

MEMSTAR TECHNOLOGY LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197901641K)

UPDATE ON DELISTING NOTIFICATION

1. The board of directors ("**Board**") of Memstar Technology Ltd. ("**Company**") refers to the Company's announcement dated 15 April 2018 ("**Announcement**") on the reminder on the notification of delisting ("**Delisting Notification**") which it had received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**").
2. The Board wishes to inform that further to the Announcement, the Company has, through its professional advisers, engaged with the SGX-ST on, *inter alia*, a proposed transaction ("**Proposed Transaction**") involving potential target(s) ("**Target**") and to defer the Company's delisting requirement.
3. The Board is pleased to announce that the SGX-ST has in its letter dated 5 July 2018, advised that it has no objection to deferring the delisting requirement for the Company to evaluate and submit an application to the SGX-ST for the Proposed Transaction subject to:
 - (a) compliance with the SGX-ST's listing requirements;
 - (b) immediate announcement of the plans relating to the Proposed Transaction and the milestones for completion in respect of the Proposed Transaction;
 - (c) submission of a written confirmation via SGXNet that the Company will provide regular monthly status updates via SGXNet to Shareholders and upon achieving specific milestones for the Proposed Transaction;
 - (d) the Company meeting the following milestones provided by the Company relating to the Proposed Transaction:
 - (i) entry into a definitive agreement with the Target by 31 July 2018;
 - (ii) submission of the Proposed Transaction application to the SGX-ST by 31 December 2018;
 - (iii) seek Shareholders' approval for the Proposed Transaction and completion of the Proposed Transaction by 31 March 2019; and
 - (e) submission of a written confirmation via SGXNet that the Company will proceed with delisting as soon as practicable if the Proposed Transaction fails to meet the timelines in paragraph 1(d) above.
2. In respect of paragraph 3(b) above, the Board wishes to update shareholders of the Company ("**Shareholders**") that the Company is currently in discussions with a Target and expects to enter into a definitive agreement with the Target by 31 July 2018.
3. In respect of paragraphs 3(c) and (d) above, the Company hereby confirms that it will provide regular monthly status updates via SGXNet to Shareholders and upon achieving specific milestones for the Proposed Transaction, and will proceed with delisting as soon as practicable if the Proposed Transaction fails to meet the timelines in paragraph 3(d) above.

The Company will continue to keep Shareholders updated on any material developments on a timely basis. Trading in the Company's securities on the SGX-ST has been suspended from 20 June 2016.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of The Board

**Dr Ge Hailin
Non-Executive Director
20 July 2018**