

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

**EXTENSION OF TIME FOR CASH COMPANY TO MEET REQUIREMENTS FOR A NEW LISTING
EXECUTION OF 2ND SUPPLEMENTAL AGREEMENT**

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Memstar Technology Ltd. ("**Company**") refers to the announcements made by the Company on 22 December 2014 and 5 February 2015 ("**Announcements**") in relation to the proposed acquisition of the entire issued and paid-up capital of Longmen Group Ltd ("**Target**"), by way of a proposed reverse takeover of the Company ("**Proposed RTO**"), pursuant to the share sale and purchase agreement, dated 20 December 2014 ("**SPA**"), as revised by the 1st supplemental agreement, dated 5 February 2015 ("**1st Supplemental Agreement**").

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

2. EXTENSION OF TIME THE COMPANY, AS A CASH COMPANY, TO MEET THE REQUIREMENTS FOR A NEW LISTING

Further to the Announcements, the Board is pleased to announce that the SGX-ST had, by way of letter dated 3 March 2015, granted the Company, in its capacity as a cash company, a 6-months extension of time to meet the requirements for a new listing, i.e. from 11 April 2015 to 11 October 2015. The extension is subject to the following conditions:

- (a) the submission to the SGX-ST of the Proposed RTO application of Longmen Group Ltd by 30 April 2015; and
- (b) the Company providing quarterly updates of key milestones, via SGXNET, on its progress in completing the Proposed RTO by September 2015.

We also wish to highlight that SGX-ST has reserved the right to amend/vary the above decision and such decision is subject to changes in the policies of the SGX-ST.

3. FURTHER UPDATE IN RELATION TO THE PROPOSED RTO

As announced on 5 February 2015, the Company and the Vendors had, on 5 February 2015, executed the 1st Supplemental Agreement agreeing to extend the date for fulfilment of the understated conditions precedent, as set out under the Agreement, from 31 January 2015 to 28 February 2015:

- (a) the Target using its best endeavours to raise, and having actually raised, the 2nd Tranche Fundraising; and
- (b) the Target entering into an off-take agreement with Petro China and/or CNPC for the purchase of the Target's coal bed methane.

Whilst the Company understands that the Target is in advanced negotiations to conclude the aforesaid matters, delays have been experienced due, *inter alia*, to the recent Lunar New Year public holidays. Accordingly, by mutual agreement, the Company and the Vendors have, on 5 March 2015, entered into a 2nd supplemental agreement ("**2nd Supplemental Agreement**") to further extend the date for fulfilment of the aforesaid conditions precedent to 31 March 2015.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the 2nd Supplemental Agreement, dated 5 March 2015, will be available for inspection, during normal business hours, at the registered office of the Company, at 23 Bukit Batok Street 22, Singapore 659590, for a period of three (3) months from the date of this Announcement.

5. 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, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

6. CAUTIONARY STATEMENT

The Directors of the Company would like to advise shareholders that, although the Agreement and the 1st and 2nd Supplemental Agreements have been entered into, Completion of the SPA remains subject to the fulfilment of the various conditions precedent as set out under the SPA, which include the subject matter of the 1st and 2nd Supplemental Agreements, as well as the results of any legal, financial and other due diligence conducted by the Company on the Target group being satisfactory to the Company (and its professional advisers).

Shareholders and potential investors are, accordingly, 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 the Proposed RTO will proceed to Completion, whether on the existing terms or on any revised terms or at all.

Shareholders should further note that, in the event the Company is unable to complete the Proposed RTO 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 March 2015