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		
	1 Jan 2014 to 31 Dec 2014 (12 months) S$'000	1 Oct 2012 to 31 Dec 2013 (15 months) S$'000	% Change
Continuing operations			
Other income	**26**	-	nm
Administrative expenses	**(774)**	-	nm
Loss before tax from continuing operations	**(748)**	-	nm
Income tax expense	**(2)**	-	nm
Loss from continuing operations	**(750)**	-	nm
Discontinued operations			
Profit from discontinued operations, net of tax (Note 1)	**13,260**	6,551	nm
Profit for the year/period	**12,510**	6,551	nm
Profit attributable to:			
Equity holders of the Company			
- Loss from continuing operations, net of tax	**(750)**	-	nm
- Profit from discontinued operations, net of tax	**13,260**	5,878	nm
Non-controlling interests	**-**	673	nm
	12,510	6,551	nm
Other comprehensive income:			
Currency translation differences arising from consolidation	**402**	2,403	nm
Realisation of foreign currency translation reserve on disposal of subsidiaries	**3,697**	-	nm
Other comprehensive income, net of tax	**4,099**	2,403	nm
Total comprehensive income	**16,609**	8,954	nm
Total comprehensive income attributable to:			
Equity holders of the Company			
- Loss from continuing operations, net of tax	**(750)**	-	nm
- Profit from discontinued operations, net of tax	**17,359**	7,315	nm
Non-controlling interests	**-**	1,639	nm
	16,609	8,954	nm

nm - Not meaningful

Note 1

	Group	
	1 Jan 2014 to 31 Dec 2014 (12 months) S$'000	**1 Oct 2012 to 31 Dec 2013 (15 months) S$'000**
Discontinued operations		
Revenue	**165,491**	203,812
Other income	**3,304**	2,912
Expenses	**(157,297)**	(197,946)
Profit before tax from discontinued operations	**11,498**	8,778
Income tax	**(1,268)**	(2,227)
Profit from discontinued operations	**10,230**	6,551
Gain on disposal of subsidiaries *	**3,030**	-
Profit for the year/period from discontinued operations	**13,260**	6,551

* The Company has disposed all of its subsidiaries on 18 November 2014.

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

	Group	
	1 Jan 2014 to 31 Dec 2014 (12 months) S$'000	**1 Oct 2012 to 31 Dec 2013 (15 months) S$'000**
Continuing operations		
Interest income	**26**	-

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 31.12.2014 S$'000	As at 31.12.2013 S$'000	As at 31.12.2014 S$'000	As at 31.12.2013 S$'000
Current assets				
Cash and bank balances	**117,654**	26,017	**117,654**	162
Trade and other receivables	**6,210**	44,961	**6,210**	39,719
Inventories	**-**	22,583	**-**	-
Other current assets	**25**	1,785	**25**	25
Derivative financial instruments	**-**	38	**-**	-
Non-current asset classified as held for sale	**-**	908	**-**	-
	123,889	96,292	**123,889**	39,906
Non-current assets				
Deferred income tax assets	**-**	560	**-**	-
Investment in subsidiaries	**-**	-	**-**	39,225
Property, plant and equipment	**-**	59,902	**-**	-
	-	60,462	**-**	39,225
Total assets	**123,889**	156,754	**123,889**	79,131
Current liabilities				
Trade and other payables	**1,065**	41,039	**1,065**	644
Derivative financial instruments	**-**	3	**-**	-
Current income tax liabilities	**3**	2,917	**3**	2
Dividend payable	**42,473**	-	**42,473**	-
	43,541	43,959	**43,541**	646
Non-current liabilities				
Deferred income tax liabilities	**-**	49	**-**	-
Total liabilities	**43,541**	44,008	**43,541**	646
Net assets	**80,348**	112,746	**80,348**	78,485
Share capital and reserves attributable to equity holders of the Company				
Share capital	**71,124**	71,124	**71,124**	71,124
Treasury shares	**(1,260)**	(1,260)	**(1,260)**	(1,260)
Currency translation reserve	**-**	(4,099)	**-**	-
Other reserves	**-**	2,462	**-**	1,028
Retained earnings	**10,484**	44,519	**10,484**	7,593
Total equity	**80,348**	112,746	**80,348**	78,485

Note 2

a. The decrease in group assets and liabilities reflects the disposal of all the subsidiaries which was completed on 18 November 2014.

b. The trade and other receivables relate to the deferred consideration, which is due to be received one year after completion of the disposal.

