



MEMTECH INTERNATIONAL LTD.

Company Registration Number: 200312032Z

INVESTMENT IN TERA CHINA CO., LTD.

The Board of Directors of Memtech International Ltd. wishes to announce that the Company's 25.9% owned associate, Teradisplay Co., Ltd ("Tera Korea") has incorporated an 80% owned subsidiary, Tera China Co., Ltd in Nantong, Jiangsu province of China, with a registered share capital of US\$3 million.

In addition to the Company's interest in Tera Korea, the company will take a 20% direct investment in Tera China amounting to US\$600,000. Accordingly, the effective interest of the Company in Tera China shall be 40.7%. In the event that all preference shares held by preference shareholders of Tera Korea are converted into ordinary shares, the Company's effective interest in Tera China will be diluted to 33.7%.

Tera China will be Tera Korea's manufacturing base in China and will manufacture both resistive and capacitive touch screen panels mainly for the mobile phone industry and is expected to be operational by end Q3 2008. The Company will assist Tera China to develop its manufacturing base and establish its sales network in China.

The Company will fund the investment in Tera China from its working capital.

The investment is 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 above transaction.

Submitted by Tan Seng Chun, Company Secretary on 28 May 2008 to the SGX.