



## **MEMTECH INTERNATIONAL LTD**

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

### **NEWS RELEASE**

#### **MEMTECH REPORTS STERLING 2010 PERFORMANCE**

- *Full year revenue up 28% to US\$134 million; Profit attributable to owners of the Company jumps 367% to US\$11 million*
- *Gross profit margin rises 6.8 percentage points to 22.4%*
- *Proposes cash dividend of 1.10 Singapore cents per ordinary share*

Singapore, February 24, 2011 – Mainboard-listed Memtech International Ltd. (“万德国际有限公司”) (“Memtech” or the “Group”), a leading integrated component solutions provider for the mobile phone, IT equipment and automotive industries, is delighted to announce that its profit attributable to owners of the Company jumped from US\$2.4 million in the financial year ended December 31, 2009 (“2009”) to US\$11.3 million for the financial year ended December 31, 2010 (“2010”). The Group recorded a full-year revenue of US\$134.2 million in 2010, a 28.3% increase from US\$104.6 million in 2009.

For the three months ended December 31, 2010 (“Q4 2010”), the Group reported record sales of US\$40.4 million, up 23.9% from the previous corresponding quarter (“Q4 2009”). Its profit attributable to owners of the Company increased 234.6% to US\$6.1 million.

Executive Chairman of Memtech International Ltd., Mr Chuang Wen Fu (庄文甫), said, “We are pleased to report a strong set of 2010 financials. Our revenue was driven by increased sales as well as new orders to manufacture keypads for Amazon’s eBook. Our efforts to ensure production efficiencies have also resulted in overall improved margins. We will continue to work on generating a higher production yield across our businesses.”

On a segmental basis, revenue from the Group's keypads division grew 24.8% to US\$113.6 million, which accounted for 84.6% of total revenue in 2010. The plastics division's revenue was up 49.2% to US\$20.5 million, while the touch screen panels division posted revenue of US\$0.5 million.

During the year, the Group persisted with its efforts to increase operational efficiencies. As such, the Group's gross profit margin rose from 15.6% in 2009 to 22.4% in 2010.

The Group's efforts to restructure its plastics division in 2009 has paid off in 2010, with a turnaround from a loss of US\$5.0 million in 2009 to post a profit of US\$0.1 million. Due to initial teething issues, the Group's touch screen panels division incurred a loss of US\$2.7 million in 2010.

## **Review**

For Q4 2010, the Group's revenue increased 23.9% to US\$40.4 million. This was mainly due to continued increasing demand from the major Chinese mobile phone manufacturers, and orders to supply keypads for the production of Amazon's eBook.

Gross profit margin increased from 15.4% in Q4 2009 to 29.0% in Q4 2010, due to higher sales, improved product mix and stringent control of production costs.

Sales and marketing expenses rose 23.3% to US\$1.9 million in Q4 2010, attributed to higher staff costs and marketing expenses in line with sales growth. General and administration expenses also increased 1.7% to US\$3.4 million during the quarter.

In view of the above, the Group's profit attributable to owners of the Company surged from US\$1.8 million in Q4 2009 to US\$6.1 million in Q4 2010.

As at December 31, 2010, the Group's cash and bank balances amounted to US\$39.1 million.

To thank shareholders for their loyal support, the Group has proposed a first and final cash dividend of 1.10 Singapore cents per ordinary share.

## **Outlook**

In 2011, the Group will continue to focus on enhancing its operational efficiency and cost structure, as well as to increase its market share. The Group will also channel resources to improve the performance of its plastics and touch screen panels businesses.

The Group expects 2011 to remain a challenging year, given the prospects of higher inflation, increasing labour costs in the PRC, as well as further depreciation of the US Dollar. Nevertheless, the Group remains cautiously optimistic of its performance in 2011.

## **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, Jiangsu Province, which manufactures casings primarily for digital cameras and mobile phones. It also operates a lens manufacturing facility in Dongguan, Guangdong Province, and a joint-venture with a Shenzhen-based design house to engage in the antenna business. In addition, the

Group also operates a touch screen panel manufacturing facility in Nantong, Jiangsu Province.

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 manufacturers including Samsung, Motorola, Nokia, Sony Ericsson, LG, Foxconn, Flextronics and TCL Alcatel, as well as reputable China brands such as Lenovo, Huawei and ZTE.

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