



Memtech International Ltd

FY2006 Interim Results Briefing

August 10, 2006



Financial Review

Financial Highlights



	1H 2006 (US\$'m)	1H 2005 (US\$'m)	Change
Revenue	51.6	30.2	71.1%
Gross Profit	14.7	9.3	56.8%
Profit before Tax	7.7	3.5	123.3%
Profit after Tax	7.1	3.3	115.9%
Net Profit	7.4	3.4	118.9%
EPS (US cents)*	1.03	0.47	119.1%

* Earnings per share is based on weighted average no. of shares of 720,000,000.

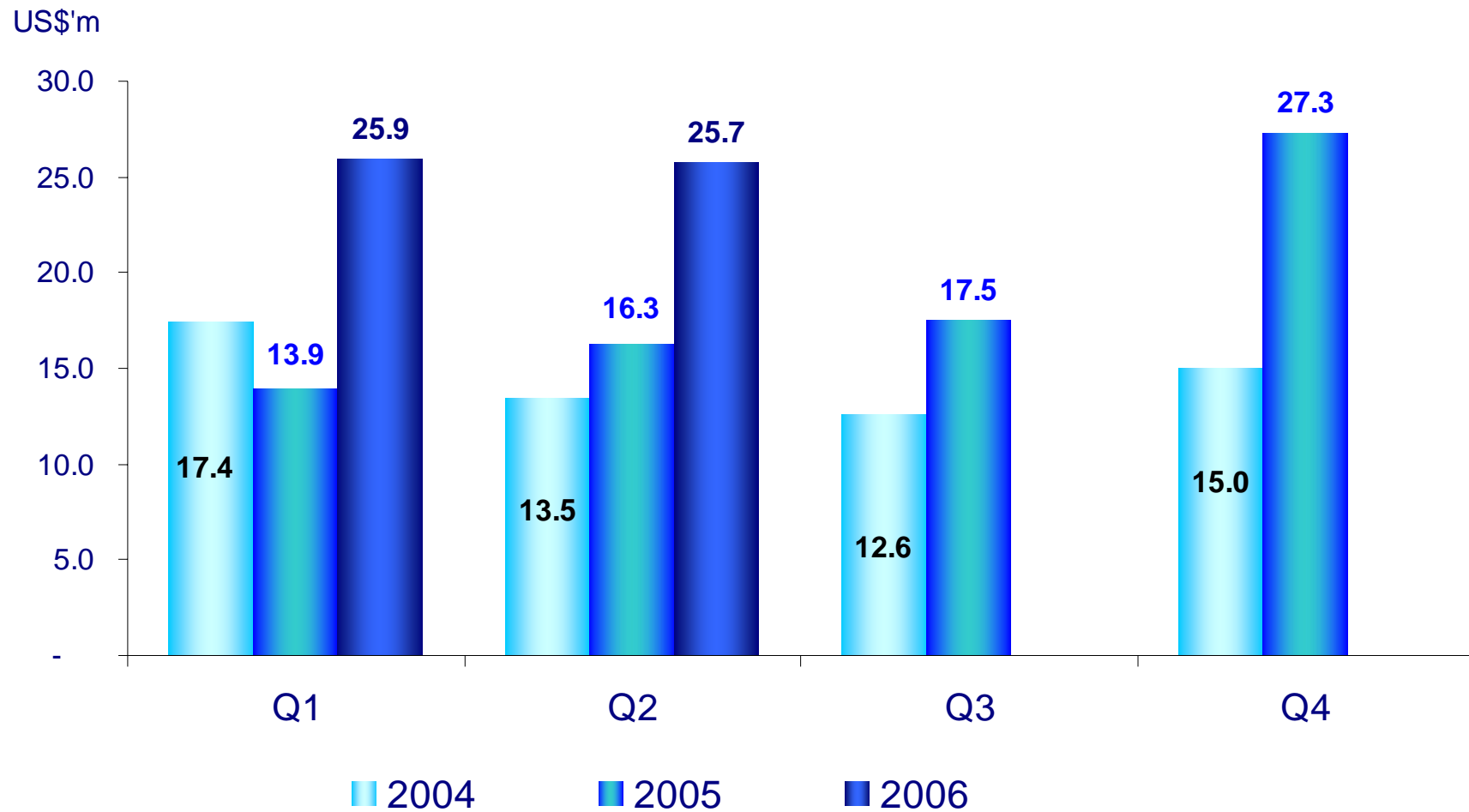
Financial Highlights



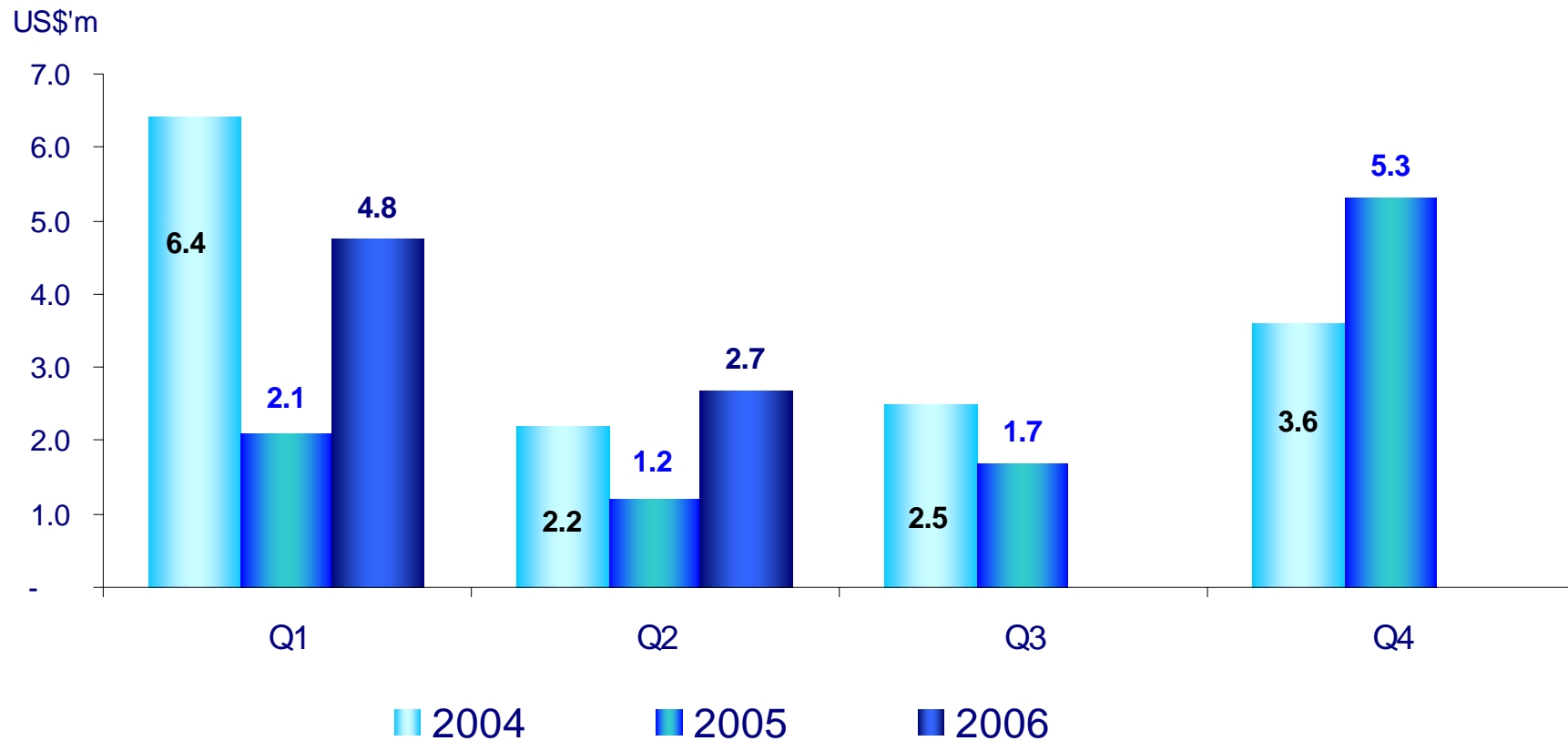
	Q2 2006 (US\$'m)	Q2 2005 (US\$'m)	Change
Revenue	25.7	16.3	58.0%
Gross Profit	6.4	4.6	37.6%
Profit before Tax	2.8	1.2	133.2%
Profit after Tax	2.5	1.2	119.3%
Net Profit	2.7	1.2	114.7%
EPS (US cents)*	0.37	0.17	114.7%

