

MENCAST HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200802235C)

LEASE OF LAND AT PENJURU ROAD IN JURONG INDUSTRIAL ESTATE

The board of directors of the Mencast Holdings Ltd. (the “**Company**”) is pleased to announce that its wholly-owned subsidiary, Mencast Marine Pte. Ltd. (“**Mencast Marine** ”), had on 29 December 2010, accepted the letter of offer dated 6 December 2010 from JTC Corporation (“**Letter of Offer**”) in relation to the lease of the plot of land known as Private Lot A1458900, with an estimated area of 16,200 square metres, located at L1458900 Penjuru Road in Jurong Industrial Estate (the “**Land**”).

The lease for the Land is for a period of 30 years commencing from 1 March 2011 (“**Commencement Date**”).

Mencast Marine intends to build a manufacturing plant on the Land to be used for the manufacturing and servicing of sterngear equipment. This new plant will consolidate Mencast Marine’s manufacturing activities at the waterfront in Penjuru Road. The centralization of its activities is expected to generate operational and administrative synergies and will therefore benefit the Company in the longer term.

Under the Letter of Offer, the lease of the Land is conditional upon, *inter alia*, the assignment of Mencast Marine’s existing manufacturing plant located at No. 7 Tuas View Circuit, Singapore 637642, within 42 months from the Commencement Date.

The lease of the Land is not expected to have a material impact on the earnings per share and the net tangible assets per share of the Company and its subsidiaries for the current financial year ending 31 December 2010.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Chief Executive Officer
29 December 2010

*This announcement and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement. This announcement 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.*

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