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

The Group has no borrowings and debt securities as at 31 December 2013 and 2014.

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

	Group	
	1 Jan 2014 to 31 Dec 2014 (12 months) S$'000	1 Oct 2012 to 31 Dec 2013 (15 months) S$'000
Cash flows from operating activities		
Loss from continuing operations	**(750)**	-
Profit from discontinued operations	**13,260**	6,551
Total profit	**12,510**	6,551
Adjustments for:		
- Gain on disposal of subsidiaries	**(3,030)**	-
- Income tax expense	**1,270**	2,227
- Depreciation	**7,366**	11,067
- Gain on disposal of non-current asset classified as held for sale	**(2,405)**	-
- Gain on disposal of property, plant and equipment	**(16)**	(15)
- Fair value loss / (gain) on derivatives	**250**	(54)
- Write off property, plant and equipment	**572**	19
- Interest income	**(75)**	(73)
- Unrealised translation loss / (gain)	**278**	(306)
	16,720	19,416
Changes in working capital		
- Trade and other receivables	**(10,963)**	(3,578)
- Inventories	**(1,281)**	(2,831)
- Other current assets	**(727)**	(454)
- Trade and other payables	**12,755**	8,795
Cash generated from operations	**16,504**	21,348
Income tax paid	**(2,412)**	(196)
Net cash provided by operating activities	**14,092**	21,152
Cash flow from investing activities		
Proceeds from disposal of non-current asset classified as held for sale	**3,260**	-
Proceeds from disposal of property, plant and equipment	**222**	263
Purchases of property, plant and equipment	**(5,896)**	(10,501)
Interest received	**75**	73
Net cash inflow on disposal of subsidiaries (Note 3)	**86,383**	-
Placement of restricted deposits *	**(106,126)**	-
Net cash used in investing activities	**(22,082)**	(10,165)
Cash flow from financing activities		
Acquisition of non-controlling shareholder interests	**-**	(17,942)
Dividends paid	**(6,534)**	-
Net cash used in financing activities	**(6,534)**	(17,942)
Net decrease in cash and cash equivalents	**(14,524)**	(6,955)
Cash and cash equivalents at beginning of financial year/period	**26,017**	32,550
Effects of currency translation on cash and cash equivalents	**35**	422
Cash and cash equivalents at end of financial year/period	**11,528**	26,017

* This represents cash placed in an escrow account in compliance with SGX-ST's Rule.

Note 3

	18 November 2014 S$'000
Assets:	
Cash and cash equivalent	**30,623**
Trade and other receivables	**55,922**
Inventories	**23,864**
Other current assets	**2,487**
Deferred tax assets	**572**
Property, plant and equipment	**57,775**
Total assets	**171,243**
Liabilities:	
Trade and other payables	**(52,729)**
Derivative financial instruments	**(215)**
Current income tax liabilities	**(1,812)**
Total liabilities	**(54,756)**
Net assets disposed	**116,487**
Reclassification of foreign currency translation reserve	**3,697**
Gain on disposal of subsidiaries	**3,030**
Total cash consideration	**123,214**
Less: Deferred cash consideration	**(6,208)**
Less: Cash and cash equivalent of subsidiaries disposed	**(30,623)**
Net cash inflow on disposal of subsidiaries	**86,383**

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

	← Attributable to equity holders of the Company →						
Group	**Share Capital S$'000**	**Treasury shares S$'000**	**Currency Translation Reserve S$'000**	**Other Reserves S$'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	-	-	4,099	-	12,510	-	16,609
Transfer from other reserves to retained earnings	-	-	-	(1,434)	1,434	-	-
Dividends relating to FY2013 paid	-	-	-	-	(6,534)	-	(6,534)
Dividend payable	-	-	-	-	(42,473)	-	(42,473)
Expired and lapsed employee share options	-	-	-	(1,028)	1,028	-	-
Balance as at 31 December 2014	**71,124**	**(1,260)**	**-**	**-**	**10,484**	**-**	**80,348**
FY 2013							
Balance as at 1 October 2012	71,124	(1,260)	(5,536)	4,604	39,324	14,071	122,327
Total comprehensive income	-	-	1,437	-	5,878	1,639	8,954
Transfer from retained earnings to other reserves	-	-	-	683	(683)	-	-
Performance share plan and share appreciation rights plan							
- cash paid to employees	-	-	-	(152)	-	-	(152)
- transfer from equity to liability	-	-	-	(441)	-	-	(441)
Transaction with non-controlling interest	-	-	-	(2,232)	-	(15,710)	(17,942)
Balance as at 31 December 2013	**71,124**	**(1,260)**	**(4,099)**	**2,462**	**44,519**	**-**	**112,746**

