

**FURTHER UPDATES IN RELATION TO THE IMPLEMENTATION AGREEMENT FOR THE PROPOSED
TRANSFER OF LISTING STATUS ON SGX-ST**

1. INTRODUCTION

1.1 The board of directors ("**Board**") of Memstar Technology Ltd. ("**Company**") refers to the following announcements by the Company:

- (a) the announcement dated 20 July 2018 in relation to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") informing the Company that it had no objection to deferring the delisting requirement for the Company subject to satisfaction of certain milestones;
- (b) the announcement dated 30 July 2018 in relation to the Company entering into the implementation agreement dated 28 July 2018 with T B N Property Company Limited ("**TBN**") for the proposed transfer of listing status on the SGX-ST;
- (c) the announcement dated 5 December 2018 in relation to TBN's request for an extension of time to the dates under the Implementation Agreement and the Company's request to the SGX-ST for an equivalent extension of time;
- (d) the announcement dated 3 January 2019 in relation to the receipt of letter from SGX-ST for the Company's request for an equivalent extension of time;
- (e) the announcement dated 1 April 2019 in relation to the submission of the pre-consultation letter to the SGX-ST for and on behalf of TBN; and
- (f) the announcement dated 3 June 2019 in relation to the completion of the audit of TBN's financial statements for the financial year ended 31 December 2018,

(collectively, "**Announcements**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them respectively in the Announcements.

1.2 This announcement should be read in conjunction with the full text of the Announcements.

2. DEED OF RATIFICATION AND ACCESSION AND AMENDMENT TO THE IMPLEMENTATION AGREEMENT

2.1 The Board wishes to announce that the Company has on 3 July 2019, entered into a deed of ratification and accession and amendment to the Implementation Agreement ("**Amendment Deed**") with TBN and Toyota T B N Company Limited ("**Toyota TBN**") to amend and modify the Implementation Agreement dated 28 July 2018 ("**Implementation Agreement**").

2.2 The salient terms of the Amendment Deed are as follows, *inter alia*:

- (a) the Implementation Agreement initially contemplates that the Consideration shall be satisfied by the allotment and issuance of new ordinary shares in the issued and paid-up capital of TBN to shareholders of the Company and/or any other parties at the Company's discretion. The Amendment Deed amends the foregoing such that the satisfaction of the Consideration shall be done by way of the delivery or otherwise transfer of such number of TBN Shares by Toyota TBN and if it is unable to do so, Toyota TBN shall procure the transfer of such TBN Shares by such shareholder(s) of TBN, free from all encumbrances, equivalent to the value of the Consideration to the Company (through CDP (the "**Revised Arrangement**"). As at the date of the Amendment Deed, Toyota TBN has a direct interest in approximately 37.93% of the total issued shares of TBN;

- (b) in connection with the Revised Arrangement, the ratification and accession of the Implementation Agreement by Toyota TBN;
- (c) TBN and the Company agreed that based on the Consideration of S\$6,000,000, the number of Consideration Shares shall be 278,846 ordinary shares in the issued and paid-up capital of TBN based on a par value of Baht 100 per share, which shall only be adjusted in the event that there are any changes to the par value of TBN shares prior to the Listing;
- (d) as part of the Proposal and Scheme, the Company shall arrange for distribution of such TBN Shares by the CDP to the respective securities accounts of the relevant Shareholders, who will receive the Consideration Shares via a distribution in specie of such shares by way of a capital reduction exercise to be undertaken by the Company; and
- (e) it is noted that pursuant to the letter from SGX-ST dated 31 December 2018, there are milestones to be met within stipulated timelines in connection with the Proposal, which include, submitting the Scheme and the Pre-Admission Notification in respect of the Listing to the SGX-ST by 30 June 2019, and seeking the approval of the shareholders of the Company for the Scheme and to complete the Scheme by 30 September 2019 (the “**Remaining Milestones**”). In view of the foregoing, TBN and the Company agree, in the Amendment Deed, to submit a request to the SGX-ST for a further extension of time (“**EOT**”) in respect of the Remaining Milestones as follows (the “**EOT Request**”): an extension of time to 31 December 2019 for the submission by TBN of a Pre-Admission Notification to the SGX-ST and an extension of time to 31 May 2020 for the fulfilment of conditions precedent set out in the Agreement and completion of the Proposal. In this regard, TBN and the Company have agreed to extend the Long-Stop Date in the Agreement from 31 December 2019 to 31 May 2020.

3. REQUEST FOR FURTHER EXTENSION OF TIME

In connection with the EOT and EOT Request as contemplated in the Amendment Deed, TBN has, on 28 June 2019, requested the Company for an extension of time to meet the Remaining Milestones and the Company has, on even date, submitted a request to the SGX-ST for an equivalent EOT. The EOT Request contemplated an extension of time to 31 December 2019 for the submission by TBN of a Pre-Admission Notification to the SGX-ST and an extension of time to 31 May 2020 for the fulfilment of conditions precedent set out in the Agreement and completion of the Proposal.

4. FURTHER ANNOUNCEMENTS

The Company shall make further announcements on the Proposal, including updates in relation to the EOT Request, as and when appropriate.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposal, other than through their respective interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be.

6. DOCUMENT FOR INSPECTION

A copy of the Amendment Deed is available for inspection during normal business hours at the registered office of the Company at 11 Kian Teck Drive Singapore 628828 for a period of three (3) months from the date of this Announcement.

7. CAUTIONARY STATEMENT

The Transfer and the Listing are subject to, *inter alia*, satisfaction of various conditions precedent, and there is no certainty as at this date whether the Transfer and the Listing can or will proceed. Shareholders and potential investors are advised to read any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of The Board

Dr Ge Hailin
Non-Executive Director
3 July 2019