* Earnings per share is based on weighted average no. of shares of 720,000,000.

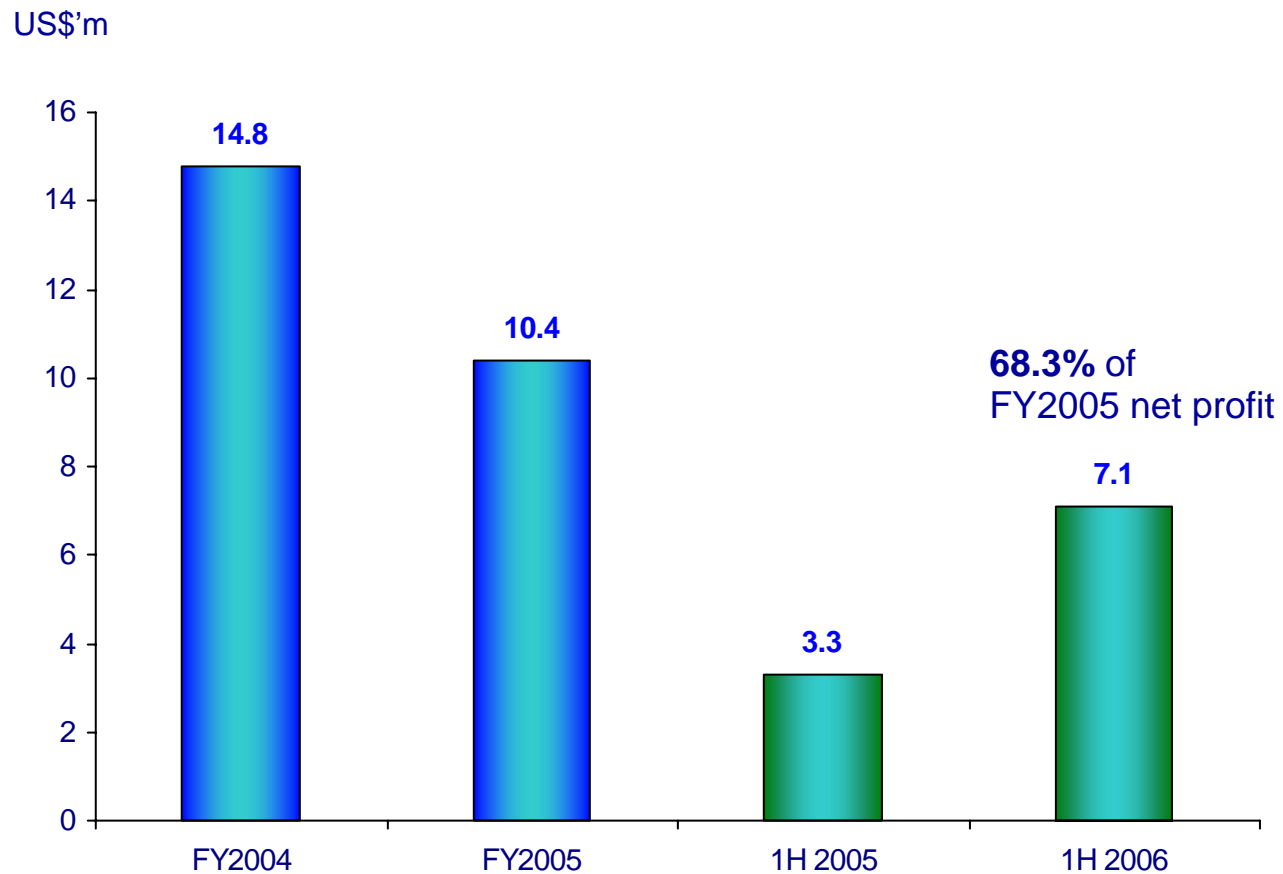
Quarterly Revenue



Quarterly Net Profit



Yearly Net Profit



Balance Sheet Highlights



	Q2 2006 (US\$'m)	Q4 2005 (US\$'m)	Change
Shareholders' equity	85.8	81.5	5.3%
Cash & cash equivalent	27.6	32.8	-15.9%
Fixed assets	33.0	30.8	7.1%
Receivables	53.8	45.1	19.2%
Stocks	7.9	6.2	27.3%
Trade payables	32.9	29.8	10.4%
Loans	0.3	0.2	50.0%
NAV per share (US cents)*	11.9	11.3	5.5%

* NAV per share is based on issued share capital of 720,000,000 shares at the end of the financial year.



Corporate Updates

Corporate Updates



- **Stronger sales recorded in both domestic & export markets**

- HTC Corporation
- Flextronic Ltd
- Motorola
- Siemens

Contributed 16.3% or US\$8.4 m to Group's turnover

Major customers in 1H 2006

Domestic	Export
Ningbo Bird	HTC
Lenovo	Kostal
Philip China	Flextronic
UT Starcom	Sagem
Amoi	Vtech

Corporate Updates



- **Improved customer mix**

- Increased sales to MNCs
 - MNCs less vulnerable to PRC macro economic policies
- More selective with domestic handset producers
 - Better payment terms
 - Bigger & consistent orders
- LG and Pantech added to MNC customer list
 - Awarded 7 model projects by LG for mass production in 4Q 2006
