

MENCAST HOLDINGS LTD.

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

JOINT VENTURE WITH PHOMI MCM CO., LTD. AND MR. WONG CHEE HERNG

1. INTRODUCTION

The Board of Directors ("**Board**") of Mencast Holdings Limited ("**Company**" and, together with its subsidiaries the "**Group**"), wishes to announce that the Company has, on 16 March 2020, entered into a joint venture operating agreement (the "**JVA**") with Phomi MCM Co., Ltd. ("**PMC**") and Mr. Wong Chee Heng ("**Mr. Wong**") (collectively, the "**Parties**") to incorporate and operate a company in Singapore with the name 'Menji Pte. Ltd.' (the "**JV Company**"). The Parties intend to establish the JV Company to market, produce and distribute PMC's products in Singapore and such other markets as may be agreed between the Parties (the "**Joint Venture**").

PMC was established in 2014 in the New & High Tech Development Zone of Laibin, Guangxi, the People's Republic of China. PMC mainly engages in the research and development, manufacturing and sales of modified soil ecological materials, soft porcelain, modified inorganic powder, composite building facing sheets, indoor and outdoor decoration project construction, and import and export.

Mr. Wong is the Group Managing Director and Chief Executive Officer of Straits Construction Group Pte. Ltd. Under his leadership, Straits Construction Group Pte. Ltd. has expanded its revenue base by moving out of its core business segment of residential building construction into industrial and commercial building construction. Mr. Wong also sits on the board of Hoi Hup Realty Pte Ltd, a developer with projects both in Singapore and London.

2. INFORMATION ON THE JOINT VENTURE

PMC is a pioneering company specialized in the design and manufacturing of eco-building materials using propriety processes. These are manufactured from sustainable and recyclable materials using low energy processes. Its products are eco-friendly and extremely lightweight which can be used for marine and offshore construction project where the Group have a significant client base.

The Joint Venture is in line with the Group's business, as well as its long-term objective of delivering growth and enhancing its revenue stream, and the Board is of the view that the Joint Venture will be beneficial to the Group. With this collaboration, the Group also expects to achieve resource sharing with the other Parties and a win-win development through the integration of resource advantages.

The intended initial investment by the Company in the Joint Venture will be S\$276,000 represented by the subscription of 276,000 ordinary shares, representing 55.2% of the total issued and paid-up share capital of JV Company. It is intended that PMC and Mr. Wong subscribe for and hold the remaining 19.8% (S\$99,000) and 25.0% (S\$125,000) of the total issued and paid-up share capital of the JV Company, respectively.

3. DETAILS OF THE TRANSACTION

The investment by the Company will be funded through internal resources and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2020.

Based on the unaudited consolidated accounts of the Company for the year ended 31 December 2019, the relative figures for the Joint Venture, using the applicable bases of comparison under Rule 1006 of the SGX-ST Listing Manual, is less than 5%. Accordingly, the Joint Venture constitutes a “non-disclosable transaction” under Chapter 10 of the SGX-ST Listing Manual.

4. INTERESTS OF DIRECTORS, CONTROLLING AND SUBSTANTIAL SHAREHOLDERS

Mr. Sim Soon Ngee Glennle, the Company’s Executive Chairman & Chief Executive Officer, Mr. Wong Boon Huat, the Company’s Executive Director & Chief Operating Officer, and Mr. San Meng Chee, Chief Financial Officer, will be appointed as directors of the JV Company. Mr. Wong, a shareholder of the Company and the son of Mr. Wong Swee Chun who is a substantial shareholder of the Company, will also be appointed as a director of the JV Company. Save for the foregoing, none of the directors or the controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

The Company will make further announcements when there are material developments in connection with the JV Company.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENNLE
Executive Chairman & Chief Executive Officer
16 March 2020

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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