

MEMSTAR TECHNOLOGY LTD
(Incorporated in the Republic of Singapore)
(Company registration no: 197901641K)

NOTIFICATION OF DELISTING

1. The board of directors (“**Board**” or “**Directors**”) of Memstar Technology Ltd. (“**Company**”) refers to:
- (a) the announcement made by the Company on 7 April 2016 in relation to the termination of the sale and purchase agreement dated 20 December 2014, as subsequently amended by the 1st, 2nd, 3rd and 4th Supplemental Agreements executed on 5 February 2015, 5 March 2015, 24 July 2015 and 30 November 2015 respectively;
 - (b) the announcement made by the Company on 23 May 2016 in relation to SGX-ST’s query on, *inter alia*, the repayment of the US\$5 million refundable deposit previously advanced by the Company to the Target; and
 - (c) the announcement made by the Company on 23 May 2016 in relation to, *inter alia*, the notification of delisting from the Official List of the SGX-ST, dated 18 May 2016, and the provision of a reasonable exit offer to shareholders,

(collectively, the “**Announcements**”).

Unless otherwise defined, all terms and references used herein shall bear the same meaning as ascribed to them in the Announcements.

2. The Board would like to remind shareholders that, pursuant to the Delisting Notification, trading in the Company’s securities will be suspended from 9:00am, 20 June 2016 (one month from the date of the Delisting Notification) until completion of the exit offer.
3. Pursuant to Listing Rule 1306, the Company or its controlling shareholder must comply with Listing Rule 1309 to provide a reasonable exit offer to shareholders.
4. The Board wishes to inform the shareholders that the Company is not presently able to provide a reasonable exit offer for the following reasons:
- (a) the Company had, in its capacity as a cash company, utilised a significant portion of its then remaining cash to, *inter alia*, engage legal, financial, accounting and technical professionals and advisers in accordance with the RTO SPA. It has a nominal amount of remaining cash of S\$200,000 approximately and is not in a position to make an exit offer; and
 - (b) none of the Company’s controlling shareholders have expressed any intention to make an exit offer.
5. As previously announced by the Company on 7 April and 23 May 2016, the Company was in negotiations with the Target, but has not recovered the US\$5 million refundable deposit previously advanced in connection with the RTO SPA. The Company has appointed the law firm Rajah & Tann Singapore LLP to commence legal action against the Target and the Vendors under the RTO SPA, as well as the other parties who have unlawfully caused loss to the Company. If the Company is successful in the legal proceeding, distributions may be made to shareholders after the Company repays outstanding debts and liabilities (including legal, financial, accounting and technical fees incurred in accordance with the RTO SPA as set out in paragraph 4(a) above).

6. As also previously announced by the Company on 7 April 2016, in light of the termination of the RTO SPA, the Company has restarted its efforts to source for a suitable business to be acquired and seek a re-listing on SGX or any other recognised stock exchange. The Company will continue to look into all options available, with regards to complying with the requirements stipulated in the Listing Rules of SGX-ST and will make an immediate announcement if any material development occurs in this regard.

By Order of the Board

Pan Shuhong
Non-Executive Chairman
17 June 2016