



Memtech International Ltd

FY08 Results Briefing

February 25, 2009

Presentation Outline



- **Financial Review**
- **Corporate Updates**
- **Outlook & Strategies Moving Forward**



Financial Review

FY08 Financial Highlights



- **Revenue decreased 10.4% to US\$109.3 million**
 - Due to weaker market demand in second half of 2008 that resulted from global economic downturn
 - Demand for mobile phones slowed beyond expectations in 4QFY08
- **Gross profit margin declined from 26.2% in FY2007 to 15.1% in FY2008**
 - Attributable to:
 - Lower utilization rates and selling prices
 - Higher raw material prices and overhead costs
- **Profit attributable to shareholders down 91.9% to US\$1.3 million**
- **Proposed dividend of 0.5 Singapore cents per share**
 - Dividend payout of S\$3.58 million (US\$2.33 million)

Financial Highlights



Financial Year end 31 Dec	4QFY08 (US\$'m)	4QFY07 (US\$'m)	Change
Revenue	25.1	38.2	-34.3%
Gross Profit	0.7	10.7	-93.1%
Profit before Tax	(4.3)	7.2	-160.3%
Profit Attributable to Shareholders	(2.1)	6.9	-130.6%
EPS (US cents)*	(0.30)	1.00	-130.0%

* Based on weighted average no. of shares of 716,340,000 and 717,490,000 ordinary shares on issue in 4QFY08 and 4QFY07 respectively.

