



MEMTECH INTERNATIONAL LTD

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

NEWS RELEASE

MEMTECH'S THIRD QUARTER PROFIT ATTRIBUTABLE TO SHAREHOLDERS JUMPS 91.1% to US\$1.6 MILLION

- *Gross profit margin improves from 17.3% to 19.1% despite revenue down 4.5%*
- *Returns to profitability following losses for the three preceding quarters*
- *Maintains healthy cash flow position and sound balance sheet*

Singapore, November 10, 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 registered a 91.1% jump for its profit attributable to shareholders to US\$1.6 million for the three months ended September 30, 2009 ("Q3 2009"). This was achieved notwithstanding a 4.5% decline in revenue during the same period.

The Group's cost savings measures and efforts to improve operational efficiencies paid off. Its gross profit margin improved from 17.3% in the three months ended September 30, 2008 ("Q3 2008") to 19.1% in Q3 2009.

General and administrative expenses increased by 44.8% to US\$3.0 million in Q3 2009 mainly due to a higher allowance for doubtful receivables and the Group's expansion of its touch screen panel operations during the quarter.

With higher sales compared to the preceding quarter ("Q2 2009") and benefits from its cost savings measures and improved operational efficiencies, the Group returned to profitability in Q3 2009 following losses for the preceding three quarters. Its profit attributable to shareholders stood at US\$1.6 million in Q3 2009, compared to a loss of US\$0.4 million for Q2 2009.

For the nine months ended September 30, 2009 (“9M 2009”), the Group registered revenue and profit attributable to shareholders of US\$72.0 million and US\$0.2 million respectively.

During the quarter under review, the Group continued to maintain a sound balance sheet despite the difficult operating environment. As at September 30, 2009, the Group has a healthy cash flow position with cash and cash equivalents of US\$36.8 million.

Commented Mr Chuang Wen Fu (“庄文甫”), Executive Chairman of Memtech, “While Q3 2009 was an encouraging quarter, we are cautiously optimistic in the current quarter, given that economic conditions remain challenging. With an experienced management team and healthy cash flow, we remain optimistic of our prospects in the long term.”

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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