



## **MEMTECH INTERNATIONAL LTD**

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

### **Third Quarter Financial Statements Announcement For the period ended 30 September 2018**



**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year:**

**Income Statement**

*For the period ended 30 September 2018*

	Group Third Quarter			Group Year to Date		
	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	53,736	46,211	16.3%	140,322	120,399	16.5%
Cost of sales	(44,643)	(37,718)	18.4%	(118,586)	(98,768)	20.1%
Gross profit	9,093	8,493	7.1%	21,736	21,631	0.5%
Other income	598	954	-37.3%	2,020	4,924	-59.0%
Sales and marketing expenses	(2,482)	(2,018)	23.0%	(6,708)	(5,808)	15.5%
General and Administration expenses	(3,475)	(2,904)	19.7%	(9,373)	(8,445)	11.0%
Exchange gain/(loss)	254	(48)	NM	204	(172)	NM
Other operating expenses	(133)	(69)	92.8%	(439)	(243)	80.7%
Net gain from liquidation of subsidiary	-	-	NM	701	-	NM
Finance costs	(72)	(158)	-54.4%	(238)	(402)	-40.8%
Profit before tax	3,783	4,250	-11.0%	7,903	11,485	-31.2%
Income tax expenses, net	(608)	(305)	99.3%	(1,290)	(1,040)	24.0%
Profit for the period	3,175	3,945	-19.5%	6,613	10,445	-36.7%
Attributable to:						
Owners of the Company	3,144	3,898	-19.3%	6,582	10,366	-36.5%
Non-controlling interests	31	47	-34.0%	31	79	-60.8%



**Statement of Comprehensive Income**  
*For the period ended 30 September 2018*

	Group Third Quarter			Group Year to Date		
	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit for the period	3,175	3,945	-19.5%	6,613	10,445	-36.7%
Other comprehensive income (net of tax)						
Items that may be reclassified to profit and loss:						
Currency translation differences	(3,123)	1,366	NM	(4,848)	2,989	NM
Total comprehensive income for the period	52	5,311	NM	1,765	13,434	-86.9%
Attributable to:						
Owners of the company	36	5,258	-99.3%	1,754	13,344	-86.9%
Non-controlling interests	16	53	-69.8%	11	90	-87.8%
Total comprehensive income for the period attributable to Owners of the company	52	5,311	-99.0%	1,765	13,434	-86.9%

**Notes**

NM: Not meaningful

**1 Profit from operating activities**

Profit from operating activities is arrived at after charging /(crediting):

	Group Third Quarter			Group Year to Date		
	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)	2018 30-Sep	2017 30-Sep	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Depreciation	2,304	2,198	4.8%	6,982	6,251	11.7%
Allowance for/(write-back of) doubtful receivables, trade	213	62	NM	(79)	266	NM
(Write-back of)/allowance for stock obsolescence	(30)	226	NM	437	113	NM
Net (gain)/loss on disposal of property, plant and equipment	(30)	(35)	-14.3%	99	(3,218)	NM
Exchange (gain)/loss	(254)	158	NM	(204)	402	NM



**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Statement of Financial Position**

*As at 30 September 2018*

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>30-Sep</b>	<b>31-Dec</b>	<b>30-Sep</b>	<b>31-Dec</b>
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-Current Assets:</b>				
Property, plant and equipment	44,273	43,790	-	-
Investment in subsidiaries	-	-	69,365	75,107
Intangible assets	539	564	-	-
	<u>44,812</u>	<u>44,354</u>	<u>69,365</u>	<u>75,107</u>
<b>Current Assets:</b>				
Cash and cash equivalents	19,242	34,896	940	611
Bank deposits pledged	1,970	1,611	-	-
Trade receivables	72,079	70,662	-	-
Bills and other receivables	7,186	6,691	3	3
Amounts due from subsidiaries	-	-	8,747	8,792
Prepayments	4,155	4,625	-	-
Inventories	26,048	24,579	-	-
	<u>130,680</u>	<u>143,064</u>	<u>9,690</u>	<u>9,406</u>
<b>Current Liabilities:</b>				
Trade payables and accruals	35,061	39,676	273	516
Bills and other payables	9,051	9,499	7	15
Amounts due to subsidiaries	-	-	6,500	5,000
Provision for taxation	407	707	-	-
Other liabilities	569	784	-	-
Loans and borrowings	2,393	1,498	-	-
	<u>47,481</u>	<u>52,164</u>	<u>6,780</u>	<u>5,531</u>
<b>Net Current Assets</b>	<b>83,199</b>	<b>90,900</b>	<b>2,910</b>	<b>3,875</b>
<b>Non-Current Liabilities:</b>				
Loans and borrowings	1,051	3,342	-	-
Other liabilities	576	754	-	-
Deferred taxation	3,787	3,840	-	-
	<u>5,414</u>	<u>7,936</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>	<b><u>122,597</u></b>	<b><u>127,318</u></b>	<b><u>72,275</u></b>	<b><u>78,982</u></b>



