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

RULE 1018 – UPDATE TO SHAREHOLDERS

The Board of Directors (the "**Board**") of the Company refers to its announcements on 5 August 2014, 10 September 2014, 11 November 2014 and 18 November 2014 in relation to the sale of MFS Technology (S) Pte Ltd and its subsidiaries to Integrated Circuits Pte. Ltd. (the "**Disposal**").

Upon and following the completion of the Disposal on 18 November 2014, the Company became a cash company within the meaning of Rule 1018 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

Under Rule 1018(2) of the Listing Manual, *inter alia*:

(i) the Company is required to meet the requirements of a new listing within 12 months from the date it became a cash company, which is the date of completion of the Disposal (the "**Relevant Period**"). As the Disposal was completed on 18 November 2014, the Relevant Period expires today; and

(ii) the Company may apply to the SGX-ST for a maximum six (6)-month extension to the Relevant Period if it has already signed a definitive agreement for the acquisition of a new business, which must be completed in the six (6)-month extension period.

Despite actively exploring various options, the Company has not been able to identify a suitable business to acquire and is therefore unable to meet the requirements of a new listing within the Relevant Period. Accordingly, in accordance with Rule 1018 of the Listing Manual, the SGX-ST will be entitled to proceed to remove the Company from the Official List of the SGX-ST.

It is the Company's intention to distribute its cash back to Shareholders. Under the terms of the Disposal, the Company is entitled to receive a deferred consideration of S$6,207,600 less certain deductions, if any, on 23 November 2015. Accordingly, the Board will further update Shareholders through announcements on the amount of cash to be distributed to Shareholders after 23 November 2015.

BY ORDER OF THE BOARD

Hee Siew Fong
Company Secretary

17 November 2015