



## **MEMTECH INTERNATIONAL LTD**

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

### **NEWS RELEASE**

#### **MEMTECH'S Q3 PROFIT DOUBLES TO US\$3.0 MILLION**

- *Revenue rises 9.6% to US\$32.8 million on continued growth of key customers and orders to supply parts for Amazon's eBook, Kindle*
- *Gross profit margin improves 2.3 percentage points to 21.4% on higher sales and better cost control*
- *To focus on touch screen panel operations, with production of high end capacitive touch screen panels targeted to commence in mid 2011*

Singapore, November 9, 2010 – 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, today reported a strong set of financial results for the three months ended September 30, 2010 (“Q3 2010”). Profit attributable to shareholders doubled from US\$1.5 million in the previous corresponding quarter (“Q3 2009”) to US\$3.0 million.

The Group's revenue rose 9.6% from US\$30.0 million in Q3 2009 to US\$32.8 million in Q3 2010. This was mainly attributed to the continued growth of the major Chinese mobile phone manufacturers who are the Group's key customers, and orders to supply components for Amazon's eBook, Kindle.

Gross profit jumped 22.9% from US\$5.7 million in Q3 2009 to US\$7.0 million in Q3 2010, while gross profit margin improved 2.3 percentage points from 19.1% in Q3 2009 to 21.4% in the quarter under review. This was due to higher sales and better control of production cost.

Sales and marketing expenses increased 17.2% to US\$1.6 million as a result of higher staff costs and travelling expenses in Q3 2010. Due to its improved credit control during the quarter, the Group made a lower provision for doubtful debt as compared to Q3 2009. This in turn led to an 8.7% decrease in general and administration expenses in Q3 2010.

For the nine months ended September 30, 2010, the Group registered revenue of US\$93.8 million and profit attributable to shareholders of US\$5.2 million.

The Group's financial position remained healthy as at September 30, 2010, with cash and cash equivalents of US\$38.8 million.

## **Outlook**

Executive Chairman of Memtech International Ltd., Mr Chuang Wen Fu (“庄文甫”), said, “Looking ahead, we expect sales for our keypad business to remain strong in the fourth quarter of 2010, and contribute positively to our full year financials. We will continue to focus our business development efforts on the eBook and automobile segments.”

“In recent years, the Group has also been strengthening our touch screen panel operations in anticipation of the expected market demand ahead. We are now ready to focus our efforts to tap the rapid market expansion for touch screen panel electronic products. To scale up the value chain, we target to commence the production of high end capacitive touch screen panels in mid 2011,” Mr Chuang added.

While the Group is optimistic about its prospects, challenges including higher inflation, rising labor costs in China and the depreciation of the US dollar are expected to remain. As such, the Group has taken measures to ensure a stable workforce, enhance its operational efficiency, as well as minimize the impact arising from exchange rate fluctuations.

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

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