## Statement of Financial Position (Cont'd)

*As at 30 September 2018*

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>30-Sep</b>	<b>31-Dec</b>	<b>30-Sep</b>	<b>31-Dec</b>
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Equity Attributable to Owners of the Company</b>				
Share capital	57,808	57,808	57,808	57,808
Treasury shares	(2,127)	(1,441)	(2,127)	(1,441)
Currency translation reserve	(6,302)	(1,474)	-	-
Statutory reserve fund	9,477	10,457	-	-
Acquisition reserve	(714)	(714)	-	-
Revenue reserves	64,118	62,356	16,594	22,615
	122,260	126,992	72,275	78,982
<b>Non-controlling interests</b>	337	326	-	-
<b>Total Equity</b>	122,597	127,318	72,275	78,982

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

	<b>Group Secured</b>		<b>Group Unsecured</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>30-Sep</b>	<b>31-Dec</b>	<b>30-Sep</b>	<b>31-Dec</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less or on demand	-	-	2,393	1,498
Amount repayable after one year	-	-	1,051	3,342
	-	-	3,444	4,840



**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cashflows**

*For the period ended 30 September 2018*

	<b>Group Third Quarter</b>		<b>Group Year to Date</b>	
	<b>2018 30-Sep</b>	<b>2017 30-Sep</b>	<b>2018 30-Sep</b>	<b>2017 30-Sep</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Cash flows from operating activities:				
Profit before tax	3,783	4,250	7,903	11,485
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	2,304	2,198	6,982	6,251
Amortisation of intangible assets	-	-	-	10
Interest expense	72	69	238	243
Interest income	(53)	(9)	(211)	(32)
Allowance for/(write-back of) doubtful receivables, trade	213	62	(79)	266
(Write-back of)/allowance for stock obsolescence	(30)	226	437	113
Net (gain)/loss on disposal of property, plant and equipment	(30)	(35)	99	(51)
Net gain on disposal of non-current asset held for sale	-	-	-	(3,167)
Net gain on liquidation of a subsidiary	-	-	(701)	-
Unrealised exchange (gain)/loss, net	(469)	69	(1,074)	167
Total adjustments	2,007	2,580	5,691	3,800
Operating cash flows before changes in working capital	5,790	6,830	13,594	15,285
<u>Changes in working capital</u>				
Trade and other receivables	(11,599)	(7,289)	(3,508)	1,531
Inventories	836	(2,136)	(2,339)	(4,646)
Trade and other payables	150	6,977	(1,672)	(1,933)
Total changes in working capital	(10,613)	(2,448)	(7,519)	(5,048)
Cash flows (used in)/generated from operations	(4,823)	4,382	6,075	10,237
Interest received	53	9	223	43
Interest paid	(72)	(69)	(238)	(243)
Income taxes paid	(400)	(607)	(1,555)	(1,609)
Net cash flows (used in)/generated from operating activities	(5,242)	3,715	4,505	8,428
Cash flows from investing activities:				
Purchases of property, plant and equipment	(2,584)	(3,184)	(10,587)	(7,748)
Proceeds from disposal of property, plant and equipment	28	30	208	921
Proceeds from disposal of non-current asset held for sale	-	-	-	5,057
Net cash used in investing activities	(2,556)	(3,154)	(10,379)	(1,770)
Cash flows from financing activities:				
Proceeds from loans and borrowings	-	-	312	1,161
Dividends Paid	-	-	(5,800)	(2,523)
Repayments of loans and borrowings	(1,096)	(352)	(1,485)	(908)
Bank deposits received/(pledged)	1,040	411	(477)	322
Purchase of treasury shares	-	-	(690)	-
Net cash (used in)/generated from financing activities	(56)	59	(8,140)	(1,948)
Net (decrease)/increase in cash and cash equivalents	(7,854)	620	(14,014)	4,710
Effects of exchange rate changes on opening cash and cash equivalents	(1,393)	539	(1,640)	1,184
Cash and cash equivalents at the beginning of the period	28,489	32,088	34,896	27,353
Cash and cash equivalents at the end of the period	19,242	33,247	19,242	33,247



