

# CORPORATE FACTSHEET

## MEMTECH INTERNATIONAL LTD.

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## A Leading Integrated Component Solutions Provider

### Background

Memtech is a leading integrated component solutions provider serving the mobile phone, IT equipment and automotive industries. It is a total solutions provider for mechanical components including keypads, lens and plastic components. Other than pure mechanical components, the Group also designs and manufactures antennas and touch screen panels. With its wide product range and scope of services, the Group is able to provide modular solutions and value-added services to its customers.

The Group's keypad division is one of the top industrial players in the world mobile phone market. It produces ultra-thin, Thermoplastic Polyurethane ("TPU"), high-end silicone rubber, plastic and silicone rubber plastic hybrid keypads primarily for the mobile phone and automotive industries and offers a one-stop solution, beginning from the initial stage of engineering design and mould fabrication to the manufacture and assembly of the components to meet the changing needs of its customers.

It has three keypad manufacturing facilities in Dongguan, Nantong and Huzhou. The Group's facility in Kunshan manufactures plastic components and casing, primarily for digital cameras and mobile phones. It also operates touch screen panel and display window manufacturing facilities in Nantong and Dongguan respectively. It has overseas offices located in Korea, Japan, Singapore, Taiwan, America and Europe to expand its global outreach and serve its overseas customers.

### Competitive Strengths

- **Integrated Component Service Provider**
  - One-stop solution from the initial stage of engineering design and mould fabrication to the manufacture and assembly of keypads, lenses, plastic components, touch screen panels, light guides, domes and antenna
  - React promptly to customers' needs with a high degree of customization
- **Ability to Keep Abreast of Technology Innovations and Advances**
  - Advanced technologies to enable short lead-time in mould production
  - Continuous upgrading of manufacturing capabilities and investments in new equipment to:
    - Improve product quality while maintaining cost efficiencies;
    - Meet increasing sophisticated needs of customers
- **Strategically Located in the PRC**
  - Located in major phone manufacturing hubs in the PRC, namely, the Pearl River Delta and the Yangtze River Delta
  - Close proximity to customers leads to lower transportation costs and quicker response time.
- **Reputable Customer Base**
  - Established relationships with international brands e.g. Motorola, Samsung, Nokia, Sony Ericsson, LG, Foxconn, Flextronics, Alcatel, HTC, Vtech, Kostal
  - Reputable China brands e.g. Lenovo, ZTE, Huawei
- **Experienced Management Team**
  - Management Team comprised of Executive Directors with more than 20 years of experience in the business
- **Quality Products and Services**
  - Stringent quality control and assurance measures
  - Awarded QS9000, TS16949, ISO14000 & ISO9001 certifications

### Outlook

- **Global economic outlook remains uncertain in 2009**
  - Expect demand to remain weak
- **Customers are cautious in awarding orders**
  - Impact on domestic and export sales

### Growth Strategies

- **Focus on outperforming competitors and improving cost structure and enhancing production efficiency**
  - Scaled down operations while maintaining core strengths
- **Step up sales and marketing efforts**
  - Restructured marketing division for greater effectiveness
  - Intensified marketing efforts to achieve greater market penetration
  - Redirected marketing resources to new and existing customers that are less affected by the economic slowdown
- **Continue to focus on long-term strategy to strengthen market position**
  - Actively preparing for economic recovery at the same time
  - Project development activities with customers remain strong
  - Via diversification of product range, provision of value-added services
- **Remain confident of long term prospects going forward**

### Financial Highlights

(US\$m)	1H09	1H08	% Chg
Revenue	42.0	52.9	- 20.5
Gross Profit	5.6	10.3	- 46.1
(Loss) Profit Before Tax	(0.5)	3.4	- 96.4
(Loss) Profit Attributable to Shareholders	(0.9)	2.6	NM

### Robust Balance Sheet

(US\$m)	As at 30 Jun'09	As at 31 Dec'08
Shareholders' equity	107.8	112.2
Cash & cash equivalents	35.6	38.3
Fixed assets	41.6	44.5
Trade receivables	28.8	38.3

1H: 6 months period ended ended Jun 30.

NM: Not meaningful

### Latest Developments

- **Expansion into the manufacturing of touch screen panels**
  - Acquired touch screen panel operations in August 2009.
  - Engaged in the manufacture and sale of touch screen panels
    - In line with Group's strategy of providing modular solutions
    - Potential for growth as a mainstream feature in mobile phones in future
    - Further expand scope of high-end technology services to sharpen competitive edge
  - Manufacture mid to high end touch screen panels mainly for the mobile phone industry
- **Launch of initiatives to improve production efficiency and marketing effectiveness**
- **Obtained approval from Sony Ericsson to engage in all ranges of mobile phone keypads directly**
  - Strengthen prospects in the long term
- **Obtained approval from Samsung to engage in rubber type mobile phone keypads directly**
  - Strengthen prospects in the long term

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