

## **MENCAST HOLDINGS LTD.**

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

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### **PROPOSED JOINT VENTURE BETWEEN MENCAST HOLDINGS LTD. (THE "COMPANY"), BECKER MARINE SYSTEMS GMBH & CO. KG AND MACHINEFABRIEK AMERSFOORT B.V. (THE "JOINT VENTURE")**

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Company's announcements dated 5 November 2008, 6 January 2009, 11 March 2009, 31 December 2009 and 5 January 2010 relating to the Joint Venture (the "JV Announcements").*

Further to the JV Announcements, the board of directors of the Company wishes to announce that the MOU entered into between the Company, Becker Marine Systems GmbH & Co. KG ("**Becker**") and Machinefabriek Amersfoort B.V. ("**Amersfoort**") has been terminated with effect from today, 29 December 2010.

Under the 3rd supplemental letter in relation to the MOU entered into by the Company, Becker and Amersfoort on 5 January 2010, the deadline to enter into the formal agreement in relation to the Joint Venture was extended to 31 December 2010. As the deadline to enter into the formal agreement is approaching, the Company is of the view that focus should be placed on building and strengthening its relationship with Becker and has decided not to commit further resources by entering into the Joint Venture.

Notwithstanding this, the Company remains committed to be Becker's supplier and to support Becker's manufacturing needs to cater to their customers in the Asia Pacific region.

The termination of the MOU will not have any material effect on the net tangible assets per share and the earnings per share of the Company and its subsidiaries for the current financial year ending 31 December 2010.

None of the directors or the substantial shareholders of the Company have any interest, direct or indirect, in the termination of the MOU.

#### **BY ORDER OF THE BOARD**

SIM SOON NGEE GLENN DLE  
Executive Chairman and Chief Executive Officer

29 December 2010

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*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 Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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, CIMB Bank Berhad, Singapore Branch, 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.*