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		
	3 months ended 31 March		
	2016 S$'000	2015 S$'000	% Change
Other income	**91**	48	90
Administrative expenses	**(330)**	(297)	11
Profit before income tax	**(239)**	(249)	(4)
Income tax expense	**-**	-	-
Profit attributable to equity holders of the Company	**(239)**	(249)	(4)
Total comprehensive income attributable to equity holders of the Company	**(239)**	(249)	(4)

1(a)(ii) Notes to the Consolidated Income Statement

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

	Group	
	3 months ended 31 March	
	2016 S$'000	2015 S$'000
Interest income	**60**	48
Consultancy income	**30**	-

* 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 31.3.2016 S$'000	As at 31.12.2015 S$'000
Current assets		
Cash and bank balances (Note 1)	**73,860**	72,576
Trade and other receivables	**9**	1,559
Other current assets	**40**	46
	73,909	74,181
Current liabilities		
Trade and other payables (Note 2)	**381**	414
Cash distribution payable	**70,133**	-
	70,514	414
Net assets	**3,395**	73,767
Capital and reserves attributable to equity holders of the Company		
Share capital	**991**	71,124
Treasury shares	**-**	(1,260)
Retained earnings	**2,404**	3,903
Total equity	**3,395**	73,767

Note 1:

	Group and Company	
	As at 31.3.2016 S$'000	As at 31.12.2015 S$'000
Cash at bank and on hand	**844**	1,015
Short-term bank deposits	**9,037**	9,013
Restricted deposits	**63,979**	62,548
Total cash and bank balances	**73,860**	72,576
Less: Restricted deposits	**(63,979)**	(62,548)
Total cash and cash equivalents	**9,881**	10,028

Note 2:
Does not include estimated costs and expenses in connection with the proposed members' voluntary liquidation mentioned in paragraph 10, page 6 of this announcement.

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

The Group has no borrowings and debt securities as at 31 March 2016 and 31 December 2015.

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	
	31-Mar-16 S$'000	**31-Mar-15 S$'000**
Cash flows from operating activities		
Total loss	**(239)**	(249)
Adjustments for:		
- Interest income	**(60)**	(48)
	(299)	(297)
Changes in working capital		
- Trade and other receivables	**1,550**	(12)
- Other current assets	**6**	(5)
- Trade and other payables	**(33)**	(240)
Cash generated from / (used in) operations	**1,224**	(554)
Income tax paid	**-**	(3)
Net cash provided by / (used in) operating activities	**1,224**	(557)
Cash flow from investing activities		
Change in restricted deposits	**(1,431)**	42,426
Interest received	**60**	48
Net cash (used in) / provided by investing activities	**(1,371)**	42,474
Cash flow from financing activities		
Dividends paid	**-**	(42,473)
Net cash used in financing activities	**-**	(42,473)
Net decrease in cash and cash equivalents	**(147)**	(556)
Cash and cash equivalents at beginning of the period	**10,028**	11,528
Cash and cash equivalents at end of the period	**9,881**	10,972

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

Group and Company	Share Capital S$'000	Treasury Shares S$'000	Retained Earnings S$'000	Total S$'000
FY 2016				
Balance as at 1 January 2016	71,124	(1,260)	3,903	73,767
Total comprehensive loss for the period	-	-	(239)	(239)
Cancellation of treasury shares	-	1,260	(1,260)	-
Cash distribution payable	(70,133)	-	-	(70,133)
Balance as at 31 March 2016	**991**	**-**	**2,404**	**3,395**
FY 2015				
Balance as at 1 January 2015	71,124	(1,260)	10,484	80,348
Total comprehensive loss for the period	-	-	(249)	(249)
Balance as at 31 March 2015	**71,124**	**(1,260)**	**10,235**	**80,099**

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 2015, 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.

Share Capital	31 March 2016	31 Dec 2015
No. of issued shares	653,430,497	660,430,497
No. of issued shares (excluding treasury shares)	653,430,497	653,430,497
No. of treasury shares	-	7,000,000

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.

On 29 February 2016, the Company cancelled 7,000,000 treasury shares.

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 31 March	
	2016	**2015**
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)	(0.04)
(ii) On a fully diluted basis	(0.04)	(0.04)

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 31.3.2016	As at 31.12.2015
Net asset value per share based on existing issued share capital (in S$ cents):	0.5	11.3

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) The cash distribution payable relates to the capital reduction exercise and is payable on 12 April 2016.

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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. ("Buyer") on 18 November 2014. Under Rule 1018(2) of the Listing Manual, the Company is required to meet the requirements of a new listing within 12 months from the date it became a cash company. Despite actively exploring various options, the Company was not able to identify a suitable business to acquire and therefore could not meet the requirements of a new listing by 17 November 2015. In accordance with Rule 1018 of the Listing Manual, the SGX-ST is entitled 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. The capital reduction that was approved at the extraordinary general meeting ("EGM") of the Company held on 26 February 2016 has taken effect on 6 April 2016 and payment of the cash distribution will be made to shareholders on or about 12 April 2016. Following the completion of the capital reduction, the Directors intend to seek shareholders' approval to undertake a members' voluntary liquidation ("MVL") of the Company, in order to provide a reasonable exit offer to shareholders pursuant to Rule 1309 read with Rule 1306 of the listing manual of the SGX-ST. A circular to shareholders containing further details of the MVL and the notice of EGM to be convened will be despatched to shareholders in due course.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Directors intend to declare dividends for the current financial period reported on as follows:

Name of Dividend	:	Ordinary (interim)
Dividend Type	:	Cash
Dividend per share	:	0.3 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(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

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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 Interested Person Transactions ("IPTs").

Nature and name of interested person	Aggregate value of all interested person transaction for 3 months ended 31 March 2016 (S$'000)
Consultancy fee from WBL Technology (Private) Limited	30

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 first quarter ended 31 March 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Submitted by Hee Siew Fong, Company Secretary on 8 April 2016 to the SGX