

MEMSTAR TECHNOLOGY LTD.

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2017

PART I: Information required for announcements of Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Results

- 1 (a)(i) A statement of comprehensive income for the Company together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Company		
	12 months ended 30/06/2017 S\$'000	12 months ended 30/06/2016 S\$'000	Increase/ (Decrease) %
Revenue	-	-	n/a
Cost of sales	-	-	n/a
Gross profit	-	-	n/a
Other income	17	22	(22.7)
Other expenses	-	(6,750)	nm
Administrative expenses	(248)	(2,087)	(88.1)
Loss before income tax	(231)	(8,815)	(97.4)
Income tax expense	-	-	n/a
Loss for the year	(231)	(8,815)	(97.4)
<u>Statement of Comprehensive Loss</u>			
Net loss for the year	(231)	(8,815)	(97.4)
Other comprehensive income	-	-	n/a
Total comprehensive loss for the year	(231)	(8,815)	(97.4)

n/a – not applicable

nm – not meaningful

- 1 (a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

	12 months ended 30/06/2017 S\$'000	12 months ended 30/06/2016 S\$'000	Increase/ (Decrease) %
Loss for the year is arrived at after charging/(crediting) the following:			
Gain on foreign exchange	-	(21)	nm
Legal and professional fees	22	1,750	(98.7)

nm – not meaningful

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

	Company	
	As at 30/06/2017 S\$'000	As at 30/06/2016 S\$'000
Current assets		
Cash and cash equivalents	139	382
Other receivables	15	15
Available-for-sale investment	4	4
	<u>158</u>	<u>401</u>
Total assets	<u>158</u>	<u>401</u>
Equity attributable to owners of the Company		
Share capital	6,884	6,884
Accumulated losses	<u>(8,138)</u>	<u>(7,907)</u>
Total equity	<u>(1,254)</u>	<u>(1,023)</u>
Current liabilities		
Other payables	<u>1,412</u>	<u>1,424</u>
Total liabilities	<u>1,412</u>	<u>1,424</u>
Total equity and liabilities	<u>158</u>	<u>401</u>

1 (b)(ii) Aggregate amount of company's borrowings and debt securities.

	Company			
	30/06/2017		30/06/2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) Amount repayable in one year or less, or on demand	-	-	-	-
(b) Amount repayable after one year	-	-	-	-
Details of any collateral				
Nil				

1 (c) A statement of cash flow (for the Company), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Company	
	12 months ended 30/06/2017 S\$'000	12 months ended 30/06/2016 S\$'000
Cash Flows from Operating Activities		
Loss before income tax	(231)	(8,815)
Adjustment for:		
Unrealised exchange loss	-	(21)
Impairment loss on other receivable	-	6,750
Operating cash flow before working capital changes	(231)	(2,086)
Changes in working capital:		
Receivables	-	(2)
Payables	(12)	1,094
Net cash used in operating activities	(243)	(994)
Net decrease in cash and cash equivalents	(243)	(994)
Cash and cash equivalents at the beginning of the year	382	1,375
Effect of foreign exchange rate changes on cash and cash equivalents	-	1
Cash and cash equivalents at the end of the year	139	382
Represented by:		
Bank balances	139	382

1 (d)(i) A statement (for the issuer) 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.

Company

	Share capital S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total S\$'000
Balance as at 1 July 2015	6,884	908	7,792
Total comprehensive loss for the year	-	(8,815)	(8,815)
Balance as at 30 June 2016	6,884	(7,907)	(1,023)
Balance as at 1 July 2016	6,884	(7,907)	(1,023)
Total comprehensive loss for the year	-	(231)	(231)
Balance as at 30 June 2017	6,884	(8,138)	(1,254)

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 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.

There is no change in the Company's share capital during the financial year from 1 July 2016 to 30 June 2017. There are no outstanding unexercised share options as at 30 June 2017 (30 June 2016: Nil unexercised share options). There are no outstanding convertible securities as at 30 June 2017 and 30 June 2016.

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.

