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			Group		
	3 months ended 30 Sept			9 months ended 30 Sept		
	FY 2014	FY 2013	%	FY 2014	FY 2013	%
	S$'000	S$'000	Change	S$'000	S$'000	Change
Continuing operations						
Administrative expenses, representing loss from continuing operations	**(294)**	-	nm	**(294)**	-	nm
Discontinued operations (Note 1)						
Sales	**52,803**	42,095	25%	**148,678**	124,132	20%
Cost of sales	**(45,763)**	(34,897)	31%	**(127,838)**	(103,677)	23%
Gross profit	**7,040**	7,198	-2%	**20,840**	20,455	2%
Other income	**437**	1,240	-65%	**3,423**	1,919	78%
Other losses	**(95)**	-	nm	**(59)**	-	nm
Expenses						
- Distribution and marketing	**(1,626)**	(2,803)	-42%	**(5,173)**	(6,277)	-18%
- Administrative	**(2,710)**	(3,174)	-15%	**(8,277)**	(8,925)	-7%
- Other	**(65)**	(2)	3150%	**(1,382)**	(632)	119%
Profit before income tax from discontinued operations	**2,981**	2,459	21%	**9,372**	6,540	43%
Income tax expense	**(461)**	(1,397)	-67%	**(960)**	(2,517)	-62%
Profit from discontinued operations	**2,520**	1,062	137%	**8,412**	4,023	109%
Total profit	**2,226**	1,062	110%	**8,118**	4,023	102%
Profit attributable to:						
Equity holders of the Company						
- Loss from continuing operations, net	**(294)**	-	nm	**(294)**	-	nm
- Profit from discontinued operations, net	**2,520**	1,039	143%	**8,412**	3,529	138%
Non-controlling interests	**-**	23	-100%	**-**	494	-100%
	2,226	1,062	110%	**8,118**	4,023	102%

nm - Not meaningful

Note 1: Discontinued operations and disposal group classified as held for sale

On 10 September 2014, the Company entered into a definitive sale and purchase agreement with Integrated Circuits Pte. Ltd. (the "Buyer") in relation to the sale by the Company, and the purchase by the Buyer, of the "Disposed Assets and Liabilities" as defined under paragraph 1.1 in the announcement by the Company dated 5 August 2014 (the "Proposed transaction"). As at 30 September 2014, the assets and liabilities pertaining to "Disposed Assets and Liabilities" have been presented as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" respectively in the Statement of Financial Position. The results pertaining to the disposal group are presented separately under discontinued operations in the Income Statement. The changes made in both Statement of Financial Position and Income Statement are in accordance of FRS105, Non-current Assets Held for Sale and Discontinued Operations.

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

	Group		Group	
	3 months ended 30 Sept		9 months ended 30 Sept	
	FY 2014	FY 2013	FY 2014	FY 2013
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Expenses relating to the proposed transaction	**(294)**	-	**(294)**	-
Discontinued operations				
Interest income	**18**	11	**48**	52
Sale of scrap	**229**	325	**545**	582
Compensation and claims	**12**	53	**44**	110
Depreciation	**(2,234)**	(2,251)	**(6,677)**	(6,670)
(Allowance for)/Write-back of doubtful debts, net	**-**	(995)	**(240)**	(1,027)
Write-back/(Allowance) for stock obsolescence, net	**89**	54	**(113)**	(693)
Foreign exchange gain/(loss), net	**99**	(287)	**124**	(372)
Share-based compensation expenses	**(67)**	(160)	**(264)**	(708)
Fair value loss on derivatives	**(95)**	-	**(59)**	-
Gain on disposal of non-current asset classified as held for sale	**-**	-	**2,405**	-
Loss on disposal of plant and equipment, net	**-**	(6)	**(48)**	(3)
Plant and equipment written off	**-**	(135)	**(570)**	(135)
Restructuring expenses	**-**	-	**(566)**	-

