MFS TECHNOLOGY LTD

Company Registration Number: 200009562R

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at #02-01, Wearnes Building, 801 Lorong 7 Toa Payoh, Singapore 319319 on Thursday, 10 April 2014, at 11:30 a.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the financial period from 1 October 2012 to 31 December 2013. **(Resolution 1)**

2. To declare a first and final dividend of 0.5 cent per ordinary share and a special dividend of 0.5 cent per ordinary share (one-tier tax exempt) for the period ended 31 December 2013 (2012: Nil). **(Resolution 2)**

3. To re-elect the following Director retiring pursuant to Article 94 of the Company's Articles of Association [See Explanatory Note (I)]:
a. Mr. Chan Hong Wai **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Article 100 of the Company's Articles of Association [See Explanatory Note (II)]:
a. Mr. Kyle Lee Khai Fatt **(Resolution 4a)**
b. Mr. Bernard Yeo Yun Seng **(Resolution 4b)**
c. Ms. Loh Pui San **(Resolution 4c)**
d. Mr. Lester Wong Hein Jee **(Resolution 4d)**

5. To approve the payment of Directors' fees of S$397,553 for the period ended 31 December 2013 (2012: S$301,500). **(Resolution 5)**

6. To re-appoint Messrs PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Special Business

7. Authority to allot and issue new Shares

To consider and if thought fit, to pass with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

"That pursuant to Section 161 of the Companies Act and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (III)] **(Resolution 7)**

8. Authority to grant awards

To consider and if thought fit, to pass with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

"That authority be and is hereby given to the Directors of the Company to:

(a) offer and/or grant awards in accordance with the provisions of the MFS Performance Share Plan and/or the MFS Share Appreciation Rights Plan (collectively, the "**Share Plans**"); and

(b) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted and/or vesting of awards under the Share Plans,

provided that the aggregate number of Shares to be allotted and issued pursuant to the Share Plans shall not exceed 10 per cent. of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time." [See Explanatory Note (IV)] **(Resolution 8)**

9. Renewal of Share Purchase Mandate

To consider and if thought fit, to pass with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) ("**Market Purchases**") transacted on the SGX-ST through the SGX-ST's trading system; and/or

(ii) off-market purchase(s) ("**Off-Market Purchases**"), otherwise than on a stock exchange, effected pursuant to an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied;

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing 10 per cent. of the total number of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares as at that date);

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105 per cent. of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110 per cent. of the Average Closing Price of the Shares,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares on the SGX-ST were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action which occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**market day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution." [See Explanatory Note (V)] **(Resolution 9)**

10. To transact any other business that may properly be transacted at an Annual General Meeting.

By Order of the Board

Ronnie Chia See Yan
Company Secretary
26 March 2014

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office at #02-01, Wearnes Building, 801 Lorong 7 Toa Payoh, Singapore 319319 not less than 48 hours before the time appointed for holding the Annual General Meeting.
3. The Company may purchase or acquire its own Shares out of capital, as well as from its profits. The Company intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. However, in the event these funds are depleted for working capital or investment purposes, the Company may consider external borrowings to finance the purchase and acquisition of Shares if the Directors are of the view that it will be beneficial to the Company to do so provided that such borrowings shall not be prohibited by the Articles of Association of the Company and the Companies Act.

   Based on the existing number of issued Shares as at 19 March 2014 (the "**Latest Practicable Date**") and excluding any Shares held in treasury, the purchase by the Company of 10 per cent. of its issued Shares will result in the purchase or acquisition of 65,343,049 Shares.

   In the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 65,343,049 Shares at the Maximum Price of S$0.1476 for one Share (being the price equivalent to 105 per cent. of the average of the closing market prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 65,343,049 Shares is S$9,644,634.

   In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 65,343,049 Shares at the Maximum Price of S$0.1547 for one Share (being the price equivalent to 110 per cent. of the average of the closing market prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 65,343,049 Shares is S$10,108,570.

   The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed renewal of the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial period ended 31 December 2013 based on certain assumptions, are set out in paragraph 2.7.4 of the Appendix to the Annual Report to shareholders dated 26 March 2014.

Additional information relating to items of ordinary and special business:

Explanatory Notes:

(I) Mr. Chan Hong Wai, if re-elected, will remain as the Chief Executive Officer of the Company and a member of the Nominating Committee and will be considered non-independent.

(II) Mr. Kyle Lee Khai Fatt, if re-elected, will remain as the Chairman of the Board, the Nominating and the Remuneration Committees, and a member of the Audit Committee and will be considered independent.

Mr. Bernard Yeo Yun Seng, if re-elected, will remain as the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee and will be considered independent.

Ms. Loh Pui San, if re-elected, will remain as a member of the Remuneration Committee and will be considered non-independent.

Mr. Lester Wong Hein Jee, if re-elected, will remain as a member of the Audit Committee and will be considered non-independent.

(III) The Ordinary Resolution proposed in item 7 above, if passed, will authorise the Directors from the date of this Annual General Meeting until the next Annual General Meeting, to issue Shares in the Company and/or make or grant Instruments, during the validity period of this Resolution, and to issue Shares in pursuance of such Instruments subject to specified limits.

(IV) The Ordinary Resolution proposed in item 8 above, if passed, will empower the Directors to offer and grant awards, and to allot and issue new Shares pursuant to the exercise of options or vesting of awards under the Share Plans. The MFS Performance Share Plan and/or the MFS Share Appreciation Rights Plan were first approved by shareholders at the Extraordinary General Meeting held on 30 July 2008 and renewed at the last Annual General Meeting held on 11 January 2013. The grant of awards under the MFS Performance Share Plan and the MFS Share Appreciation Rights Plan will be made in accordance with their respective provisions. The aggregate number of new Shares which may be issued pursuant to the Share Plans shall not exceed 10 per cent. of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

(V) The Ordinary Resolution proposed in item 9 above, if passed, will renew the mandate to permit the Company to purchase or acquire issued Shares in the capital of the Company on the terms and subject to the conditions of the Resolution.