



MEMTECH INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)

Company Registration Number: 200312032Z

NEWS RELEASE

MEMTECH REPORTS PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF US\$1.3 MILLION

- *Revenue declines 10.4% to US\$109.3 million*
- *Healthy cash flow and strong balance sheet with cash and cash equivalents of US\$32.3 million*
- *Proposes cash dividend of 0.5 Singapore cents per ordinary share*

Said Mr Chuang Wen Fu (“庄文甫”), Executive Chairman of Memtech, “The global economic downturn has led to a slowdown in demand for mobile phones worldwide and impacted our performance. With the uncertain global economic outlook in 2009, we will focus on increasing our market share, improving our cost structure and enhancing our operational efficiency.”

“Despite the challenging operating environment, our fundamentals remain sound. We continue to enjoy healthy cash flow and a strong cash position. The Board is therefore pleased to propose a first and final dividend of 0.5 Singapore cents per share as a gesture of thanks to our loyal shareholders.”

Singapore, February 24, 2009 – Mainboard-listed Memtech International Ltd. (“Memtech” or the “Group”) (“万德国际有限公司”), a leading integrated component solutions provider for the mobile phone, IT equipment and automotive industries, today announced its results for the financial year ended December 31, 2008 (“FY2008”). The Group’s profit attributable to shareholders decreased 91.9% to US\$1.3 million in FY2008.

For the year under review, revenue was down 10.4% to US\$109.3 million, mainly attributed to the weaker market demand in the second half of 2008 that resulted from the global economic slowdown.

The Group's gross profit margin declined from 26.2% in the financial year ended December 31, 2007 ("FY2007") to 15.1% in FY2008, attributable to lower utilization rates and selling prices and higher raw material prices and overhead costs.

Sales and marketing expenses rose 37.8% from US\$4.2 million in FY2007 to US\$5.8 million in FY2008, driven mainly by increases in salary and general costs. The 14.7% decrease to US\$10.2 million for general and administration expenses was mainly due to a lower allowance for the provision of doubtful debts.

The Group's tax expenses in FY2008 were lower compared to FY2007, due to a lower operating profit, reversal of deferred tax liability as well as a tax rebate.

For the three months ended December 31, 2008 ("4QFY2008"), the Group reported a 34.3% drop in revenue to US\$25.1 million and a net loss of US\$2.9 million.

As at December 31, 2008, the Group maintained a healthy cash flow position and a strong balance sheet. The Group's cash and cash equivalents stood at US\$32.3 million.

Outlook

The unprecedented global economic downturn has resulted in declining consumption levels worldwide. Growth of the global mobile phone industry weakened and the demand for mobile phones slowed beyond expectation in the fourth quarter of 2008.

Mr Chuang said, "While we expect demand to remain weak in 2009, our project development activities with our customers remain strong. While our customers are cautious in awarding orders, they are also actively preparing themselves for an

economic recovery. In addition, we have redirected our marketing resources to new and existing customers that are less affected by the economic slowdown.”

“At the same time, in anticipation of a volatile market, we have also scaled down our operations while maintaining our core strengths to meet with the challenges ahead. With an experienced management team and a healthy cash flow position, we are confident of our long term prospects going forward,” Mr Chuang concluded.

About Memtech International Ltd.

Listed on the Mainboard of the Singapore Exchange in 2004, Memtech is a leading component solutions provider for the mobile phone, IT equipment and automotive industries. Besides being a total solutions provider for mechanical components including keypads, lens and plastic components, the Group also designs and manufactures antennas. The Group’s wide product range and scope of services enable it to provide modular solutions and value-added services to its customers.

The Group operates three keypad manufacturing facilities strategically located in the major mobile phone manufacturing hubs in the PRC, namely the Pearl River Delta, and the Yangtze River Delta. 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.

Besides a wide network of sales offices across the PRC, the Group also has 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 and TCL.

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