MFS TECHNOLOGY LTD
(Company Registration Number: 200009562R)
(Incorporated in Singapore)
(the "**Company**")

COMPLETION OF SALE AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF THE ASSETS AND LIABILITIES OF THE COMPANY

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1. INTRODUCTION

The Board of the Company refers to the announcements made by the Company dated 5 August 2014 and 10 September 2014, the circular to the Shareholders dated 27 October 2014 ("**Circular**") and the announcement made by the Company dated 11 November 2014. All defined terms used in this announcement shall bear the same meanings as ascribed to them in the Circular, unless otherwise stated.

2. COMPLETION OF THE SALE AND PURCHASE AGREEMENT

The Board of the Company wishes to announce that pursuant to the fulfilment of the condition, being the approval of the Proposed Transaction at the EGM of the Company, the Company has on 18 November 2014, successfully completed the Proposed Transaction ("**Completion**") and that (a) MFSS ceased to be a subsidiary of the Company and (b) the Target Group has also ceased to be subsidiaries of the Company, upon Completion.

3. CASH BALANCE IN THE COMPANY

Following Completion, the Company's cash position comprises S$117,843,822.

4. CASH COMPANY

As a result of the Completion, the Company ceased to have any operating business and subsidiaries with effect from 18 November 2014, and is a cash company as defined under Rule 1018 of the Listing Manual.

The Company intends to maintain its listing status and to continue trading in the Shares on the Main Board of the SGX-ST. As such, the Company had submitted an application to the SGX-ST, and the SGX-ST has granted its approval for the continued trading in the Shares on the Main Board of the SGX-ST upon Completion of the Proposed Transaction. In relation to Rules 1018(1)(c) and (d) of the Listing Manual and the Company's application to continue trading in the Shares on the Main Board of the SGX-ST, the Irrevocable Undertakings were given by the Directors, Chief Executive Officer, Wearnes Technology (Private) Limited (being the controlling Shareholder) and UES Holdings Pte Ltd (being an associate of the controlling Shareholder).

The Company has opened an escrow account with The Hongkong and Shanghai Banking Corporation Limited ("**Escrow Agent**") pursuant to which the escrow amount of S$106,100,000, representing approximately 90% of the Company's cash and short-dated securities as set out above in Paragraph 3, will be placed with the Escrow Agent.

The Company will provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

The Board is currently exploring and evaluating its options that is in the best interests of Shareholders, including considering declaring an interim dividend to the Shareholders, and will assess potential new business opportunities and investments that may present themselves before deciding on the next best course of action. Shareholders will be informed in due course as and when material developments occur.

By Order of the Board

Submitted by Hee Siew Fong, Company Secretary on 18 November 2014 to SGX-ST