

MEMSTAR TECHNOLOGY LTD.
Company Reg. No. 197901641K

Further Disclosure on the Company's Annual Report for the Financial Year Ended 30 June 2015

The board of directors of Memstar Technology Ltd ("Company") wishes to announce the information set out below in response to the queries raised by the Singapore Exchange ("SGX") on 20 October 2015 in respect of the Company's Annual Report for the financial year ended 30 June 2015.

SGX's Query :

1. Guideline 9.2 of the Code of Corporate Governance 2012 (the "Code") states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars.

Memstar Technology Ltd's (the "Company") Annual Report for FY2015 did not comply with this disclosure. As required by Rule 1207(12) of the Listing Manual, please disclose the remuneration of each director and the CEO to the nearest thousand dollars as recommended in paragraph 9.2 of the Code or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company's Response

We have followed our disclosure on remuneration as in our previous year. The fees paid to the directors for services rendered during the financial year are as follows:

	Salary %	Bonus %	Fees %	Allowances and Other Benefits %	Total Compensation %	Total (round off to thousand dollars) S\$'000
Ms Pan Shuhong	-	-	100	-	100	30
Dr Ge Hailin	-	-	100	-	100	30
Mr Lam Peck Heng	-	-	100	-	100	38
Mr Hong Pian Tee	-	-	100	-	100	45
Mr Chia Chung Mun Alphonsus	-	-	100	-	100	38
Mr Lee Suan Hiang	-	-	100	-	100	38

SGX's Query :

2. It was disclosed in the Company's Annual Report for FY2015 that the "roles of the Chairman and Chief Executive Officer ("CEO") are undertaken by two separate persons who are not related to each other, and each has her/his own responsibilities" and the "Board has received assurance from CEO and Financial Controller ("FC") that: (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) an effective risk management and internal control system has been put in place".
 - i) Please name the Chairman, the Chief Executive Officer and the Financial Controller of the Company that were referred to in the Annual Report;
 - ii) It was mentioned on page 8 of the Annual Report that the "Company did not have any key management personnel (who are not Directors or the CEO) during the financial year ended 30 June 2015". Please reconcile this statement with the disclosures made by the Company above; and
 - iii) Guideline 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As required by Rule 1207(12) of the Listing Manual, please make

disclosures as recommended in Guideline 9.3 of the Code or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company's Response

- (i) The Chairman and CEO are Ms Pan Shuhong and Dr Ge Hailin respectively. Following the completion of the disposal of business and principal subsidiary in April 2014, Ms Pan had been re-designated as Non-executive Chairman and Dr Ge as Non-executive Director and the finance function had been outsourced and represented by Ms Yeo Hui Lian, Financial Controller.
- (ii) Following from (i) above, the Company currently has no key management personnel (who are not Directors or the CEO) as it is now a cash company under Rule 1018 of the Listing Manual of the SGX-ST.
- (iii) No remuneration had been paid.

SGX's Query :

- 3. It was disclosed that "On 2 January 2015, the Company completed the placement of 490,000,000 ordinary shares of the Company issued at the price of S\$0.0136 per placement share and raised a gross proceed of approximately S\$6,664,000". As required by Rule 1207(20) of the Listing Manual, please provide a status report on the use of any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the percentage allocated in the announcements of the issuer. Where the funds have not yet been utilized, please provide a statement to that effect or where proceeds have been used for working capital purposes, please provide a breakdown with specific details on how the proceeds have been applied.

Company's Response

We refer to our announcement made on 6 January 2015 on the completion of placement and use of placement proceeds. Gross proceeds of approximately S\$6,664,000 were raised, of which S\$6,648,000 had been advanced to Longmen Group Limited as Refundable Deposit. The balance of the proceeds had been fully utilised for payment of expenses of the placement. The use of the placement proceeds was in line with the intended use of proceeds as set out in the announcement released by the Company on 22 December 2014.

By Order of The Board

Lee Seng Suan
Company Secretary

22 October 2015