 - Awarded one project for Nokia via Pantech
 - Awarded one project for Motorola via Foxconn

- **Margin squeeze continued**

- Lower selling price
- Higher raw material prices
- Higher labour costs
- Higher demand for ultra low price projects

Corporate Updates



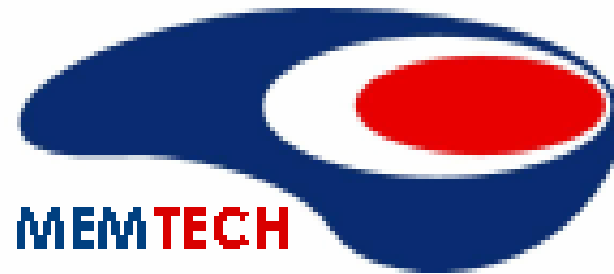
Setting up of a JV Company – Raytech Co. Ltd.

- 35.5% stake in JV (HK\$1.9 million)
- Engage in research & development, design and manufacturing of wireless and bluetooth antenna for the mobile phone industry
- Further integration of mobile phone related services
- Experts in microwave technology as partners
- Huge potential in microwave technology applications

Strategies Going Forward



- Increase efficiency & productivity
 - Better utilisation rate in all the production facilities
 - Better production mix
- Continue to grow MNC customers
 - Continue with sales & marketing effort to increase base
 - Grow the contract size for existing customers
- Continue to serve 1st tier domestic manufacturers
 - Be selective about domestic customers
- Continue to explore and penetrate Korean market
 - More outsourcing of mobile phone parts to specialised manufacturers
 - Increase sales & marketing effort in Korea



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Thank You
