

MENCAST HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company registration no.: 200802235C)

DEBT RESTRUCTURING AGREEMENT

1. Introduction

Reference is made to the following announcements made by the Board of Directors ("**Board**") of Mencast Holdings Limited ("**Company**" and, together with its subsidiaries the "**Group**"):

- (a) Company's unaudited financial statement and dividend announcement for the financial year ended 31 December 2017 ("**FY 2017**") released on 23 February 2018;
- (b) Company's announcement on the auditor's comments of the accounts released on 4 April 2018;
- (c) Company's announcement on the differences between unaudited and audited full year financial statements for FY 2017 released on 4 April 2018;
- (d) Company's announcement on its first quarter results released on 14 May 2018;
- (e) Company's announcement on its half yearly results released on 10 August 2018; and
- (f) Company's announcement on its third quarter results released on 5 November 2018.

2. Debt Restructuring

The Board wishes to update on the Group's on-going debt restructuring exercise with certain lenders to address any potential going concern issues.

In the preceding months, the Group has:

- (a) entered into discussions with certain lenders in respect of a debt-restructuring exercise and has been working closely with those lenders to address and manage its existing debt profile and the Group's working capital; and
- (b) identified the divestment of under-utilized and/or non-core assets by way of a straight sale of assets and/or disposal of subsidiary through a sale of shares as one solution to raise monies for the purpose of paring down the Group's debts and to meet the Group's current working capital requirements.

The Board is pleased to announce that the Group has, on 1st February 2019, entered into a Debt Restructuring Agreement (the "**DRA**") with DBS Bank Ltd., Ethoz Capital Ltd., RHB Bank Berhad, Standard Chartered Bank and United Overseas Bank Limited (the "**Lenders**") for a restructuring of the Group's existing debts owed to the said Lenders.

The material terms of the DRA include, *inter alia*, the following:

- (i) Standard contractual interest continues to be payable to the Lenders but the payment of contractual principal sums remains suspended until the end of the restructuring period.
- (ii) Default and/or penalty interest will continue to accrue during the restructuring period but, it will be waived and/or extinguished upon the conclusion of the restructuring period provided the DRA is not terminated as a result of the occurrence of an event of default which cannot be remedied, or the occurrence of an event of default which may be remedied but has not within 7 days from the date of the occurrence of the breach.

- (iii) The DRA provides for a mechanism for the repayment of the contractual principal sums owed to the Lenders.
- (iv) The Group shall deleverage its debt by a total amount of \$130 million during the restructuring period through, *inter alia*, the sale of its properties and other assets, with any balance of proceeds after application toward specified loans subject to a cash sweep mechanism.
- (v) After the restructuring period, the working capital facilities of the Group shall crystallise and be converted into term loan, repayable in equal monthly instalments over a 23-month period with a final bullet payment in the 24th month.

The Group will continue to provide further material updates of the debt restructuring exercise at the appropriate times.

3. Cautionary Statement

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Executive Chairman & Chief Executive Officer
1st February 2019

About Mencast

Mencast Holdings Ltd. and its subsidiaries ("Mencast" or the "Group") is a regional maintenance, repair and overhaul ("MRO") solutions provider for the global Offshore, Oil & Gas and Marine sectors. Headquartered in Singapore, our Group was successfully listed in June 2008 as the first sponsor-approved listing on Singapore's SGX Catalist and later became the first such company to transfer to the SGX Mainboard.

For more information on Mencast, visit <http://www.mencast.com.sg>

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