1(a)(iii) Consolidated Statement of Comprehensive Income

	Group			Group		
	3 months ended 30 Sept			9 months ended 30 Sept		
	FY 2014	FY 2013	%	FY 2014	FY 2013	%
	S$'000	S$'000	change	S$'000	S$'000	change
Total profit	**2,226**	1,062	110%	**8,118**	4,023	102%
Other comprehensive income/(loss):						
Currency translation differences arising from consolidation	**1,099**	(863)	nm	**163**	1,442	-89%
Other comprehensive income/(loss) net of tax:	**1,099**	(863)	nm	**163**	1,442	-89%
Total comprehensive income	**3,325**	199	1571%	**8,281**	5,465	52%
Total comprehensive income attributable to:						
Equity holders of the Company						
- Loss from continuing operations, net	**(294)**	-	nm	**(294)**	-	nm
- Profit from discontinued operations, net	**3,619**	105	3347%	**8,575**	4,084	110%
Non-controlling interests	**-**	94	-100%	**-**	1,381	-100%
	3,325	199	1571%	**8,281**	5,465	52%

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		Company	
	As at 30.09.2014 S$'000	As at 31.12.2013 S$'000	As at 30.09.2014 S$'000	As at 31.12.2013 S$'000
Current assets				
Cash and cash equivalents	**302**	26,017	**302**	162
Derivative financial instruments	**-**	38	**-**	-
Trade and other receivables	**-**	44,961	**-**	39,719
Inventories	**-**	22,583	**-**	-
Other current assets	**-**	1,785	**-**	25
	302	95,384	**302**	39,906
Disposal group / Non-current asset classified as held for sale (Note 1, Note 2)	**171,689**	908	**71,691**	-
	171,991	96,292	**71,993**	39,906
Non-current assets				
Investment in subsidiaries	**-**	-	**-**	39,225
Property, plant & equipment	**-**	59,902	**-**	-
Deferred tax assets	**-**	560	**-**	-
	-	60,462	**-**	39,225
Total assets	**171,991**	156,754	**71,993**	79,131
Current liabilities				
Trade and other payables	**151**	41,039	**151**	644
Derivative financial instruments	**-**	3	**-**	-
Current income tax liabilities	**-**	2,917	**-**	2
	151	43,959	**151**	646
Liabilities directly associated with disposal group classified as held for sale (Note 1, Note 2)	**57,347**	-	**409**	-
	57,498	43,959	**560**	646
Non-current liabilities				
Deferred income tax liabilities	**-**	49	**-**	-
Total liabilities	**57,498**	44,008	**560**	646
Net assets	**114,493**	112,746	**71,433**	78,485
Share capital and reserves				
Share capital	**71,124**	71,124	**71,124**	71,124
Treasury shares	**(1,260)**	(1,260)	**(1,260)**	(1,260)
Foreign currency translation reserve	**(3,936)**	(4,099)	**-**	-
Other reserves	**2,462**	2,462	**1,028**	1,028
Retained earnings	**46,103**	44,519	**541**	7,593
Total equity	**114,493**	112,746	**71,433**	78,485

Note 2: Details of disposal group and non-current asset classified as held-for-sale are as follows:

	Group		Company	
	As at 30.09.2014 S$'000	As at 31.12.2013 S$'000	As at 30.09.2014 S$'000	As at 31.12.2013 S$'000
Current assets				
Cash and cash equivalents	**33,097**	-	**-**	**-**
Trade and other receivables	**55,115**	-	**32,450**	**-**
Inventories	**22,695**	-	**-**	**-**
Other current assets	**2,340**	-	**16**	**-**
	113,247	**-**	**32,466**	**-**
Non-current assets				
Investment in subsidiaries	**-**	-	**39,225**	**-**
Property, plant & equipment	**57,873**	908	**-**	**-**
Deferred tax assets	**569**	-	**-**	**-**
	58,442	908	**39,225**	**-**
Disposal group / Non-current asset classified as held for sale	**171,689**	908	**71,691**	**-**
Current liabilities				
Trade and other payables	**55,454**	-	**407**	**-**
Derivative financial instruments	**24**	-	**-**	**-**
Current income tax liabilities	**1,869**	-	**2**	**-**
Liabilities directly associated with disposal group classified as held for sale	**57,347**	**-**	**409**	**-**
Net assets directly associated with disposal group / non-current asset classified as held for sale	**114,342**	908	**71,282**	**-**

