

MENCAST HOLDINGS LTD
(Incorporated in the Republic of Singapore on 30 January 2008)
(Company Registration No.: 200802235C)

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Board of Directors of Mencast Holdings Ltd. (the "**Company**") refers to the Company's offer document dated 17 June 2008 ("**Offer Document**") in relation to the initial public offering of the Company's shares (the "**IPO**").

The Board wishes to provide an update on the use of the net proceeds raised from the IPO (the "**IPO Proceeds**"). In accordance with the use of proceeds described in the section entitled "Use of Proceeds and Expenses of the Invitation" of the Offer Document, the Company had utilised a sum of S\$1.0 million of the IPO Proceeds as part of the final payment of S\$3.3 million in relation to the acquisition of the new plant located at No. 12 Kwong Min Road, Singapore 628714.

The balance of S\$2.3 million of the final payment is to be financed by a bank loan and internal resources.

The Company will continue to provide periodic updates on the use of the balance of the IPO proceeds.

This announcement and its contents have been reviewed by the Company's sponsor, CIMB-GK Securities Pte. Ltd. ("**Sponsor**") for compliance with the relevant rules of the SGX-ST. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mah Kah Loon, Head, Corporate Finance, at 50 Raffles Place, #19-00 Singapore Land Tower, Singapore 048623, telephone (65) 6225-1228.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Chief Executive Officer
31 July 2008