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

SALE AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF THE ASSETS AND LIABILITIES OF THE COMPANY – SETTLEMENT OF CLAIMS

The Board of Directors (the "**Board**") of the Company refers to its announcement on 19 November 2015 (the "**Announcement**") in relation to the receipt of the Claim Notice from Integrated Circuits Pte. Ltd. (the "**Buyer**") in respect of Deduction Amounts totalling in aggregate approximately S$1,816,000. Capitalised terms not otherwise defined herein shall have the same meanings ascribed to them in the Announcement.

The Company wishes to inform Shareholders that the Buyer and the Company have signed a Settlement Agreement in full and final settlement of the claims set out in the Claim Notice and pursuant to the Settlement Agreement, the Company has received a sum of S$1,545,496.67 from the Buyer.

The Board is pleased to have reached a full and final resolution with the Buyer.

BY ORDER OF THE BOARD

Hee Siew Fong
Company Secretary

18 February 2016