

**Further Disclosure on the Company's First Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2016**

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The board of directors (the "Board") of Memstar Technology Ltd. (the "Company") wishes to announce the information set out below in response to queries raised by the Singapore Exchange ("SGX") on 6 December 2016 in relation to the Company's First Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2016 released on 14 November 2016.

SGX's Query :

- 1) The Company has not announced its monthly valuation of assets and utilization of cash in accordance with Listing Rule 1018(1) for October and November 2016. Please make the necessary announcements.

Company's Response

The announcement has been made on 8 December 2016.

SGX's Query :

- 2) It was disclosed that "(t)he Company has appointed the law firm Rajah & Tann Singapore LLP to commence legal action against Longmen Group Ltd. and other relevant parties under the RTO SPA". Please provide details on:-
  - i) The legal action;
  - ii) When did the legal action commence;
  - iii) When is the court hearing date; and
  - iv) The status of Longmen Group Ltd's operations and its ability to repay the loan.

Company's Response

The relevant parties, including the Company and Longmen Group Ltd, are currently engaged in without prejudice negotiations with a view to exploring an amicable resolution of the matter. Legal proceedings have not commenced.

Apart from what had been previously announced (including the Company's announcements dated 7 April 2016 and 21 October 2016), the Company is not aware of any further details regarding the status of Longmen Group Ltd's operations and its ability to repay the refundable deposit of US\$5 million.

Further announcement on any material developments in respect of the above will be made as and when appropriate.

SGX's Query :

- 3) As required by Listing Rule 720(1), please disclose the confirmation that the Company has procured undertakings in the format set out in Appendix 7.7 of the Listing Manual from all its directors and executive officers.

Company's Response

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

By Order of The Board

Lee Seng Suan  
Company Secretary  
8 December 2016