MFS TECHNOLOGY LTD
(Company Registration No. 200009562R)
(Incorporated in the Republic of Singapore)
(the "**Company**")

(A) PROPOSED CAPITAL REDUCTION – EFFECTIVE DATE

(B) PROPOSED MEMBERS' VOLUNTARY LIQUIDATION

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of the Company refers to its announcements on 5 August 2015, 19 October 2015, 14 January 2016, 4 February 2016, 26 February 2016 and 24 March 2016 in relation to the proposed capital reduction exercise (the "**Capital Reduction**") to be carried out by the Company pursuant to Section 78G of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), which will involve a cash distribution (the "**Cash Distribution**") by the Company to shareholders of the Company ("**Shareholders**") of S$70,132,695.24, or S$0.10733 in cash for each ordinary share in the capital of the Company held as at 5.00 p.m. on 4 April 2016.

2. EFFECTIVE DATE OF THE CAPITAL REDUCTION

The Board wishes to announce that the Company has today lodged the Order of Court approving the Capital Reduction, together with the other documents prescribed under the Companies Act, with the Accounting and Corporate Regulatory Authority of Singapore, in relation to the Capital Reduction. The Capital Reduction that was approved at the extraordinary general meeting of the Company held on 26 February 2016 has taken effect today and payment of the Cash Distribution will be made to Shareholders on or about 12 April 2016.

3. PROPOSED MEMBERS' VOLUNTARY LIQUIDATION

The Board wishes to update Shareholders that following the completion of the Capital Reduction, the Board intends to seek Shareholders' approval to undertake a members' voluntary liquidation of the Company (the "**Proposed Members' Voluntary Liquidation**"), in order to provide a reasonable exit offer to Shareholders pursuant to Rule 1309 read with Rule 1306 of the listing manual of the Singapore Exchange Securities Trading Limited.

A circular to Shareholders containing further details of the Proposed Members' Voluntary Liquidation and the notice of the extraordinary general meeting to be convened to seek the approval of Shareholders for the Proposed Members' Voluntary Liquidation will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Hee Siew Fong
Company Secretary

6 April 2016