



MEMTECH INTERNATIONAL LTD

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

NEWS RELEASE

MEMTECH REPORTS 10.6% REVENUE GROWTH TO US\$24.0 MILLION FOR 1QFY2008

- Secured larger contracts from premium customers such as Foxconn and Kostal
- Net profit at US\$1.3 million, impacted mainly by higher costs and weakened USD

Commented Mr Chuang Wen Fu (“庄文甫”), Executive Chairman of Memtech, “In line with the moderation of the growth in the global mobile phone industry, the Group started off the year with a slow first quarter. However, we are optimistic that the situation is showing indications of improvement and the industry is poised for a recovery in the second half of the year. We are therefore cautiously optimistic of our prospects in 2008.

“While we do not expect the second quarter to be a strong quarter, we expect the Group’s performance to improve in 2QFY2008 over 1QFY2008, barring unforeseen circumstances,” Mr Chuang concluded.

Singapore, April 28, 2008 – Main board-listed Memtech International Ltd. (“Memtech” or the “Group”) (“万德国际有限公司”), an integrated precision moulded components manufacturer for the mobile phone and automotive industries, today reported a 10.6% increase in revenue to US\$24.0 million for the three months ended March 31, 2008 (“1QFY2008”).

Despite the slowdown in the mobile phone industry in the first quarter this year as compared to the fourth quarter last year, the Group managed to secure larger orders from its premium customers, such as Foxconn and Kostal.

Mr Chuang said, "We are encouraged by the strong support received from our premium customers in the form of larger and higher value orders. This indicates a continued demand for our products, as well as confidence in Memtech's product quality."

During the quarter under review, lower selling prices, higher raw material prices and labour costs impacted the Group's gross profit margin. The Group recorded a gross profit margin of 21.6% in 1QFY2008, compared to 25.0% in the previous corresponding period ("1QFY2007").

Sales and marketing expenses increased 11.6% to US\$1.3 million on the back of increased labour costs and general inflation in China. The acceleration in appreciation of RMB against the USD in 1QFY2008 resulted in a higher exchange loss from the Group's USD receivables. However, the Group's lower provision for doubtful debts partially offset the impact of the increase in labour costs, higher exchange loss and general inflation, resulting in a 6.6% increase in general and administrative expenses for the quarter under review.

As a result, net profit declined 34.8% from US\$2.0 million in 1QFY2007 to US\$1.3 million in 1QFY2008.

Looking ahead, Memtech remains focused on its strategy of providing modular solutions and value-added services to its customers, and has made several strategic investments to diversify its scope of products and services to strengthen its position and market share.

The Group's 25% stake associate - VLU Corporation Limited, a Korean company specialising in the R&D, design and manufacture of magnesium alloy products – commenced trial operation in the first quarter of 2008, and is expected to further expand its operations by end 2008.

The Group's 26% associate Teradisplay Co., Ltd ("Teradisplay Korea"), a South Korea company engaged in the manufacture and sale of touch screen panels will incorporate a subsidiary in Nantong, PRC, to manufacture resistive and capacitive touch screen panels mainly for the mobile phone industry, with Memtech holding a 20% direct interest. Its production facilities are expected to commence operations by 3QFY2008.

Said Mr Chuang, "We are optimistic about the potential for the growth of touch screen panels as a mainstream feature in mobile phones in the future. The addition of touch screen panel products to our portfolio will enable the Group to further expand our range of high-end technology product services to sharpen our competitive edge.

"The Group will continue to automate processes to improve production efficiency and curtail costs, as well as step up marketing efforts to achieve greater sales and market penetration in our areas of operations."

About Memtech International Ltd

Listed on the Main Board of the Singapore Exchange in 2004, Memtech is an integrated precision moulded components manufacturer for the mobile phone, IT equipment and automotive industries. A total solution provider for mechanical components including keypads, lens and plastic components, the Group also designs and manufactures antennas.

The Group's keypad division is one of the leading industrial players in the global mobile phone market, producing ultra-thin, metal, high-end silicone rubber, plastic and silicone rubber plastic hybrid keypads primarily for the mobile phone and automotive industries. The Group offers a one-stop solution: from the initial stage of engineering design and mould fabrication to the manufacture and assembly of the components.

Currently, the Group operates three keypad manufacturing facilities strategically located in the major mobile phone manufacturing hubs in the PRC, namely the Pearl River Delta (Dongguan, Shenzhen and Guangzhou), and the Yangtze River Delta

(Shanghai, Suzhou and Hangzhou). The Group also operates a plastic components production facility in Kunshan, which manufactures casings primarily for digital cameras and mobile phones. It also operates a lens manufacturing facility in Dongguan, a joint venture with a Shenzhen-based design house in 2006 to engage in the antenna business. As a testament to the Group's high quality standards, its manufacturing facilities are awarded with QS9000, TS16949, ISO14000 and ISO9001 certifications.

Besides a wide network of sales offices across the PRC, the Group has also established a global network of sales offices in Korea, Japan, Singapore, Taiwan, America and Europe to better service its international customers.

Memtech's customers include major international mobile phone manufacturers including Motorola, Nokia, Sony Ericsson, LG, Foxconn, Flextronics, Alcatel, Sagem and HTC, as well as reputable China brands such as Ningbo Bird, Lenovo, UT Starcom and TCL.

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