



## **MEMTECH INTERNATIONAL LTD**

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

### **NEWS RELEASE**

#### **MEMTECH REPORTS INTERIM 2007 NET PROFIT OF US\$4.4 MILLION**

- **Continued growth in export sales to key MNC customers**
- **Secures new contract to provide integrated modular services for Microsoft's new Xbox 360 ChatPad**

*Singapore, August 6, 2007* – Main board-listed Memtech International Ltd. (“Memtech” or the “Group”) (万德国际有限公司), an integrated precision moulded components manufacturer for the mobile phone and automotive industries, today reported a net profit of US\$4.4 million on a revenue of US\$46.9 million, for the first six months ended June 30, 2007 (“1H 2007”).

Group revenue slipped 9.2% to US\$46.9 million, amidst a general weakening in demand from the global and domestic mobile markets. However, demand from its key MNC customers continued to be strong, with the Group achieving steady increases in export sales in 1H 2007.

Gross profit fell 21.5% in 1H 2007. Lower selling prices, higher raw material prices and labour costs caused gross margin to decline to 24.5% from 28.4% in 1H 2006.

“Our weaker margins are due to increased costs to expand our operations, and additional allowance for doubtful debts we have made in view of customers who went into financial problems. The continued appreciation of Renminbi against the US Dollar has also resulted in higher exchange loss. Nevertheless, we will continue to leverage on our extensive MNC customer base, established sales network and manufacturing capabilities to capitalize on all upcoming opportunities”, explained Mr Chuang Wen Fu (庄文甫), Executive Chairman of Memtech.

Despite a challenging macro environment 1H 2007, the Group was able to successfully secure new contracts from Microsoft to produce keypads, light guides and metal domes for its new Xbox 360 ChatPad.

“We are greatly excited and encouraged by the confidence that Microsoft has shown in us. This reflects recognition of our capability to provide quality integrated modular services”, Mr Chuang added.

As part of the Group’s continuous efforts to enhance its production capabilities and product range, Memtech has also taken a 49% stake in Sentehon Company Limited (“Sentehon”). Sentehon is engaged in the research and development and design of light-guides, a product that complements Memtech’s existing business.

Observing a recovery in the mobile handset industry, Mr Chuang is optimistic that 2H 2007 will be a better half year for Memtech. “Looking forward, we will continue to strive to obtain more modular orders from our customers, thereby achieving greater sales growth and profitability for the Group”, Mr Chuang concluded.

Barring unforeseen circumstances, the Group expects its performance to improve in Q3 2007.

### ***About Memtech International Ltd***

Listed on the Main Board of the Singapore Exchange in 2004, Memtech produces high-end silicone rubber, plastic and silicone rubber plastic hybrid keypads primarily for the mobile phone and automotive industries. The Group offers a one-stop solution, beginning from the initial stage of engineering design and mould fabrication to the manufacture and assembly of the components. It also manufactures lenses, plastic components and casings for mobile phone and notebook manufacturers.

Currently, the Group operates three keypad manufacturing facilities in Dongguan, Nantong and Huzhou. They are strategically located in the major mobile phone manufacturing hubs in the PRC, namely the Pearl River Delta (Dongguan, Shenzhen and Guangzhou), and the Yangtze River Delta (Shanghai, Suzhou and Hangzhou). The Group's facility in Kunshan manufactures plastic components and casing, primarily for digital cameras and mobile phones. It also operates a lens manufacturing facility in Dongguan. In 2006, the Group set up a joint venture antenna business with a design house located in Shenzhen and manufacturing facility in Dongguan.

Memtech's customers include major mobile phone manufacturers in the world, such as UT Starcom Telecom Co., Ltd, Ningbo Bird Co., Ltd, Lenovo Group Limited, Hua Wei, Philips China, Motorola, Flextronics, Foxconn, Vtech and LG.

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ISSUED ON BEHALF OF : Memtech International Ltd  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
1 Raffles Place  
#26-02 OUB Centre  
SINGAPORE 048616  
CONTACT : Andrew Cheng / Jean Zhuang  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9633-7377 / 9781-3924 (Handphone)  
EMAIL : [andrew.cheng@citigatedrimage.com](mailto:andrew.cheng@citigatedrimage.com)  
[jean.zhuang@citigatedrimage.com](mailto:jean.zhuang@citigatedrimage.com)

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