

Additional Information Relating to the Company's Full Year Financial Statement and Dividend Announcement Ended 30 June 2016

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 7 September 2016:

SGX's Query :

1. In the Income Statement, "Other income" amounted to S\$22K. Please provide details on what had contributed to this amount for the 12 months ended 30 June 2016. In the Income Statement, "Other expenses" amounted to S\$6.75mil which is a provision for impairment of other receivable for the refundable deposit from Longmen Group Ltd. In the Company's 17 June 2016 announcement, it was mentioned that the Company has appointed the law firm Rajah & Tann Singapore LLP to commence legal action against Longmen Group Ltd.

Please provide an update on the claims for the refund of US\$5mil.

Company's Response

Other income comprises mainly exchange gain arising on foreign currencies translation.

The Company has appointed the law firm Rajah & Tann Singapore LLP to commence legal action against Longmen Group Ltd and other relevant parties under the RTO SPA. The legal process is still on-going and the refundable deposit has yet to be recovered. The Company will update the shareholders on any material developments in this regard.

SGX's Query :

2. The Company has not announced its monthly valuation of assets and utilization of cash in accordance with Listing Rule 1018(1) for June, July and August 2016. Please make the necessary announcements.

Company's Response

The Company has on 7 September 2016 made the announcements.

By Order of The Board

Lee Seng Suan
Company Secretary

8 September 2016