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity**

*As at 30 September 2018*

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Issued Capital</b>				
Balance at 1 January, 31 March, 30 June and 30 September	57,808	57,808	57,808	57,808
<b>Treasury Shares</b>				
Balance at 1 January and 31 March	(1,441)	(1,441)	(1,441)	(1,441)
Purchase of treasury Shares	(686)	-	(686)	-
Balance at 30 June and 30 September	(2,127)	(1,441)	(2,127)	(1,441)
<b>Statutory Reserve Fund</b>				
Balance at 1 January and 31 March	10,457	10,035	-	-
Reclassification of statutory fund to revenue reserves	(980)	-	-	-
Balance at 30 June and 30 September	9,477	10,035	-	-
<b>Acquisition reserve</b>				
Balance at 1 January, 31 March, 30 June and 30 September	(714)	(714)	-	-
<b>Currency Translation Reserve</b>				
Balance at 1 January	(1,474)	(6,222)	-	-
Net effect of exchange translation differences	3,007	362	-	-
Balance at 31 March	1,533	(5,860)	-	-
Net effect of exchange translation differences	(4,727)	1,256	-	-
Balance at 30 June	(3,194)	(4,604)	-	-
Net effect of exchange translation differences	(3,108)	1,360	-	-
Balance at 30 September	(6,302)	(3,244)	-	-
<b>Revenue Reserves</b>				
Balance at 1 January	62,356	51,176	22,615	25,874
Net profit/(loss) for the period	1,337	1,597	(172)	(136)
Balance at 31 March	63,693	52,773	22,443	25,738
Net profit/(loss) for the period	2,101	4,871	222	(158)
Reclassification of statutory fund to revenue reserves	980	-	-	-
Dividend paid	(5,800)	(2,523)	(5,800)	(2,523)
Balance at 30 June	60,974	55,121	16,865	23,057
Net profit/(loss) for the period	3,144	3,898	(271)	(120)
Balance at 30 September	64,118	59,019	16,594	22,937
<b>Non- controlling interests</b>				
Balance at 1 January	326	191	-	-
Net profit for the period	1	14	-	-
Net effect of exchange translation differences	12	1	-	-
Balance at 31 March	339	206	-	-
Net (loss)/profit for the period	(1)	18	-	-
Net effect of exchange translation differences	(17)	4	-	-
Balance at 30 June	321	228	-	-
Net profit for the period	31	47	-	-
Net effect of exchange translation differences	(15)	6	-	-
Balance at 30 September	337	281	-	-
<b>Total Equity</b>				
Balance at 1 January	127,318	110,833	78,982	82,241
Total for the period	4,357	1,974	(172)	(136)
Balance at 31 March	131,675	112,807	78,810	82,105
Total for the period	(9,130)	3,626	(6,264)	(2,681)
Balance at 30 June	122,545	116,433	72,546	79,424
Total for the period	52	5,311	(271)	(120)
Balance at 30 September	122,597	121,744	72,275	79,304



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

	<b>2018 30-Sep</b>	<b>2017 31-Dec</b>
	No. of shares	No. of shares
Ordinary shares	<u>143,999,998</u>	<u>143,999,998</u>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>2018 30-Sep</b>	<b>2017 31-Dec</b>
	No. of shares	No. of shares
Issued ordinary shares excluding treasury shares	<u>140,080,878</u>	<u>140,880,878</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<b>2018 30-Sep</b>	<b>2017 31-Dec</b>
	No. of shares	No. of shares
Balance as at beginning and end of the year	3,119,120	3,119,120
Open market purchase	800,000	-
Balance as at end of the year	<u>3,919,120</u>	<u>3,119,120</u>





**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The above figures have not been audited or reviewed.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not Applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted all the new/revised FRSs that are mandatory for financial year beginning on or after 1 January 2018. Except for the adoption of these new/revised FRSs, the Group has consistently adopted the same accounting policies and methods of computation as stated in the audited financial statements of the Group for the year ended 31 December 2017.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The adoption of the new/revised FRSs has no material financial impact on the Group's financial statements.



