

MFS TECHNOLOGY LTD

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

These figures have not been audited.

	Group			Group		
	3 months ended 30 June			6 months ended 30 June		
	2015 S\$'000	2014 S\$'000	% Change	2015 S\$'000	2014 S\$'000	% Change
Sales	-	54,855	nm	-	95,875	nm
Cost of sales	-	(46,433)	nm	-	(82,075)	nm
Gross profit	-	8,422	nm	-	13,800	nm
Other income	41	1,157	(96)	89	2,986	(97)
Other gains	-	123	nm	-	36	nm
Expenses						
- Distribution and marketing	-	(1,844)	nm	-	(3,547)	nm
- Administrative	(324)	(2,659)	88	(621)	(5,567)	89
- Others	-	(742)	nm	-	(1,317)	nm
Profit before income tax	(283)	4,457	nm	(532)	6,391	nm
Income tax expense	-	(223)	nm	-	(499)	nm
Profit attributable to equity holders of the Company	(283)	4,234	nm	(532)	5,892	nm
Other comprehensive loss:						
Currency translation differences arising from consolidation	-	(127)	nm	-	(936)	nm
Total comprehensive income attributable to equity holders of the Company	(283)	4,107	nm	(532)	4,956	nm

nm - Not meaningful

Profit before taxation was stated after crediting / (charging):-

	Group		Group	
	3 months ended 30 June		6 months ended 30 June	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Interest income	41	15	89	30
Sale of scrap	-	193	-	316
Compensation and claims	-	22	-	32
Depreciation	-	(2,175)	-	(4,443)
Allowance for doubtful debts	-	(94)	-	(240)
Allowance for stock obsolescence	-	(44)	-	(202)
Foreign exchange gain	-	169	-	25
Share-based compensation expenses	-	(62)	-	(197)
Fair value gains on derivatives	-	123	-	36
Gain on disposal of non-current asset classified as held for sale	-	871	-	2,405
Loss on disposal of plant and equipment, net	-	(48)	-	(48)
Plant and equipment written off	-	(570)	-	(570)
Restructuring expenses	-	(35)	-	(566)

* The Company has disposed all of its subsidiaries on 18 November 2014.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group and Company	
	As at	As at
	30.6.2015	31.12.2014
	S\$'000	S\$'000
Current assets		
Cash and bank balances (Note 1)	73,990	117,654
Trade and other receivables	6,249	6,210
Other current assets	19	25
	<u>80,258</u>	<u>123,889</u>
Total assets	<u>80,258</u>	<u>123,889</u>
Current liabilities		
Trade and other payables	442	1,065
Current income tax liabilities	-	3
Dividend payable	-	42,473
	<u>442</u>	<u>43,541</u>
Net assets	<u>79,816</u>	<u>80,348</u>
Capital and reserves attributable to equity holders of the Company		
Share capital	71,124	71,124
Treasury shares	(1,260)	(1,260)
Retained earnings	9,952	10,484
Total equity	<u>79,816</u>	<u>80,348</u>

Note 1:

	Group and Company	
	As at	As at
	30.6.2015	31.12.2014
	S\$'000	S\$'000
Cash at bank and on hand	10,249	11,528
Restricted deposits	63,741	106,126
Total cash and bank balances	73,990	117,654
Less: Restricted deposits	(63,741)	(106,126)
Total cash and cash equivalents	<u>10,249</u>	<u>11,528</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

The Group has no borrowings and debt securities as at 30 June 2015 and 31 December 2014.

1(b)(iii) Details of any collateral

Not applicable

1(c) A consolidated statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended		6 months ended	
	30-Jun-15 S\$'000	30-Jun-14 S\$'000	30-Jun-15 S\$'000	30-Jun-14 S\$'000
Cash flows from operating activities				
Total (loss) / profit	(283)	4,234	(532)	5,892
Adjustments for:				
- Income tax expense	-	223	-	499
- Depreciation	-	2,175	-	4,443
- Gain on disposal of non-current asset classified as held for sale	-	(871)	-	(2,405)
- Loss on disposal of plant and equipment	-	48	-	48
- Fair value gains on derivatives	-	(123)	-	(36)
- Plant and equipment written off	-	570	-	570
- Interest income	(41)	(15)	(89)	(30)
- Unrealised translation gains	-	(165)	-	(465)
	(324)	6,076	(621)	8,516
Changes in working capital				
- Trade and other receivables	(27)	(13,605)	(39)	(9,543)
- Inventories	-	1,036	-	(631)
- Other current assets	11	(208)	6	(383)
- Trade and other payables	(383)	6,611	(623)	7,598
Cash (used in) / generated from operations	(723)	(90)	(1,277)	5,557
Income tax paid	-	(880)	(3)	(2,026)
Net cash (used in) / provided by operating activities	(723)	(970)	(1,280)	3,531
Cash flow from investing activities				
Proceeds from disposal of non-current asset classified as held for sale	-	1,726	-	3,260
Proceeds from disposal of plant and equipment	-	137	-	137
Purchases of plant and equipment	-	(1,639)	-	(3,305)
Change in restricted deposits	(41)	-	42,385	-
Interest received	41	15	89	30
Net cash provided by investing activities	-	239	42,474	122
Cash flow from financing activities				
Dividends paid	-	(6,534)	(42,473)	(6,534)
Net cash used in financing activities	-	(6,534)	(42,473)	(6,534)
Net decrease in cash and cash equivalents	(723)	(7,265)	(1,279)	(2,881)
Cash and cash equivalents at beginning of the period	10,972	30,563	11,528	26,017
Effects of currency translation on cash and cash equivalents	-	127	-	289
Cash and cash equivalents at end of the period	10,249	23,425	10,249	23,425

