



## **MEMTECH INTERNATIONAL LTD**

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

### **NEWS RELEASE**

#### **MEMTECH'S FY2005 REVENUE INCREASES 28% TO US\$74.9 MILLION**

##### **FY2005 Financial Highlights:**

- Full-Year Revenue up 28% to US\$74.9 million
- 4Q FY2005 Revenue up 82% to US\$27.3 million
- Net Profit at US\$10.4 million
- Proposed a dividend of 1 Singapore cent per ordinary share

*SINGAPORE, February 24, 2005* – Mainboard-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 full year ended 31 December 2005 (“FY2005”). The Group registered a 28% increase in revenue to US\$74.9 million in FY2005, compared to US\$58.6 million in FY2004. Its net profit however fell to US\$10.4 million in FY2005 as compared to US\$14.8 million in FY2004.

##### **Performance Review**

In 2005, the Group’s profit margin was affected by lower selling prices, increase in raw material prices and higher labour costs.

The Group’s increase in revenue was achieved by securing new customers such as Motorola, Westron Neweb, Haier and Huawei and increasing orders from its existing customers such as Lenovo, Ningbo Bird and UT Starcom during the year. Revenue from Asia surged by 164.4% to US\$16.8 million in FY2005 compared to US\$6.3 million in FY2004.

Said Mr Chuang Wen Fu (庄文甫), Executive Chairman of Memtech: "I am pleased with the revenue growth we have achieved for FY2005 amid tough market conditions. By focusing our marketing efforts on international handset manufacturers, we have managed to achieve stronger growth in sales in the fourth quarter and gained a more balanced mix of customer base comprising both local and international handset manufacturers."

The Group registered strong revenue growth of 82% to US\$27.3 million in 4Q FY2005, largely due to increased orders from new customers such as Siemens, Motorola, HTC Corporation and Wistron Neweb Corporation.

Though majority of the Group's revenue was derived from the Chinese market, the Group managed to achieve a more balance geographical mix in FY2005. China contributed approximately 58.8% to the Group's total revenue in FY2005 as compared to 67.4% in FY2004, while revenue contributions from the rest of its markets increased in FY2005. Group revenue from Asia, Europe and Other countries contributed 22.4%, 16.8% and 2.0% respectively.

In line with the lower gross profit, Group net profit falls to US\$10.4 million. The Group's net profit was also affected by the start-up costs incurred for its lens and plastic operations and its provision for doubtful debts.

Currently, the Group retains a healthy current ratio of 2.8 times as at December 31, 2005.

## **Outlook**

The mobile phone market remains competitive but growth is expected to continue with strong demand in replacement sales and the large potential promised by 3G mobile phones. In 2005, whilst the China mobile market underwent a period of severe adjustment and consolidation, we made the conscious effort to upgrade the quality of our customer base and secured several strong new customers. We have also

succeeded in widening our overseas market network, leading to higher export sales which accounted for 41% of the total sales as compared to 33% previously. Against this backdrop, we expect, barring unforeseen circumstances, our performance in 2006 to be better than 2005. We also expect our lens and plastic components operations to improve in 2006.

### **Dividend**

To reward its shareholders, the Board has proposed a first and final dividend of 1 Singapore cent per ordinary share for FY2005.

## **About Memtech International Ltd**

Listed on the Main Board of the Singapore Exchange on 22 July 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 Philip China as well as European mobile phone manufacturers such as Sagem S.A. and automotive parts manufacturer, Lepold Kostal GmbH & Co. KG.

---

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	:	Mr Andrew Cheng / Ms Vicki Loh at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9633-7377 / 9730-5754 (Mobile)
EMAIL	:	andrew.cheng@citigatedrimage.com Vicki.loh@citigatedrimage.com

---

021/06/001/MIL

February 24, 2006