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

	As at 30-Sept-14		As at 31-Dec-13	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
Amount repayable after one year	Nil	Nil	Nil	Nil

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

Consolidated Statement of Cash Flows	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total profit	**2,226**	1,062	**8,118**	4,023
Adjustments for:				
- Income tax expense	**461**	1,397	**960**	2,517
- Depreciation	**2,234**	2,251	**6,677**	6,670
- Interest income	**(18)**	(11)	**(48)**	(52)
- Fair value loss on derivatives	**95**	-	**59**	-
- Gain on disposal of non-current asset classified as held for sale	**-**	-	**(2,405)**	-
- Loss on disposal of plant and equipment	**-**	6	**48**	3
- Plant and equipment written off	**-**	135	**570**	135
- Unrealised translation loss/(gain)	**609**	(96)	**144**	(313)
Operating income before working capital changes	**5,607**	4,744	**14,123**	12,983
Changes in working capital				
- Trade and other receivables	**(611)**	3,489	**(10,154)**	(3,890)
- Inventories	**519**	13	**(112)**	(2,798)
- Other current assets	**(172)**	3,469	**(555)**	(797)
- Trade and other payables	**6,968**	3,408	**14,566**	12,645
Cash provided by operations	**12,311**	15,123	**17,868**	18,143
Income tax paid	**(20)**	(74)	**(2,046)**	(185)
Net cash provided by operating activities	**12,291**	15,049	**15,822**	17,958
Cash flow from investing activities				
Purchase of plant and equipment	**(2,134)**	(2,957)	**(5,439)**	(5,751)
Proceeds from disposal of non-current asset classified as held for sale	**-**	-	**3,260**	-
Proceeds from disposal of plant and equipment	**-**	-	**137**	75
Interest received	**18**	11	**48**	52
Net cash used in investing activities	**(2,116)**	(2,946)	**(1,994)**	(5,624)
Cash flow from financing activities				
Acquisition of non-controlling shareholder interests	**-**	(17,942)	**-**	(17,942)
Dividends paid	**-**	-	**(6,534)**	-
Net cash used in financing activities	**-**	(17,942)	**(6,534)**	(17,942)
Net increase/(decrease) in cash and cash equivalents held	**10,175**	(5,839)	**7,294**	(5,608)
Cash and cash equivalents at beginning of the period	**23,425**	31,048	**26,017**	30,390
Effects of currency translation on cash and cash equivalents	**(201)**	(84)	**88**	343
Cash and cash equivalents at end of the period (Note 3)	**33,399**	25,125	**33,399**	25,125

Note 3:

	As at	
	30.09.2014	30.09.2013
	S$'000	S$'000
Cash and cash equivalents at end of the period:		
- Cash and bank balances	**302**	-
- Disposal group classified as held for sale	**33,097**	25,125
	33,399	25,125

Impacts of continuing and discontinued operations on the cash flows of the Group are as follows:

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	S$'000	S$'000	S$'000	S$'000
Operating cash inflows/(outflows) from				
- Continuing operations	**(143)**	-	**(143)**	-
- Discontinued operations	**12,434**	15,049	**15,965**	17,958
	12,291	15,049	**15,822**	17,958
Investing cash outflows from				
- Continuing operations	-	-	**-**	-
- Discontinued operations	**(2,116)**	(2,946)	**(1,994)**	(5,624)
	(2,116)	(2,946)	**(1,994)**	(5,624)
Financing cash outflows from				
- Continuing operations	-	-	**-**	-
- Discontinued operations	-	(17,942)	**(6,534)**	(17,942)
	-	(17,942)	**(6,534)**	(17,942)
Net increase/(decrease) in cash and cash equivalents held by				
- Continuing operations	**(143)**	-	**(143)**	-
- Discontinued operations	**10,318**	(5,839)	**7,437**	(5,608)
	10,175	(5,839)	**7,294**	(5,608)