FY: Financial year ended 31 December

4Q: Quarter ended 31 December

Financial Highlights

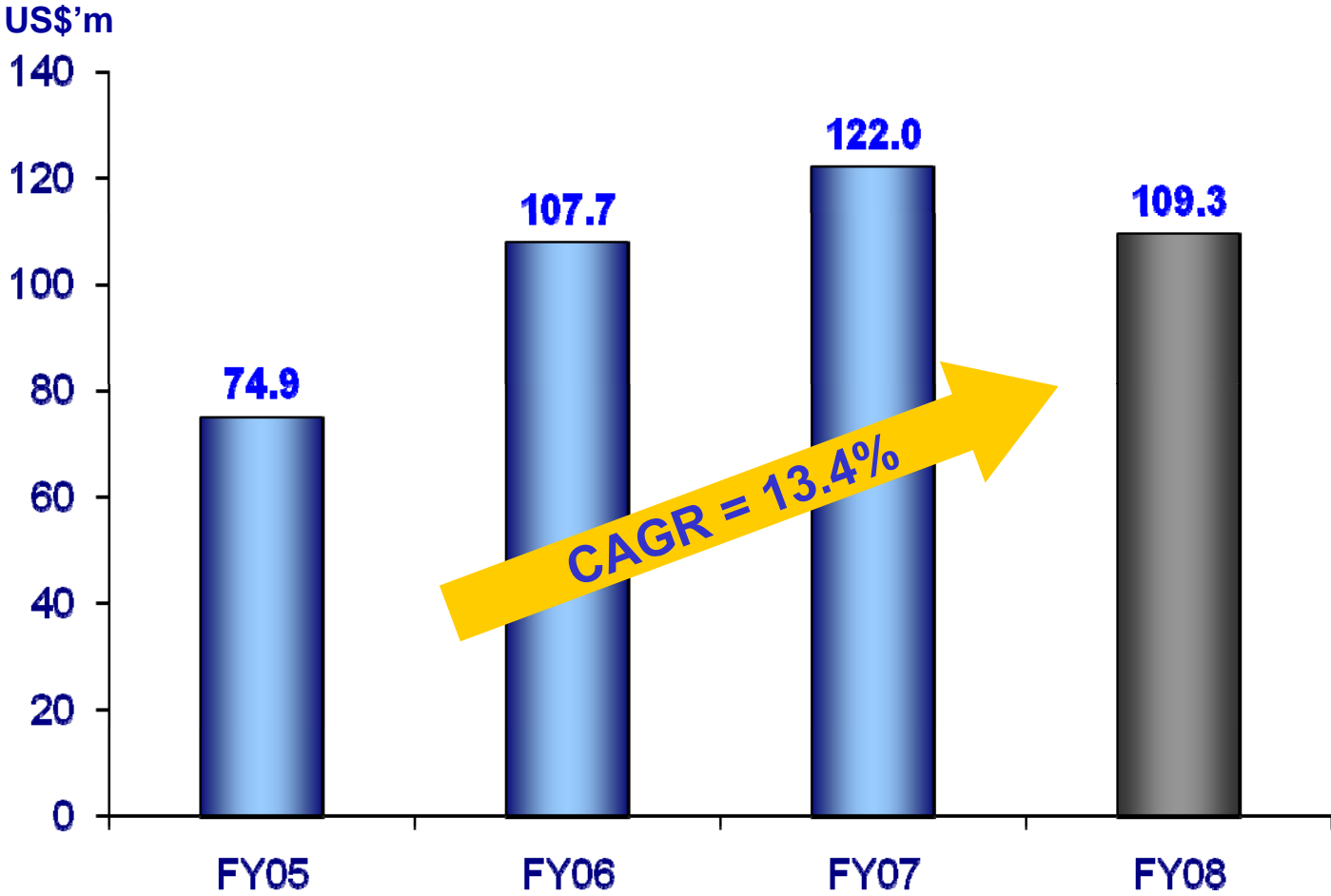


Financial Year end 31 Dec	FY08 (US\$m)	FY07 (US\$m)	Change
Revenue	109.3	122.0	-10.4%
Gross Profit	16.5	31.9	-48.3%
Profit before Tax	0.6	16.5	-96.4%
Profit Attributable to Shareholders	1.3	15.8	-91.9%
EPS (US cents)*	0.20	2.20	-90.9%

* Based on weighted average no. of shares of 716,751,000 and 719,282,000 ordinary shares on issue in FY08 and FY07 respectively.

FY: Financial year ended 31 December

Revenue



FY: Financial year ending 31 December

Revenue Contribution



Top 10 customers in FY08

Foxconn	ZTE
Sagem Bird	Altek
Vtech	Tianyu
TCL Alcatel	Minibea

Balance Sheet Highlights



	31-Dec-08 (US\$'m)	31-Dec-07 (US\$'m)
Shareholders' equity	112.2	110.7
Cash & cash equivalents	32.3	32.8
Fixed assets	44.5	42.2
Trade receivables	38.3	56.2
Inventories	8.9	9.1
Trade payables	20.7	31.0
Bills and other payables	7.0	8.3
Loans	-	-
NAV per share (US cents)*	15.7	15.4

* Based on issued share capital of 716,300,000 and 717,000,000 for FY08 and FY07 respectively

Cashflow Highlights



	FY08 (US\$'m)	FY07 (US\$'m)
Operating activities	17.9	13.3
Investing activities	(13.9)	(12.0)
Financing activities	(6.7)	(5.7)
Net cashflows	(2.7)	(4.4)
Net cashflows, ex bills	(3.5)	(1.7)



Corporate Updates

Corporate Updates



Expansion into the manufacturing of touch screen panels

- Invested in Teradisplay Co., Ltd of South Korea (Tera Korea) since Feb'08
 - Dilution of stake from 25.9% to 20.1% since Jan'09
 - Due to conversion of existing preference shares to ordinary shares as well as issuance of additional ordinary shares to a new investor
 - Engaged in the manufacture and sale of touch screen panels
 - In line with Memtech'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
- Tera Korea incorporated subsidiary in Nantong, China in Apr'08
 - Manufacture resistive and capacitive touch screen panels mainly for the mobile phone industry
 - Investment capital of US\$3 million, with Memtech holding 20% direct interest
 - Production facilities commenced operations in end Nov'08

Corporate Updates



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



Outlook & Strategies Moving Forward

Outlook



- **Global economic outlook remains uncertain in 2009**
 - Expect demand to remain weak
- **Customers are cautious in awarding orders**
 - Customers delaying or cancelling new product launches
 - Impact on domestic & export sales

Strategies Going Forward

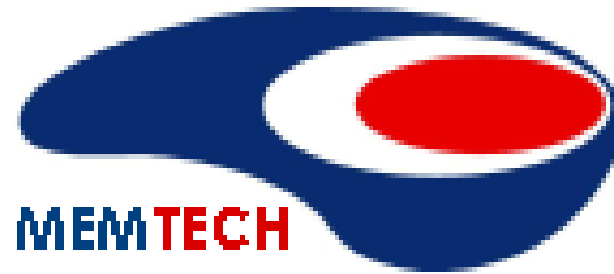


- **Focus on outperforming competitors and improving cost structure**
 - Scaled down operations while maintaining core strengths
- **Step up sales and marketing efforts**
 - Restructured marketing division for greater effectiveness
 - Intensified marketing efforts to achieve greater market penetration
 - Redirected marketing resources to new and existing customers that are less affected by the economic slowdown

Strategies Going Forward



- **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**



Memtech International Ltd

Thank You
