

Listed Companies' Announcement

MEMTECH INTERNATIONAL LTD.

Company Registration Number: 200312032Z

Increase in Share Capital and Investment in Subsidiary

The Board of Directors (“Board”) of Memtech International Ltd (the “Company”) wishes to announce that the Company had acquired the remaining 8% of the issued and paid up capital of Dongguan Memtech Precision Tools and Products Co., Ltd (“MTP”) from Watson Pacific (HK) Co. Ltd for a consideration of US\$402,053.00 (“Acquisition”), on a willing-buyer willing-seller basis taking into account the Net Tangible Assets and Earnings of MTP.

The Board also wishes to announce that MTP, has increased its registered capital from US\$1,390,000 to US\$2,280,000. The capital increase is to meet the subsidiary’s capital expenditure and work capital requirements.

The purchase consideration and capital increase (collectively referred herein as “Investments”) will be funded from our IPO proceeds that were earmarked for the expansion of our operations. The Investments are not expected to 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 Acquisition.

Submitted by Tan Seng Chun, Company Secretary on 18/5/2004 to the SGX