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

Statement of Changes in Equity for the quarter ended 30 September

Group	Share Capital S$'000	Treasury Shares S$'000	Foreign Currency Translation Reserve S$'000	Revaluation and Other Reserves S$'000	Retained Earnings S$'000	Non-controlling interests S$'000	Total Equity S$'000
FY 2014							
Balance as at 1 July 2014	71,124	(1,260)	(5,035)	2,462	43,877	-	111,168
Total comprehensive income for the period	-	-	1,099	-	2,226	-	3,325
Balance as at 30 September 2014	**71,124**	**(1,260)**	**(3,936)**	**2,462**	**46,103**	**-**	**114,493**
FY 2013							
Balance as at 1 July 2013	71,124	(1,260)	(3,926)	4,011	42,746	15,616	128,311
Transaction with non-controlling interest	-	-	-	(2,232)	-	(15,710)	(17,942)
Total comprehensive income for the period	-	-	(934)	-	1,039	94	199
Balance as at 30 September 2013	**71,124**	**(1,260)**	**(4,860)**	**1,779**	**43,785**	**-**	**110,568**

Company	Share Capital S$'000	Treasury Shares S$'000	Other Reserves S$'000	Retained Earnings S$'000	Total S$'000
FY 2014					
Balance as at 1 July 2014	71,124	(1,260)	1,028	851	71,743
Total comprehensive loss for the period	-	-	-	(310)	(310)
Balance as at 30 September 2014	**71,124**	**(1,260)**	**1,028**	**541**	**71,433**
FY 2013					
Balance as at 1 July 2013	71,124	(1,260)	1,028	(2,266)	68,626
Total comprehensive income for the period	-	-	-	(72)	(72)
Balance as at 30 September 2013	**71,124**	**(1,260)**	**1,028**	**(2,338)**	**68,554**

Statement of Changes in Equity for the nine months ended 30 September

Group	Share Capital S$'000	Treasury shares S$'000	Foreign Currency Translation Reserve S$'000	Revaluation and Other Reserves S$'000	Retained Earnings S$'000	Non-controlling interests S$'000	Total Equity S$'000
FY 2014							
Balance as at 1 January 2014	71,124	(1,260)	(4,099)	2,462	44,519	-	112,746
Total comprehensive income for the period	-	-	163	-	8,118	-	8,281
Dividends relating to FY2013 paid	-	-	-	-	(6,534)	-	(6,534)
Balance as at 30 September 2014	**71,124**	**(1,260)**	**(3,936)**	**2,462**	**46,103**	**-**	**114,493**
FY 2013							
Balance as at 1 January 2013	71,124	(1,260)	(5,415)	4,011	40,256	14,329	123,045
Transaction with non-controlling interest	-	-	-	(2,232)	-	(15,710)	(17,942)
Total comprehensive income for the period	-	-	555	-	3,529	1,381	5,465
Balance as at 30 September 2013	**71,124**	**(1,260)**	**(4,860)**	**1,779**	**43,785**	**-**	**110,568**

Company	Share Capital S$'000	Treasury Shares S$'000	Other Reserves S$'000	Retained Earnings S$'000	Total S$'000
FY 2014					
Balance as at 1 January 2014	71,124	(1,260)	1,028	7,593	78,485
Total comprehensive loss for the period	-	-	-	(518)	(518)
Dividends relating to FY2013 paid	-	-	-	(6,534)	(6,534)
Balance as at 30 September 2014	**71,124**	**(1,260)**	**1,028**	**541**	**71,433**
FY 2013					
Balance as at 1 January 2013	71,124	(1,260)	1,028	(2,099)	68,793
Total comprehensive loss for the period	-	-	-	(239)	(239)
Balance as at 30 September 2013	**71,124**	**(1,260)**	**1,028**	**(2,338)**	**68,554**

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 2013, the Company did not issue any new shares.

