



## **MEMTECH INTERNATIONAL LTD**

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

### **NEWS RELEASE**

#### **MEMTECH REPORTS IMPROVED QUARTER-ON-QUARTER PERFORMANCE**

- *Revenue increases 8.4% to US\$21.9 million quarter-on-quarter*
- *Loss attributable to shareholders narrows from US\$585,000 in Q1 2009 to US\$360,000 in Q2 2009*
- *Cash flow remains healthy with balances of US\$35.6 million as at June 30, 2009*
- *Intends to expand touch screen panels business following conversion of Tera China from an associate to a wholly-owned subsidiary*

Singapore, August 14, 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 posted its financial results for the three months ended June 30, 2009 ("Q2 2009").

Revenue in Q2 2009 decreased 24.4% from US\$28.9 million from the corresponding quarter in the last year ("Q2 2008") to US\$21.9 million. The decline was in line with weak market conditions during the quarter under review. On a quarter-on-quarter basis, revenue improved by 8.4% from US\$20.2 million in the three months ended March 31, 2009 ("Q1 2009") to US\$21.9 million in Q2 2009.

As a result of lower capacity utilization and lower selling prices, the Group's gross profit margin declined 5.1 percentage points to 12.8% in Q2 2009.

Nevertheless, the Group narrowed its loss attributable to shareholders from US\$585,000 in Q1 2009 to US\$360,000 in Q2 2009, reflecting signs of recovery in the market.

For the six months ended June 30, 2009 (“H1 2009”), the Group registered revenue of US\$42.0 million and loss attributable to shareholders of US\$0.9 million.

As at June 30, 2009, the Group continued to maintain its healthy cash flow position with balances of US\$35.6 million.

“While the market has started to show indications of a recovery, we expect that the rate of recovery will remain slow in view of the current weak economy. Nonetheless, with the Group’s experienced management team, strong balance sheet and financial position in place, we are confident that we will be able to pursue potential business and growth opportunities,” commented Mr Chuang Wen Fu (“庄文甫”), Executive Chairman of Memtech.

As announced on August 7, 2009, Memtech has converted Tera China Co., Ltd (“Tera China”), of which the Group had previously owned a 20% stake, from an associate company to its wholly-owned subsidiary. This follows the acquisition of the remaining 80% interest in Tera China, which principally engages in the manufacturing and sales of touch screen panels.

Added Mr Chuang, “With full control of Tera China, Memtech now has a greater platform to tap on the long term potential of the growing touch screen mobile handset industry. We intend to inject more resources and actively expand our touch screen panel business going forward. While we do not expect Tera China to contribute positively to the Group’s financial results in 2009, we are optimistic of its long term prospects.”

### ***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 and touch screen panels. 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. In May 2008, the Group set up a joint venture company in Nantong with its Korean investee company to engage in the touch screen panel business in the PRC.

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 Lenovo, Huawei and ZTE.

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ISSUED ON BEHALF OF : Memtech International Ltd  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
1 Raffles Place  
#26-02 OUB Centre  
SINGAPORE 048616  
CONTACT : Ms Chia Hui Kheng / Ms Kelyn Tan  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9781-5913 / 9781-3605 (Handphone)  
EMAIL : [huikheng.chia@citigatedrimage.com](mailto:huikheng.chia@citigatedrimage.com)  
[kelyn.tan@citigatedrimage.com](mailto:kelyn.tan@citigatedrimage.com)

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