooth technologies and leverage on the Company's established sales network to promote its products.

The Company will fund the additional investment in Raytech from the IPO proceeds that were earmarked for working capital as well as for investments to develop strategic partnership and other growth opportunities that would complement our current and future business requirements.

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 8 August 2006 to the SGX