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

PROPOSED CAPITAL REDUCTION – NOTICE OF BOOKS CLOSURE DATE

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of the Company refers to its announcements on 5 August 2015, 19 October 2015, 14 January 2016, 4 February 2016 and 26 February 2016 in relation to the proposed capital reduction exercise (the "**Capital Reduction**") to be carried out by the Company pursuant to Section 78G of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), which will involve a cash distribution (the "**Cash Distribution**") by the Company to shareholders of the Company ("**Shareholders**") of approximately S$70,132,695.24, or S$0.10733 in cash for each ordinary share in the capital of the Company ("**Share**") held as at a books closure date to be determined by the Directors. At an extraordinary general meeting of the Company held on 26 February 2016, the Shareholders had approved the Capital Reduction.

Unless otherwise defined herein, all capitalised terms used in this Announcement shall have the same meanings ascribed to them in the circular to Shareholders dated 4 February 2016 issued by the Company.

2. CONFIRMATION BY THE HIGH COURT

The Board wishes to announce that the Capital Reduction was approved by the High Court of the Republic of Singapore on 24 March 2016. There are no other outstanding conditions to the Capital Reduction. Accordingly, the Capital Reduction will become effective upon the lodgement by the Company of the Order of Court approving the Capital Reduction, together with the other documents prescribed under the Companies Act, with the Registrar of Companies and Businesses, which is expected to be on 5 April 2016. The exact entitlements of the Shareholders to the Cash Distribution will be determined as at the Books Closure Date (as defined below).

3. NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the transfer books and the Register of Members of the Company will be closed at 5.00 p.m. on 4 April 2016 (the "**Books Closure Date**") for the purpose of determining the entitlements of Shareholders to the Cash Distribution pursuant to the Capital Reduction.

Shareholders registered in the Register of Members and depositors whose Securities Accounts with CDP are credited with Shares as at the Books Closure Date will be entitled to receive the Cash Distribution on the basis of the number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date.

Duly completed registrable transfers of Shares received by the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the Books Closure Date will be registered to determine

Shareholders' entitlements to the Cash Distribution.

4. ADMINISTRATIVE PROCEDURES FOR THE CAPITAL REDUCTION

Payment of the Cash Distribution pursuant to the Capital Reduction will be made in the following manner:

(a) Shareholders holding Scripless Shares

Shareholders who are depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date, will have the cheques for payment of their respective entitlements to the Cash Distribution under the Capital Reduction despatched to them by CDP by ordinary post at their own risk tentatively by 12 April 2016 or on or around the fifth Market Day after the Books Closure Date. Alternatively, such Shareholders will have payment of their respective entitlements to the Cash Distribution under the Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions tentatively by 12 April 2016.

(b) Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register of Members as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the Capital Reduction despatched to them by ordinary post at their own risk tentatively by 12 April 2016 or on or around the fifth Market Day after the Books Closure Date.

The Company will provide Shareholders with an update on the effective date of the Capital Reduction and the date of payment of the Cash Distribution, which are expected to take place around 5 April 2016 and 12 April 2016 respectively.

5. TRADING OF SHARES

The last date and time of "cum" trading of the Shares on the SGX-ST for the purposes of the Capital Reduction will be on 30 March 2016 at 5.00 p.m. Shareholders should note that Shares traded from 9.00 a.m. on 31 March 2016 will not be entitled to the Cash Distribution pursuant to the Capital Reduction.

6. IMPORTANT EVENTS AND DATES

Shareholders should note the following events and dates:

Last date and time of "cum" trading of the Shares on the SGX-ST	:	30 March 2016 at 5.00 p.m.
Commencement of "ex" trading of the Shares on the SGX-ST	:	31 March 2016 at 9.00 a.m.

Books Closure Date for the Capital Reduction	:	4 April 2016 at 5.00 p.m.
Effective date of the Capital Reduction	:	5 April 2016
Expected payment date for the Cash Distribution pursuant to the Capital Reduction	:	On or about 12 April 2016

BY ORDER OF THE BOARD

Hee Siew Fong
Company Secretary

24 March 2016