Statement of Changes in Equity

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 income	-	-	-	50,870	50,870
Dividends relating to FY2013 paid	-	-	-	(6,534)	(6,534)
Dividend payable	-	-	-	(42,473)	(42,473)
Expired and lapsed employee share options	-	-	(1,028)	1,028	-
Balance as at 31 December 2014	**71,124**	**(1,260)**	**-**	**10,484**	**80,348**
FY 2013					
Balance as at 1 October 2012	71,124	(1,260)	1,028	(2,002)	68,890
Total comprehensive income	-	-	-	9,595	9,595
Balance as at 31 December 2013	**71,124**	**(1,260)**	**1,028**	**7,593**	**78,485**

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

During the financial year ended 31 December 2014, the total number of all outstanding share options granted under the MFS Share Options Scheme have lapsed upon completion of disposal of subsidiaries.

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 has the discretion under the MFS Performance Share Plan and Share Appreciation Rights Plan to settle in cash instead of shares.

During the financial year ended 31 December 2014, all outstanding MFS Performance Shares and Share Appreciation Rights have been settled in cash.

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 Dec 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. The Group is applying FRS 105, Non-current Assets Held for Sale and Discontinued Operations. The adoption of FRS 105 did not result in any substantial changes to the Group's accounting policies nor did it have any significant impact on the 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	
	1 Jan 2014 to 31 Dec 2014 (12 months)	1 Oct 2012 to 31 Dec 2013 (15 months)
Earnings 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	1.91	0.90
(ii) On a fully diluted basis	1.91	0.90
From continuing operations:		
Loss per share for attributable to shareholders:-		
(i) Based on weighted average no. of ordinary shares in issue	(0.12)	-
(ii) On a fully diluted basis	(0.12)	-
From discontinued operations:		
Earnings per share attributable to shareholders:-		
(i) Based on weighted average no. of ordinary shares in issue	2.03	0.90
(ii) On a fully diluted basis	2.03	0.90

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 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
Net asset value per share based on existing issued share capital (in S$ cents):	12.3	17.3	12.3	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

(a) The Group's results and financial position reflected the disposal of all the subsidiaries which was completed on 18 November 2014.

(b) An interim dividend of S$42,473,000 was declared on 30 December 2014 and paid on 22 January 2015.

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 on 18 November 2014. The Company is currently considering various options available to the Company to maximize value for its shareholders including a sale of the listed shell. Shareholders will be informed in due course once a definitive decision has been made. Shareholders should however note there is no certainty that the Company may not be delisted after a period of 12 months from 18 November 2014 in accordance with Rule 1018(2) of the SGX-ST Listing Manual.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

An interim dividend was declared on 30 December 2014 and paid on 22 January 2015. The details are as follows:-

Name of Dividend	:	Ordinary (interim)
Dividend Type	:	Cash
Dividend per share	:	6.5 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?

Yes.

Name of Dividend	:	Ordinary (final)
Dividend Type	:	Cash
Dividend per share	:	0.5 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

Name of Dividend	:	Special (interim)
Dividend Type	:	Cash
Dividend per share	:	0.5 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No final dividend has been declared or recommended.

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not relevant as the Company is deemed a cash company under Rule 1018 of the SGX-ST Listing Manual.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

16. A breakdown of sales

Not relevant.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend	1 Jan 2014 to 31 Dec 2014 $'000	1 Oct 2012 to 31 Dec 2013 $'000
Ordinary	42,473	3,267
Special	-	3,267
Total	42,473	6,534

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Submitted by Hee Siew Fong, Company Secretary on 12 February 2015 to the SGX