**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

		Group		Group		
		Third Quarter		Year to Date		
		2018	2017	2018	2017	
		30-Sep	30-Sep	30-Sep	30-Sep	
		US cents	US cents	US cents	US cents	
Earnings per ordinary share for the period after deducting any provision for preference dividends:						
(i)	Based on weighted average number of ordinary shares on issue	*	2.2	2.8	4.7	7.4
(ii)	On a fully diluted basis	*	2.2	2.8	4.7	7.4

\*Earning per ordinary share included an exchange gain of US\$0.7million due to reclassification from foreign currency translation reserve to income statement upon the liquidation of a Huzhou subsidiary. The reclassification has no effect on net asset value of the company.

		Group		Group	
		Third Quarter		Year to Date	
		2018	2017	2018	2017
		30-Sep	30-Sep	30-Sep	30-Sep
		'000	'000	'000	'000
Weighted average number of shares:					
(i)	Based on weighted average number of ordinary shares on issue	140,081	140,881	140,577	140,881
(ii)	On a fully diluted basis	140,081	140,881	140,577	140,881

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year**

		Group		Company	
		Third Quarter		Year to Date	
		2018	2017	2018	2017
		30-Sep	31-Dec	30-Sep	31-Dec
		US cents	US cents	US cents	US cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on					
		87.3	90.1	51.6	56.1
Number of shares ('000)					
		140,081	140,881	140,081	140,881



- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Revenue and Profitability Analysis**

#### **3Q2018 vs. 3Q2017**

The Group's revenue increased 16.3% year-on-year ("yoy") to US\$53.7 million for 3Q2018. Growth in the Group's revenue was led by the Automotive segment which increased 23.8% yoy to US\$24.8 million, driven by projects from key customers going into mass production and higher volume from certain projects. The Group's Consumer Electronics segment revenue increased 10.4% yoy to US\$18.8 million. This growth was attributed to an increase in demand from key customers and new projects entering the ramp-up phase. Growth from the Consumer Electronics segment was slower than expected. That was attributed to a key multinational customer delaying the launch of certain projects whereby a significant portion of the volume is expected to shift into 1Q2019. Additionally, another key multinational customer pushed back the launch of certain projects as it plans to refresh and transition to newer models in FY2019.

Growth in topline was also contributed by the Group's Industrial & Medical segment which increased 76.1% yoy to US\$5.8 million due to new project launches from both new and existing customers going into mass production. Conversely, the Group's Telco segment declined 26.4% yoy to US\$4.3 million.

<b>Segment (US\$'000)</b>	<b>3Q2018</b>	<b>3Q2017</b>	<b>Change (%)</b>
<b>Automotive</b>	24,818	20,048	23.8
<b>Consumer Electronics</b>	18,847	17,078	10.4
<b>Telco</b>	4,259	5,784	(26.4)
<b>Industrial &amp; Medical</b>	5,813	3,301	76.1
<b>Total</b>	53,736	46,211	16.3

The Group's gross profit increased 7.1% yoy to US\$9.1 million. Conversely, the Group's gross profit margin declined from 18.4% for 3Q2017 to 16.9% for 3Q2018. The decline in gross profit margin was attributed to a) rising labour costs, b) rising raw material costs, and c) lower manufacturing yield during the initial ramp up phase with new customers.



The Group's other income declined 37.3% yoy to US\$0.6 million due to a reduction in government incentives and subsidies received.

The Group's sales and marketing expenses increased 23.0% yoy to US\$2.5 million for 3Q2018 mainly due to an increase in transportation costs.

General and Administration expenses increased 19.7% yoy to US\$3.5 million for 3Q2018 mainly due to higher staff costs arising from annual salary adjustments, environmental related costs and additional provisions for doubtful debts.

