

## **MENCAST HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company registration no.: 200802235C)

---

## **PROPOSED BONUS ISSUE ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE (THE “PROPOSED BONUS ISSUE”)**

---

### **1. INTRODUCTION**

The Board of Directors (the “**Directors**”) of Mencast Holdings Ltd. (the “**Company**”) is pleased to announce that the Company is proposing a bonus issue of up to 226,025,258 new ordinary shares in the capital of the Company (the “**Bonus Shares**”), on the basis of one (1) Bonus Share to be credited at nil consideration and as fully paid for every one (1) existing ordinary share (the “**Share**”) held by the shareholders of the Company (the “**Shareholders**”) (the “**Proposed Bonus Issue**”).

### **2. TERMS OF THE PROPOSED BONUS ISSUE**

Based on the existing issued and paid-up share capital of the Company comprising 226,025,258 Shares as at the date of this announcement, up to 226,025,258 Bonus Shares will be issued pursuant to the Proposed Bonus Issue.

The Bonus Shares will be issued at nil consideration without capitalisation of the Company’s reserves, and when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares in the capital of the Company and with each other, except that the Bonus Shares will not be entitled to such dividends, rights, allotments or other distributions the record date of which falls before the date of allotment and issue of such Bonus Shares.

The Bonus Shares will be issued to the Shareholders whose names appear in the Registry of Members of the Company or the records of The Central Depository (Pte) Limited, as the case may be, as at the books closure date to be determined by the Directors for the purpose of determining the entitlements of the Shareholders (the “**Books Closure Date**”). Notice of the Books Closure Date will be given at a later date, after the necessary approvals have been obtained.

### **3. RATIONALE FOR THE PROPOSED BONUS ISSUE**

The Company is proposing the bonus issue to increase the issued share capital base of the Company to reflect the growth and expansion of its business, and at the same time to recognise and reward its Shareholders for their continuing support of and loyalty to the Company. The Proposed Bonus Issue, if carried out, will also increase the accessibility of an investment in the Company to more investors, thereby improving the trading liquidity of the Company’s Shares and greater participation by investors and broadening the Company’s Shareholder base.

4. **ADJUSTMENTS TO OPTIONS GRANTED UNDER THE MENCAST EMPLOYEE SHARE OPTION SCHEME (“ESOS”)**

The Proposed Bonus Issue may give rise to adjustments to the number of options which an option holder may be entitled to be issued with and/or the exercise price of the outstanding options pursuant to the rules governing the ESOS.

Any adjustments which are required will be made in accordance with the provisions of the rules to mitigate any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the option holders is not prejudiced thereafter. The rights and obligations of the option holders will remain unchanged, save for the adjustment to the number of options granted under the ESOS and/or the exercise price in respect of the options.

5. **ADJUSTMENTS TO AWARDS GRANTED UNDER THE MENCAST PERFORMANCE SHARE AWARD SCHEME (“PSAS”)**

The Proposed Bonus Issue may give rise to adjustments to the number of awards to be issued pursuant to the rules governing the PSAS.

Any adjustments which are required will be made in accordance with the provisions of the rules to mitigate any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the awardees is not prejudiced thereafter. The rights and obligations of the awardees will remain unchanged, save for the adjustment to the number of awards granted under the PSAS.

6. **APPROVALS**

The Proposed Bonus Issue is subject to, *inter alia*, the following conditions: -

- (i) the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting (the “**EGM**”) to be convened; and
- (ii) the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Bonus Shares on the official list of the SGX-ST.

A Circular setting out details of the Proposed Bonus Issue and the notice convening the EGM will be despatched to Shareholders in due course. The Company will also be making an application to the SGX-ST for the listing and quotation of the Bonus Shares on the official list of the SGX-ST in due course.

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

8. **RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

9. **CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board  
**MENCAST HOLDINGS LTD.**

**SIM SOON NGEEN GLENDLE**  
Executive Chairman and Chief Executive Officer  
26 February 2013