Total number of issued ordinary shares as at 30 June 2017 is 3,157,407,337 (30 June 2016: 3,157,407,337).

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

The Company does not have any treasury shares as at 30 June 2017 and 30 June 2016.

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

The 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 a 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 Company has applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 30 June 2017 compared to the audited financial statements for the financial year ended 30 June 2016, except as disclosed in paragraph 5 below.

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 Company has adopted the Singapore Financial Reporting Standards ("SFRS") including improvements to SFRS and Interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2016, where applicable, the application of these standards has no significant impact on the Company.

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

	Company	
	12 months ended 30/06/2017	12 months ended 30/06/2016
(a) Weighted average number of ordinary shares in issue (in SGD cents) ⁽¹⁾	(0.007)	(0.28)
(b) Fully diluted basis (in SGD cents) ⁽²⁾	(0.007)	(0.28)

(1) Earnings per ordinary share of the Company for the twelve months period ended 30 June 2017 and 30 June 2016 have been computed based on the weighted average number of shares of 3,157,407,337 ordinary shares.

(2) Diluted earnings per ordinary share of the Company for the twelve months period ended 30 June 2017 and 30 June 2016 have been computed based on the weighted average number of shares of 3,157,407,337 ordinary shares.

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Company	
	30/06/2017	30/06/2016
Net liability value per ordinary share based on issued share capital as at the end of the period	SGD cent (0.04)	SGD cent (0.03)

8. A review of the performance of the Company, to the extent necessary for a reasonable understanding of the Company's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Company 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 Company during the current financial period reported on.

The Company had in April 2014 completed the sale of its principal and wholly-owned subsidiary and the membrane business. Following the completion, Memstar Technology Ltd became a cash company under Rule 1018 (Cash Companies) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Administrative expenses decreased from S\$2.1 million for the financial year ended 30 June 2016 to S\$0.2 million for the financial year ended 30 June 2017 mainly due to professional fees for services rendered in the proposed RTO transaction which had since been terminated. Administrative expenses of \$0.2 million for the financial year ended 30 June 2017 comprise mainly compliance costs (accrued directors' fees, statutory compliance costs, listing fees). Other expense of S\$6.75 million for the financial year ended 30 June 2016 relates to the provision for impairment of other receivable for the refundable deposit from Longmen Group Ltd.

Review of the Company's Financial Position as at 30 June 2017 as compared to the Company's Financial Position as at 30 June 2016

The assets of the Company comprise mainly cash of approximately S\$0.14 million. Other payables comprise mainly accruals of statutory costs and professional fees.

Net cash used in operating activities amounted to approximately S\$0.2 million mainly due to compliance and professional fees.

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Not applicable.

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

The Company refers to the announcements made on SGXNET on 7 April 2016, 23 May 2016 and 17 June 2016 in relation to the termination of the RTO sale and purchase agreement ("RTO SPA") with Longmen Group Ltd and the notification of delisting from the Official List of the SGX-ST. The Company is not presently able to provide a reasonable exit offer due to cash limitations and the Company's controlling shareholders have not expressed any intention to make an exit offer.

The refundable deposit from Longmen Group Ltd has yet to be recovered. The Company and Longmen Group Ltd are still in negotiation on the resolution of this matter. Announcements on material developments will be made as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded.

13. Interested person transactions

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

There were no interested person transactions entered into by the Company for the financial period ended 30 June 2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2 & Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the Company) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable as the Company does not have any revenue and business operations.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 above.

16. Breakdown of sales.

	Company		
	Year ended 30.06.17 S\$'000	Year ended 30.06.16 S\$'000	Change (%)
Revenue reported for the first half year	-	-	nm
Loss after income tax for the first half year	(95)	(1,103)	(91.4)
Revenue reported for the second half year	-	-	Nm
Loss after income tax for the second half year	(136)	(7,712)	(98.2)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been declared for the current and previous financial years.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

The Board of Directors hereby confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, Chief Executive Officer or substantial shareholder of the Company.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers

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
25 August 2017