



MEMSTAR TECHNOLOGY LTD.
Company Reg. No. 197901641K

Response To Queries From SGX-ST on the Company's Annual Report for the Financial Year Ended 30 June 2014

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 29 October 2014 in respect of the Company's Annual Report for the financial year ended 30 June 2014.

SGX's Query :

1. Under Related Party Transactions on page 51 of the Company's annual report, the Company listed transactions it had with related parties.
 - i) Please disclose the relationship of the related parties to the Company; and
 - ii) Whether they fall under the definition of interested persons under Chapter 9 of the Listing Manual. If so, please provide details as required under Listing Rule 907.

Company's Response

The related parties were the former indirectly wholly-owned subsidiaries of the Company prior to the sale of the Company's membrane business and key principal operating subsidiary. The transactions do not fall under the definition of interested persons under Chapter 9 of the Listing Manual.

SGX's Query :

2. As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.2 and 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Paragraph 9.2 of 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.

Paragraph 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).

Company's Response

Due to confidentiality and sensitivity of remuneration matters, the Company decided to disclose the remuneration only in bands of S\$250,000 up to S\$500,000 of each individual director, and the CEO as disclosed on page 10 of the Annual Report.

The aggregate of the total remuneration paid to the key management personnel (who is not director or the CEO) was S\$144,000 for financial year ended 30 June 2014 which was disclosed in Note 22 to the financial statements on page 51 of the Annual Report.

By Order of The Board

Lee Seng Suan
Company Secretary

30 October 2014