

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

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, 5 February 2015, 6 March 2015, 27 July 2015, 26 August 2015 and 9 September 2015 (collectively, the "**Announcements**"), in relation to the proposed acquisition of the entire issued share capital of Longmen Group Ltd ("**Target**"), by way of a proposed reverse takeover of the Company ("**Proposed RTO**"), pursuant to the terms of the sale and purchase agreement dated 20 December 2014 ("**SPA**") and the 1st, 2nd and 3rd Supplemental Agreements executed in relation thereto, on 5 February 2015, 5 March 2015 and 24 July 2015 respectively.

On 26 August 2015, the Company had announced that SGX had no objections to the Company's request for an extension of time from 11 October 2015 to 30 November 2015 to complete the Proposed RTO.

On 9 September 2015, the Company had announced that the Target was facing challenges in the fund raising activities. The fund raising activities ("**Fund Raising Activities**") under the 3rd Supplemental Agreement were: (i) 1st Tranche Fundraising, comprising the Refundable Deposit of US\$5 million which had been effected; (ii) 2nd Tranche Fundraising of US\$5 million to be raised by the Target; (iii) 3rd Tranche Fundraising of at least US\$30 million to be raised by the Company; and (iv) 4th Tranche Fundraising by way of loan(s) of at least US\$25 million to be raised by the Target.

Accordingly, the Parties have renegotiated terms of the Proposed RTO and have on 30 November 2015, entered into a 4th supplemental agreement ("**4th Supplemental Agreement**") to revise the terms of the SPA which include reducing the fund raising amount. With the reduction in fund raising amount, the capital expenditure plan of the Target will be reduced and accordingly, the valuation of the Target is lowered. An announcement of the salient terms of the 4th Supplemental Agreement will be made on 1 December 2015 ("**4th Supplemental Announcement**"). The Company intends to lift the suspension on the trading of its shares after the release of the 4th Supplemental Announcement.

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 FOR THE COMPANY, AS A CASH COMPANY, TO MEET REQUIREMENTS FOR A NEW LISTING

Further to the announcement dated 26 August 2015 and the entry by the Company into the 4th Supplemental Agreement, the Board is pleased to announce that the SGX-ST had, by way of letter dated 30 November 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, ie: from 30 November 2015 to 31 May 2016. 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 25 February 2016; and
- (b) the Company providing quarterly updates of key milestones, via SGXNET, on its progress in completing the Proposed RTO by 31 May 2016.

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, 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.

4. CAUTIONARY STATEMENT

The Directors of the Company would like to advise shareholders that, although the 4th Supplemental Agreement has been entered into, Completion of the SPA remains subject to the fulfilment of the various conditions precedent as set out under the SPA, as well as the covenants of the Vendors and the Target.

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, SGX-ST may not grant any further extension, 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
30 November 2015