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity for the three months ended 30 June

Group	← Attributable to equity holders of the Company →					Total Equity S\$'000
	Share Capital S\$'000	Treasury shares S\$'000	Currency Translation Reserve S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	
FY 2015						
Balance as at 1 April 2015	71,124	(1,260)	-	-	10,235	80,099
Total comprehensive loss for the period	-	-	-	-	(283)	(283)
Balance as at 30 June 2015	71,124	(1,260)	-	-	9,952	79,816
FY 2014						
Balance as at 1 April 2014	71,124	(1,260)	(4,908)	2,462	46,177	113,595
Total comprehensive income / (loss) for the period	-	-	(127)	-	4,234	4,107
Dividends relating to FY2013 paid	-	-	-	-	(6,534)	(6,534)
Balance as at 30 June 2014	71,124	(1,260)	(5,035)	2,462	43,877	111,168

Statement of Changes in Equity for the three months ended 30 June

Company	Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000
FY 2015					
Balance as at 1 April 2015	71,124	(1,260)	-	10,235	80,099
Total comprehensive loss for the period	-	-	-	(283)	(283)
Balance as at 30 June 2015	71,124	(1,260)	-	9,952	79,816
FY 2014					
Balance as at 1 April 2014	71,124	(1,260)	1,028	7,514	78,406
Total comprehensive loss for the period	-	-	-	(129)	(129)
Dividends relating to FY2013 paid	-	-	-	(6,534)	(6,534)
Balance as at 30 June 2014	71,124	(1,260)	1,028	851	71,743

Consolidated Statement of Changes in Equity for the six months ended 30 June

Group	← Attributable to equity holders of the Company →					
	Share Capital S\$'000	Treasury shares S\$'000	Currency Translation Reserve S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
FY 2015						
Balance as at 1 January 2015	71,124	(1,260)	-	-	10,484	80,348
Total comprehensive loss for the period	-	-	-	-	(532)	(532)
Balance as at 30 June 2015	71,124	(1,260)	-	-	9,952	79,816
FY 2014						
Balance as at 1 January 2014	71,124	(1,260)	(4,099)	2,462	44,519	112,746
Total comprehensive income / (loss) for the period	-	-	(936)	-	5,892	4,956
Dividends relating to FY2013 paid	-	-	-	-	(6,534)	(6,534)
Balance as at 30 June 2014	71,124	(1,260)	(5,035)	2,462	43,877	111,168

Statement of Changes in Equity for the six months ended 30 June

Company	Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000
FY 2015					
Balance as at 1 January 2015	71,124	(1,260)	-	10,484	80,348
Total comprehensive loss for the period	-	-	-	(532)	(532)
Balance as at 30 June 2015	71,124	(1,260)	-	9,952	79,816
FY 2014					
Balance as at 1 January 2014	71,124	(1,260)	1,028	7,593	78,485
Total comprehensive loss for the period	-	-	-	(208)	(208)
Dividends relating to FY2013 paid	-	-	-	(6,534)	(6,534)
Balance as at 30 June 2014	71,124	(1,260)	1,028	851	71,743

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Since 31 December 2014, the Company did not issue any new shares. In addition, there is no movement in the Company's Share Option Scheme, Share Appreciation Rights Plan and Performance Share Plan.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

<u>Share Capital</u>	<u>30 June 2015</u>	<u>31 Dec 2014</u>
No. of issued shares	660,430,497	660,430,497
No. of issued shares (excluding Treasury Shares)	653,430,497	653,430,497
No. of Treasury Shares	7,000,000	7,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited, or reviewed and in accordance with which standard e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied by the Group are consistent with those used in its recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

None.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group 3 months ended 30 June		Group 6 months ended 30 June	
	2015	2014	2015	2014
Earnings / (loss) per share for profit attributable to equity holders of the Company (S\$ cents per share):-				
(i) Based on weighted average no. of ordinary shares in issue	(0.04)	0.65	(0.08)	0.90
(ii) On a fully diluted basis	(0.04)	0.65	(0.08)	0.90

Note: For the purpose of calculating the diluted earnings per share, the weighted average number of ordinary shares in issue had been adjusted to reflect the dilutive effect arising from the exercise of all outstanding share options granted to employees. The number of such shares issue is added to the number of ordinary shares outstanding in the computation of diluted earnings per ordinary share. No adjustment is made to the profit after tax attributed to shareholders.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group and Company	
	As at 30.6.2015	As at 31.12.2014
Net asset value per share based on existing issued share capital (in S\$ cents):	12.2	12.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Not relevant as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual").

Please note the following:-

- (a) The Group's results and financial position reflected the disposal of all the subsidiaries which was completed on 18 November 2014.
- (b) An interim dividend of S\$42,473,000 was declared on 30 December 2014 and paid on 22 January 2015.
- (c) The trade and other receivables mainly relate to the deferred consideration from the disposal of all the subsidiaries, which is due to be received one year after completion of the disposal.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Not relevant as the Company is deemed a cash company under Rule 1018 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”).

The Company is deemed a cash company upon the completion of the disposal of all its subsidiaries to Integrated Circuits Pte Ltd on 18 November 2014. The Company is currently considering various options available to the Company to maximize value for its shareholders including a sale of the listed shell. Shareholders will be informed in due course once a definitive decision has been made. Shareholders should however note there is no certainty that the Company may not be delisted after a period of 12 months from 18 November 2014 in accordance with Rule 1018(2) of the SGX-ST Listing Manual.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Group has not obtained a general mandate from shareholders for Interest Party Transactions ("IPTs").

- 14. Statement pursuant to Rule 705 (5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the second quarter ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Submitted by Hee Siew Fong, Company Secretary on 4 August 2015 to the SGX