

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

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF LONGMEN GROUP LIMITED

– UPDATE ON THE PROPOSED ACQUISITION

1. INTRODUCTION

The board of directors (“**Board**” or “**Directors**”) of Memstar Technology Ltd (“**Company**”) refers to:

- (a) the announcements made by the Company on 22 December 2014, 5 February 2015, 6 March 2015, 27 July 2015 and 1 December 2015 (collectively, the “**Announcements**”) in relation to the proposed acquisition of the entire issued share capital of Longmen Group Limited (“**Target**”), by way of a proposed reverse takeover of the Company (“**Proposed Acquisition**”), pursuant to the terms of the sale and purchase agreement dated 20 December 2014 (“**SPA**”) and the 1st, 2nd, 3rd and 4th Supplemental Agreements executed in relation thereto, on 5 February 2015, 5 March 2015, 24 July 2015 and 30 November 2015 respectively; and
- (b) the announcement made by the Company on 4 January 2016 in relation to the Company’s request for a trading halt.

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

2. UPDATE ON THE PROPOSED ACQUISITION

Pursuant to the terms of the 4th Supplemental Agreement, the Parties are required to fulfil certain conditions and/or to effect certain deliverables by 31 December 2015 (“**Due Date**”). The Parties are currently negotiating a written agreement to, *inter alia*, revise the Due Date in order for the Target to fulfil these conditions and/or to effect such deliverables. The trading halt announced on 4 January 2016 will be lifted upon the execution of an agreement relating to these matters.

Discussions on these matters are still in progress and shareholders of the Company are advised that there is no certainty that any further agreement will be entered into.

The Company will keep its shareholders informed of any further developments and will make such further announcements as and when appropriate.

3. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Company and Proposed Acquisition in so far as they relate to the Company and the Directors are not aware of any facts, the omission of which, would make any statement in respect of the Company or the Proposed Transactions in so far as they relate to the Company misleading. Where information

in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

4. CAUTIONARY STATEMENT

The Directors of the Company would like to advise shareholders that, although the SPA and the 1st, 2nd, 3rd and 4th Supplemental Agreements have been entered into, Completion is subject to conditions precedent which include the approval of the shareholders at the EGM. Shareholders and potential investors are advised to exercise caution when dealing in the Company's shares, as there is no certainty or assurance, as at the date of this announcement, as to whether (i) the terms and conditions of the Proposed Acquisition may be varied by agreement of the Parties in writing from those set out in the Agreement and this announcement, or (ii) the Proposed Acquisition will proceed to Completion at all.

Shareholders should further note that, in the event the Company is unable to complete the Proposed Acquisition within the extended period granted by the SGX-ST, no further extension may be granted, in which event the Company will be required to delist in accordance with the Mainboard Rules of the SGX-ST.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Pan Shuhong
Non-Executive Chairman
6 January 2016