



## MEMTECH INTERNATIONAL LTD

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

### NEWS RELEASE

#### MEMTECH'S Q2 PROFIT UP 67.5% TO US\$2.0 MILLION

- Revenue increases 25.1% to US\$37.8 million
- Remains cautiously optimistic of the Group's performance in 2011

US\$'mil	Q2 2011	Q2 2010	% Change	1H 2011	1H 2010	% Change
Revenue	37.8	30.2	25.1	71.7	61.0	17.7
Gross Profit	6.7	5.8	16.2	14.0	11.3	23.5
Gross Profit Margin	17.7%	19.1%	- 1.4 ppt	19.5%	18.6%	+ 0.9 ppt
Profit Before Tax	2.1	1.6	32.9	5.1	3.1	63.0
Profit for the period	2.0	1.2	67.5	4.7	2.1	118.4

Singapore, August 11, 2011 – 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 financial results for the three months ended June 30, 2011 (“Q2 2011”). Compared to the previous corresponding period, the Group’s revenue grew 25.1% to US\$37.8 million. Profit for the period jumped 67.5% to US\$2.0 million on the back of higher sales, other operating income and lower tax expenses.

Led by higher sales, the Group’s gross profit increased 16.2% to US\$6.7 million in Q2 2011, compared to US\$5.8 million in Q2 2010. Due to higher raw material prices and labour costs, the Group’s gross profit margin dipped 1.4 percentage points to 17.7% in the quarter.

As a result of higher sales, the Group's sales and marketing expense increased 36.5% to US\$2.2 million in Q2 2011. General and administrative expense was up 23.2% to US\$2.9 million due mainly to the impairment for investment in associates.

For the six months ended June 30, 2011 ("1H 2011"), the Group achieved a 17.7% growth in revenue to US\$71.7 million. Profit for the period more than doubled from US\$2.1 million in the previous corresponding period to US\$4.7 million in 1H 2011.

As at June 30, 2011, the Group's financial position remains healthy, with cash and cash equivalents amounting to US\$36.4 million or approximately 5.1 US cents per share.

## **Outlook**

The Group expects the second half of the year to remain challenging, given higher expectations of higher inflation, rising labour costs in China, further depreciation of the United States Dollars, and economic uncertainties in the European Union and the United States. Nevertheless, the Group remains cautiously optimistic of its performance in 2011.

Executive Chairman of Memtech, Mr Chuang Wen Fu ("庄文甫"), said, "We are encouraged by our customers' forecast orders so far, and will continue to monitor and manage our cost structure closely. Our plastics business has turned around, and we expect a positive contribution this year, barring unforeseen circumstances."

We are pleased to report that we have expanded into the production of more capacitive type touch screens. We are optimistic about the growth potential of the touch screen panel business and will channel more resources to resolve teething issues and improve the performance of our touch screen panel business."

### ***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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