The Group reported a foreign exchange gain amounting to US\$0.3 million for 3Q2018 mainly due to the appreciation of the US Dollar against the Chinese Renminbi.

As a result, the Group reported a 19.3% yoy decline in net profit attributable to owners of the Company amounting to US\$3.1 million for 3Q2018.

### **Balance Sheet Analysis**

The net book value of property, plant and equipment increased from US\$43.8 million as at 31 December 2017 to US\$44.3 million as at 30 September 2018 mainly due to additions for new projects along with upgrading and replacement of machinery. The Group saw an increase in trade receivables in line with the growth in revenue while conversely, trade payables declined as more payments were made in 3Q2018.

The Group's cash and cash equivalents declined from US\$34.9 million as at 31 December 2017 to US\$19.2 million as at 30 September 2018 due mainly to the repayment of loans and borrowings amounting to US\$1.1 million, dividend payout of US\$5.8 million and payment of US\$10.6 million for capital expenditure.

Currency translation reserve increased due to a translation loss of US\$3.1 million arising from the significant depreciation of RMB against USD in 3Q2018.

### **Cash Flow Analysis**

The Group used US\$5.2 million net cash from operating activities for 3Q2018 as compared to net cash generated in operating activities amounting to US\$3.7 million for 3Q2017. Net cash used in investing activities was US\$2.6 million for 3Q2018 as compared to net cash used in investing activities amounting to US\$3.2 million for 3Q2017. This was mainly attributable to the purchase of property, plant and equipment as required to support orders from new key customers.



Overall, the Group maintained a healthy financial position as at 30 September 2018. The Group's current ratio was 2.8 times with cash and cash equivalents amounting to US\$19.2 million or approximately 14 US cents per share.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

These results are in line with the statement made in the 2Q2018 results announcement for the period ended 30 June 2018.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The business landscape remains challenging due to rising labour costs, rising competition, and higher input costs of raw materials and utilities. In addition, the market has become more cautious in light of the ongoing trade war tensions. The Group has not been directly impacted by the current trade war tariffs, however, the indirect impact in terms of a more conservative market sentiment has presented additional business headwinds.

Despite the challenges, the Group continues to leverage on its material science know-how and niche capabilities in plastic and rubber to develop new business avenues from both new and existing customers. Growth from the Consumer Electronics segment was slower than expected. That was attributed to a key multinational customer delaying the launch of certain projects whereby a significant portion of the volume is expected to shift into 1Q2019. Additionally, another key multinational customer pushed back the launch of certain projects as it plans to refresh and transition to newer models in FY2019.

The Group's business development initiatives are ongoing as the Group continues to source for opportunities within the Automotive, Consumer Electronics and Industrial & Medical segments. The Group expects to launch new projects within each of these business segments in FY2019, having secured new project wins from key customers. The Group remains poised to capture prevailing market opportunities within high-growth trends such as electric vehicles, internet of things applications such as smart home devices and audio-related products.

In addition, the Group has placed an emphasis on streamlining operations and boosting productivity by investing in automation to enhance its competitive edge. Concurrently, the Group has maintained its focus on improving earnings quality through the gradual elimination of lower-margin processes while taking on projects related to higher margin, complex engineering parts.



Looking ahead, the Group will continue to monitor the trade war situation closely. At present, the Group is in the preliminary stages of exploring potential manufacturing locations in new geographic regions. Furthermore, the Group is exploring inorganic growth opportunities that are synergistic to the Group's operations. Backed by a strong balance sheet with a net cash position of US\$15.8 million, the Group remains confident in its long-term growth prospects.

## **11 Dividend**

### ***(a) Current Financial Period Reported On***

None.

### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

None.

### ***(c) Date payable***

Not Applicable.

### ***(d) Books closure date***

Not Applicable.

## **12 If no dividend has been declared/recommended, a statement to that effect**

Not Applicable.

## **13 If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

## **14 Negative Confirmation of the Board pursuant to Rule 705(5)**

Chuang Wen Fu and Gu Chenghua, being two directors of Memtech International Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the 1Q2018 financial results to be false or misleading in any material aspect.



**15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

Chuang Wen Fu  
Chairman

8 November 2018