Share Options

As at 30 September 2014, options to subscribe for 829,750 ordinary shares under the MFS Share Option Scheme remain outstanding (30 September 2013: 1,657,750).

Performance Shares & Share Appreciation Rights

At the Extraordinary General Meeting held on 30 July 2008, the Company's shareholders approved the adoption of the MFS Performance Share Plan and Share Appreciation Rights Plan.

The Remuneration Committee (RC) has the discretion under the MFS Performance Share Plan and Share Appreciation Rights Plan to settle in cash instead of shares.

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	30 Sept 2014	31 Dec 2013
No. of issued shares	660,430,497	660,430,497
No. of issued shares (excluding Treasury Shares)	653,430,497	653,430,497
No. of Treasury Shares	7,000,000	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.

Not applicable

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 30 Sept		9 months ended 30 Sept	
	FY2014	**FY2013**	**FY2014**	**FY2013**
Earnings per ordinary share for the period based on profit attributable to shareholders:-				
(i) Based on weighted average no. of ordinary shares in issue (in cents)				
- From continuing operations	**(0.05)**	-	**(0.05)**	-
- From discontinued operations	**0.39**	0.16	**1.29**	0.54
	0.34	0.16	**1.24**	0.54
(ii) On a fully diluted basis (in cents)				
- From continuing operations	**(0.05)**	-	**(0.05)**	-
- From discontinued operations	**0.39**	0.16	**1.29**	0.54
	0.34	0.16	**1.24**	0.54

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		Company	
	As at 30.09.2014	**As at 31.12.2013**	**As at 30.09.2014**	**As at 31.12.2013**
Net asset value per ordinary share based on existing issued share capital at the end of the period reported on (in cents):	**17.5**	17.3	**10.9**	12.0

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

INCOME STATEMENT REVIEW

Revenue

Financial Period	1 Jul to 30 Sep 2014	1 Jul to 30 Sep 2013	Change		1 Jan to 30 Sep 2014	1 Jan to 30 Sep 2013	Change	
	S$'m	S$'m	S$'m	%	S$'m	S$'m	S$'m	%
FPC	38.8	27.1	11.7	43%	108.7	80.0	28.7	36%
PCB	14.0	15.0	(1.0)	-7%	40.0	44.1	(4.1)	-9%
Total	52.8	42.1	10.7	25%	148.7	124.1	24.6	20%

Third Quarter Review

The Group recorded total revenue of $52.8m for the three months ended 30 September 2014. The increase of $10.7m as compared to the corresponding quarter in FY2013 was mainly attributed to the following:-

(a) Higher revenue from our Flexible Printed Circuits (FPC) division due to higher demand from our key customers in Consumer, Mobile and Automotive segments. The Medical and Industrial segments also reported increase in revenue; offset by

(b) Lower PCB revenue mainly from lower demand from the Industrial segment.

Nine Months Review

For the nine months ended 30 September 2014, the Group achieved revenue of $148.7m. The increase of $24.6m year on year was mainly attributed to the following:-

(a) Higher FPC revenue driven by demand from Consumer, Automotive, Mobile and Medical segments; offset by

(b) Lower PCB revenue mainly due to pruning of unprofitable and lower margin programs.

