



MEMTECH INTERNATIONAL LTD

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

NEWS RELEASE

MEMTECH POSTS 121% SURGE IN NET PROFIT TO US\$4.7 MILLION FOR FIRST QUARTER OF 2006

Q1FY06 Financial Highlights:

	Q1FY06 US\$ mil	Q1FY05 US\$ mil	Y-on-Y Change %
Revenue	25.9	13.9	+ 86
Gross Profit	8.3	4.7	+ 76
Net Profit	4.8	2.1	+ 121
EPS (US cents)	0.7	0.3	+ 133
NAV (US cents)	12.1	11.3	+ 7

SINGAPORE, April 25, 2006 – 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 announced its financial results for the first three months ended 31 March 2006 (“Q1FY06”). Continuing from its strong growth in the last quarter of 2005, the Group recorded a revenue of US\$25.9 million for Q1FY06, an 86% increase over the previous corresponding period.

The US\$25.9 million revenue recorded in Q1FY06 is about 35% of the total revenue in 2005.

“We are extremely encouraged and pleased to have achieved these numbers as it goes to show that we are back on track after riding the volatility in the PRC mobile phone manufacturing industry. Market consolidation over the past two years have reshaped

the mobile phone industry, eliminating weaker players and presenting greater opportunities to those who remain. I am glad we have emerged stronger,” said Mr Chuang Wen Fu (庄文甫), Executive Chairman of Memtech.

Robust growth in Q1FY06

On the back of strong domestic and export sales, Group revenue increased from US\$13.9 million in Q1FY05 to US\$25.9 million in Q1FY06. Export sales to international manufacturers such as HTC Corporation, Flextronics Ltd, Motorola and Siemens; contributed significantly to the growth in revenue. In addition, the Group also saw strong domestic demand from local manufacturers like Ningbo Bird, UT Starcom, Lenovo, T&A (TCL & Alcatel), Siemens and Philips China.

In line with the strong growth in revenue, gross profit increased 76%, from US\$4.8 million to US\$8.3 million in Q1FY06 whilst net profit surged 121% from US\$2.1 million to US\$4.7 million over the same period. Gross margin dipped marginally to 32% for Q1FY06 compared to 34% in same period last year.

Having secured international brands like Motorola, Siemens, and HTC Corporation in 2005, the Group has continued to increase sales to MNCs with orders from Flextronics and Arima for Sony Ericsson products in Q1FY06.

“We have seen strong growth in our international customer base since Q4FY05 and will continue to work towards adding more to our list. By doing so, we will be able to tap on the rapid penetration rate of international mobile phone brands in the PRC market, and reduce our dependence on local PRC handset manufacturers. A more balanced customer mix will soften the seasonal impact of lower domestic sales in the months from June to August,” said Mr Chuang.

Barring unforeseen circumstances, the Group expects the performance for the second quarter to be better than of the previous corresponding period.

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 has three manufacturing facilities strategically located in Dongguan, Nantong and Huzhou. They are 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 has another facility in Kunshan which manufactures plastic components and casings.

Memtech's customers include major mobile phone manufacturers in the PRC, such as UT Starcom Telecom Co., Ltd, Ningbo Bird Co., Ltd, TCL & Alcatel, Lenovo Group Limited, Hua Wei, ZTE Corporation, Motorola, Siemens and Philips China as well as European mobile phone manufacturers such as Sagem S.A. and automotive parts manufacturer, Lepold Kostal GmbH & Co. KG.

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