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

RESPONSE TO QUERY REGARDING TRADING ACTIVITY

The Board of Directors of MFS Technology Ltd (the "**Company**") refers to the queries from Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 1 August 2014 regarding the unusual volume movements in the shares of the Company on 1 August 2014 (the "**Queries**") and wishes to respond to the Queries as follows:

Question 1:

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.
- If yes, the information shall be announced immediately.

The Company's Response:

The Company has requested for a trading halt in its securities listed on the SGX-ST. It is in advanced stages of discussions regarding the sale of a significant asset. The Company will make a further announcement to update the shareholders of the Company on the matter as soon as possible. In the meantime, trading of the Company's securities on the SGX-ST will remain halted until a further announcement is made.

Question 2:

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

The Company's Response:

Save for the above, the Company is not aware of any other possible explanation.

Question 3:

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Company's Response:

The Company confirms that it is in compliance with the listing rules in the Listing Manual, in particular, listing rule 703.

BY ORDER OF THE BOARD

1 August 2014