

RESPONSE TO SGX-ST'S QUERY REGARDING TRADING ACTIVITY

The board of directors (the "**Board**") of the Company refers to the queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 30 May 2017 regarding the unusual price movements in the price of the Company's shares on 30 May 2017 (the "**Queries**") and wishes to respond to the Queries as follows.

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples. If yes, the information shall be announced immediately.

Company's response to Question 1:

The Company continually explores and reviews strategic opportunities to enhance shareholder value. It has recently entered into a non-binding letter of intent (the "LOI") with a third party to explore further such an opportunity concerning certain assets of the Group (the "Potential Transaction"). The LOI sets out in broad terms basis the salient terms and conditions of the Potential Transaction in order to facilitate the negotiation of the terms and conditions of a definitive agreement (the "Definitive Agreement"). Save for, *inter alia*, certain exclusivity and confidentiality obligations, the LOI does not create any legally binding obligation for any party to proceed with the Potential Transaction. Neither party to the LOI is bound to undertake the Potential Transaction until the terms are agreed upon and a Definitive Agreement and all other relevant agreements are executed. The Company will make such further announcement on the Potential Transaction as and when appropriate and in accordance with its obligations pursuant to the Listing Manual of the SGX-ST.

The Board would like to caution that there is no assurance that the any transaction will materialise from the LOI or that the Definitive Agreement will be entered into in relation to the Potential Transaction. Shareholders and investors are therefore advised to exercise caution in their dealings in the shares of the Company.

Apart from the above, the Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's response to Question 2: The Company is not aware of any other possible explanation for the trading.

Question 3: *Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?*

Company's response to Question 3: The Board confirms that the Company is in compliance with the listing rules and, in particular, Rule 703 of the Listing Manual of the SGX-ST.

The Board collectively and individually takes responsibility for the accuracy of the aforesaid replies to the Queries raised by the SGX-ST.

By Order of the Board of

Ellipsiz Ltd.

Melvin Chan Wai Leong

Chief Executive Officer

30 May 2017