Profit after tax

Third Quarter Review

The Group achieved a profit after tax of $2.2m for the three months ended 30 September 2014. The increase of $1.2m over the corresponding period last year ("Jul-Sep 2013") was mainly attributed to the following:-

(a) Lower distribution and marketing expenses of $1.2m mainly due to the absence of bad debt provision for one European customer and higher sales commissions recorded in Jul-Sep 2013;

(b) Lower administrative expenses of $0.5m mainly due to foreign exchange gain of $0.1m in the three months ended 30 September 2014 as compared to $0.3m loss in Jul-Sep 2013;

(c) Lower income tax expenses of $0.9m mainly due to prior years' tax charge in one of our China subsidiaries recorded in Jul-Sep 2013; offset by

(d) Lower other income of $0.8m mainly due to the absence of technical service fee received from our former China JV partner recorded in Jul-Sep 2013.

Nine Months Review

For the nine months ended 30 September 2014, PAT achieved was $8.1m, $4.1m or 102% higher year on year. The increase was mainly due to the following:-

(a) Savings on both distribution and administrative expenses of $1.8m;

(b) Lower tax expense of $1.6m as a result of prior years' tax charge in one of China subsidiaries in 2013;

(c) Higher other income of $1.5m resulting from an one-off gain of $2.4m on disposal of the old factory land and buildings in Changsha in 2014 offset by the absence of technical service fee from our former China JV partner in 2013;

(d) Higher gross profit of $0.4m as a result of higher sales; offset by

(e) Obsolete plant and machinery written off of $0.6m; and

(f) Staff restructuring cost of $0.6m.

STATEMENT OF FINANCIAL POSITION REVIEW

Following the signing of a definitive sale and purchase agreement on 10 September 2014, the assets and liabilities pertaining to "Disposed Assets and Liabilities" have been presented as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" respectively in the statement of financial position.

Current assets

As at 30 September 2014, total current assets amounted to $172.0m. Total current assets increased by $75.7m as compared to 31 December 2013, mainly due to:

(a) Reclassification of non-current assets of $58.4m to the disposal group classified as held for sale.

(b) Increase in trade and receivables of $10.1m mainly due to higher sales achieved, primarily from a China subsidiary.

(c) Net increase in cash and cash equivalents of $7.3m mainly due to $15.8m cash generated from operations, offset against payment of $6.5m cash dividend to shareholders and $2.0m net cash used in investing activities.

Current liabilities

As at 30 September 2014, current liabilities amounted to $57.5m. Total current liabilities increased $13.5m as compared to 31 December 2013 mainly due to higher purchases and outsourcing services as well as lower tax provision.

STATEMENT OF CASH FLOWS REVIEW

Net cash increased by $10.2m for the quarter ended 30 September 2014 after taking into account cash used in investing activities of $2.1m. A decrease in working capital resulted in a net cash inflow of $12.3m from operating activities in the three months ended 30 September 2014.

Cash and cash equivalents as at 30 September 2014 amounted to $33.4m.

The Group did not have any bank borrowings as at 30 September 2014.

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

On 5 August 2014, the Company announced that it had entered into an Offer Letter with Novo Tellus and Navis for the sale by the Company, and the acquisition by Novo Tellus and Navis (through their special purpose vehicle), of the Disposed Assets and Liabilities as defined under paragraph 1.1 of the Offer Letter Announcement.

On 10 September 2014, upon fulfilment of the conditions set out in the Offer Letter, the Company and the Buyer entered into the Sale and Purchase Agreement ("SPA"). The Company had on 10 September 2014 made the SPA Announcement.

On 24 October 2014, the Company announced the Notice of Extraordinary General Meeting ("EGM") to be held on 11 November 2014. Circulars have been sent to shareholders on 27 October 2014.

At the EGM held on 11 November 2014, the resolution as set out in the Notice of EGM was duly passed, with 98.765% voting in favour of the resolution.

The Company will cease to have any operating business upon Completion of the Proposed Transaction and will be deemed a cash company 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 has 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 SGXST upon Completion of the Proposed Transaction.

The Board is 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.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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.

Nature and name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

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 quarter ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Submitted by Hee Siew Fong, Company Secretary on 11/11/2014 to the SGX