

MEMSTAR TECHNOLOGY LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197901641K)

PROPOSED PLACEMENT OF 490,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF MEMSTAR TECHNOLOGY LTD (“COMPANY”)

– COMPLETION OF PLACEMENT AND USE OF PLACEMENT PROCEEDS

*Unless otherwise specified herein or where the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as used in the announcements regarding the proposed placement (“**Placement**”) dated 22 December 2014 and 31 December 2014 (“**Announcements**”).*

Completion of Placement

Further to the Announcements, the Board of Directors (“**Board**”) of the Company is pleased to announce that, pursuant to the terms of the Placement Agreement, the Company has completed the Placement on 2 January 2015, following the issue and allotment of 490,000,000 Placement Shares at the placement price of S\$0.0136 for each Placement Share.

Following the allotment and issue of the Placement Shares, the issued and paid-up share capital of the Company has increased from 2,667,407,337 ordinary shares (excluding treasury shares) to 3,157,407,337 ordinary shares (excluding treasury shares).

The listing and quotation of the Placement Shares on the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) is expected to take place at 9:00am on 7 January 2015.

The approval in-principle of the SGX-ST for the listing and quotation of the Placement Shares is not to be taken as an indication of the merits of the Placement, the Placement Shares, the Company and/or its subsidiaries.

Use of Placement Proceeds

Pursuant to the Placement, proceeds of approximately S\$6.664 million were raised (“**Proceeds**”), of which S\$6.647 million¹ has been advanced to Longmen Group Limited as the Refundable Deposit. The balance of the Proceeds has been fully utilised towards the expenses of the Placement.

The above utilisation is in line with the intended uses of the Proceeds set out in the announcement by the Company on 22 December 2014.

The Board of Directors

BY ORDER OF THE BOARD

PAN SHUHONG
Non-Executive Chairman
6 January 2015

¹ Refundable Deposit of US\$5.0 million, based on an exchange rate of US\$1.00 = S\$1.3295. (Note: Exchange rate of US\$1.00 = S\$1.30 utilised for the announcement dated 22 December 2014.)