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

PROPOSED MEMBERS' VOLUNTARY LIQUIDATION

WAIVER FROM COMPLIANCE WITH RULES 707(1) AND 707(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of the Company refers to its announcements on 6 April 2016 and 14 April 2016 in relation to, among others, the Board's intention 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 of the Company ("**Shareholders**") pursuant to Rule 1309 read with Rule 1306 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Shareholders' approval of the Proposed Members' Voluntary Liquidation will lead to the delisting of the Company from the Official List of the SGX-ST (the "**Delisting**").

2. WAIVER SOUGHT FROM THE SGX-ST

In connection with the Proposed Members' Voluntary Liquidation and the Delisting, the Company had on 6 April 2016 submitted an application to the SGX-ST to seek a waiver (the "**Waiver**") from the requirements to:

(a) convene its forthcoming annual general meeting ("**AGM**") pursuant to Rule 707(1) of the Listing Manual; and

(b) issue and dispatch its annual report for the financial year ended 31 December 2015 ("**AR2015**") to the Shareholders and the SGX-ST at least 14 days before the date of its AGM pursuant to Rule 707(2) of the Listing Manual.

3. GROUNDS FOR THE WAIVER

(a) Likelihood of the Delisting

The Company has been a cash company since 18 November 2014, and has not carried on any business since that date. As the Company was unable to meet the requirements for a new listing within 12 months from the date it became a cash company, the Company may therefore be removed from the Official List of the SGX-ST pursuant to Rule 1018(2) of the Listing Manual.

Accordingly, regardless of whether Shareholders vote in favour of the Proposed Members' Voluntary Liquidation, the Company will very likely be delisted from the Official List of the SGX-ST.

(b) **No requirement for AGM upon commencement of Proposed Members' Voluntary Liquidation**

On 14 April 2016, the Company issued a notice (the "**Notice**") of extraordinary general meeting to be held on 12 May 2016 (the "**EGM**") to seek Shareholders' approval for the Proposed Members' Voluntary Liquidation. The Proposed Members' Voluntary Liquidation will commence at the time of passing of the Shareholders' resolutions approving the Proposed Members' Voluntary Liquidation (i.e. on 12 May 2016 if the Shareholders' resolutions are passed at the EGM) and the appointment of liquidators, upon which the powers of the Directors shall cease and the liquidators will commence the winding up of the affairs of the Company.

Accordingly, upon commencement of the Proposed Members' Voluntary Liquidation the Company will no longer be required to hold an AGM or to issue and despatch the AR2015 to Shareholders.

(c) **Not prejudicial to interests of Shareholders**

The interests of Shareholders in respect of access to updated financial information of the Company would not be prejudiced for the following reasons:

(i) the Company had announced its full year unaudited financial results on 2 February 2016, and subsequently announced its revised full year unaudited financial results on 4 March 2016. The abovementioned announcements contained the pertinent financial information of an annual report, albeit on an unaudited basis;

(ii) the unaudited statements of financial position of the Company for the financial year ended 31 December 2015 were incorporated in the circular dated 14 April 2016 issued to Shareholders in relation to the Proposed Members' Voluntary Liquidation (the "**Circular**"); and

(iii) pursuant to Rule 1018(1) of the Listing Manual, the Company has been providing a monthly valuation of its assets and utilisation of cash to Shareholders since it became a cash company.

In view of the above, the Company believes that Shareholders generally would not be overly concerned if the AGM and the AR2015 are dispensed with, given that updated information in respect of the Company's financial results has been provided to Shareholders on a consistent basis.

(d) **Saving of unnecessary costs to the Company**

As the Company expects that the commencement of the Proposed Members' Voluntary Liquidation would take effect shortly after 30 April 2016 on 12 May 2016, the Company would like to avoid incurring unnecessary costs in relation to the time and expense in preparing for the issuance of the AR2015 and other preparatory work for the convening of the AGM for the Shareholders in view of the present circumstances as mentioned above.

4. GRANT OF THE WAIVER BY THE SGX-ST

The Board is pleased to announce that the SGX-ST has granted the Waiver to the Company on 4 May 2016, subject to the following conditions:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the SGX-ST's conditions as required under Rule 107 of the Listing Manual;

(b) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company; and

(c) in respect of the waiver of Rule 707(1) of the Listing Manual, approval by the Accounting and Corporate Regulatory Authority of Singapore for waiver or extension of time to hold the AGM.

Further information regarding the Proposed Members' Voluntary Liquidation, the Delisting and the Notice is set out in the Circular.

BY ORDER OF THE BOARD

Hee Siew Fong
Company Secretary

5 May 2016