



MEMTECH INTERNATIONAL LTD

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

NEWS RELEASE

MEMTECH'S THIRD QUARTER REVENUE UP 21.8% to US\$40 MILLION

- **Gross profit increased 14.3% to US\$8 million**
- **Net profit for the period down to US\$7,000, due mainly to an unrealised exchange loss**
- **Total comprehensive income up 30.3% to US\$4.7 million**
- **Remains cautiously optimistic of the Group's performance for the remaining period of 2011**

<i>US\$'mil</i>	Q3 2011	Q3 2010	% Change	9M 2011	9M 2010	% Change
Revenue	40.0	32.8	21.8	111.8	93.8	19.1
Gross Profit	8.0	7.0	14.3	22.0	18.4	20.0
Gross Profit Margin (%)	20.1	21.4	(1.3) ppt	19.7	19.6	0.1 ppt
Profit for the period	0.007	3.0	(99.8)	4.7	5.2	(9.6)
Total Comprehensive Income	4.7	3.6	30.3	11.5	6.3	83.6

Singapore, November 9, 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 September 30, 2011 (“Q3 2011”). For the quarter under review, Group revenue rose 21.8% from US\$32.8 million in Q3 2010 to US\$40.0 million, led by higher sales.

Gross profit rose 14.3% to US\$8.0 million in Q3 2011. However, gross profit margin dipped slightly from 21.4% to 20.1% in the quarter, due to higher raw material prices and labour costs.

Other operating income more than doubled from US\$303,000 in Q3 2010 to US\$653,000 in Q3 2011. The Group's sales and marketing expenses rose 36.0% to US\$2.1 million in Q3 2011, due mainly to increased business development costs, marketing expenses, and packaging costs as a result of the higher sales achieved.

Due to the strengthening of the US Dollar against the Singapore Dollar in Q3 2011, the Group recorded an exchange loss of US\$3.3 million which was mainly unrealised. As a result, the Group registered a net profit of US\$7,000 in Q3 2011 compared to US\$3.0 million in Q3 2010. Taking into account the effect of foreign currency translation gain recognised in other comprehensive income, the Group's total comprehensive income rose 30.3% to US\$4.7 million.

For the nine months ended September 30, 2011 ("9M 2011"), the Group achieved a 19.1% growth in revenue to US\$111.8 million. Profit for the period declined 9.6% to US\$4.7 million.

As at September 30, 2011, the Group's financial position remains healthy, with cash and cash equivalents amounting to US\$40.0 million or approximately 5.6 US cents per share.

Outlook

Inflation and increasing labour costs will pose challenges to the Group's operations in China. Volatility in foreign exchange, economic uncertainties in Europe and the anaemic economic recovery in the United States are factors that will affect global economic conditions. Notwithstanding these challenges and uncertainties, the Group remains cautiously optimistic of its performance for the remaining period in 2011.

Executive Chairman of Memtech, Mr Chuang Wen Fu (“庄文甫”), said, “Despite the very challenging environment, we have achieved 21.8% increase in sales in the third quarter. We are also pleased to report that the Group’s plastics business has achieved a turnaround. The Group will channel resources and efforts to improve our touch screen panel business by expanding our production capabilities to focus on the capacitive touch screen.

The Group will continue to improve cost control and enhance operational efficiency.”

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 Netgear, Samsung, Motorola, Nokia, Sony Ericsson, LG, Foxconn, Magna and TCL Alcatel, as well as reputable Chinese brands such as Lenovo, Huawei and ZTE.

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