

MENCAST HOLDINGS LTD.

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

Background

Mencast Holdings Ltd. (the “Company”, and together with its subsidiaries, the “Group”) was placed on:

1. the watch-list under the minimum trading price entry criteria (“MTP Criteria Watch-list”) pursuant to Rule 1311(2) of the Listing Manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 5 December 2018 as it recorded a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months; and
2. the watch-list under the financial entry criteria (“Financial Criteria Watch-list”) pursuant to Rule 1311(1) of the Listing Manual on 6 June 2019 as it recorded pre-tax losses for the three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than S\$40 million over the last 6 months.

The Company remains on the MTP Criteria Watch-list and Financial Criteria Watch-list (collectively referred to as the “Watch-lists”) as at the date of this announcement as the Company did not meet (i) the MTP exit criteria pursuant to Rule 1314(2) of the Listing Manual (the “MTP Exit Criteria”) and (ii) the Financial exit criteria pursuant to Rule 1314(1) of the Listing Manual (the “Financial Exit Criteria”).

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “Board”) wishes to provide an update on its efforts and the progress made in meeting the MTP Exit Criteria and the Financial Exit Criteria.

Update on the Unaudited Financial Performance and Financial Position

The Group reported a total revenue of \$17.4 million for the first financial quarter in respect of the period ended 31 March 2020, as compared to \$17.2 million in the corresponding period in 2019. Net profit attributable to equity holders of the Company was \$10.7 million as compared to a net loss of \$3.9 million in previous year same period.

Please refer to the announcement dated 13 May 2020 on the unaudited financial statements of the Group for the first financial quarter for the financial period ended 31 March 2020 for an update on the Group’s financial position and any material developments that may have an impact on its financial situation.

Update on Efforts for Satisfying MTP and Financial Exit Criteria

The Board endeavors to review the available options to meet the MTP and Financial Exit Criteria, taking into account of the lackluster market conditions and uncertainties surrounding the global economy in light of the COVID-19 outbreak and the recent collapse in oil prices. While the Board remains vigilant to options such as share consolidation to increase the trading price of the Company’s shares to meet the MTP Exit Criteria, the Company will remain focused on efforts to improve its financial performance.

The Company will continue to focus on the growth development and capacity of its waste treatment plant to meet its expanding customer base. This will serve to reduce its reliance on the marine, offshore and O&G industry that it operates in. To this end, the Company wishes to refer to its announcements dated 17 December 2019 and 3 March 2020 in which its subsidiary and associated company had secured contracts with oil Supermajors for the purchase of certain goods and services in connection with the Group's waste treatment plants. The Group will also continue to source for other business opportunities to expand and enhance the performance and net asset value of the Company.

Further to the above, the Company remains committed to rationalize and reduce operating costs across its business segments, as well as restructure and/or re-organize its loss-making subsidiaries.

The Company is aware of the deadlines given by SGX-ST to meet the MTP and Financial Exit Criteria. The Company will, in the meantime, provide Shareholders with quarterly update on its efforts and the progress made in meeting the MTP and Financial Exit Criteria.

As announced by Singapore Exchange Regulation on 11 May 2020, the minimum trading price ("MTP") rule for Mainboard issuers will be removed with effect from 1 June 2020. Companies on the MTP watchlist will no longer need to satisfy the exit criteria and can apply for removal from the MTP watch-list.

If any material development occurs between the quarterly updates, the Company will make immediate announcement of such development.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Executive Chairman & Chief Executive Officer
13 May 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>

Contacts:

Chris San
Chief Financial Officer

David Leow
Chairman of Corporate Strategy and Communications Committee, Board of Directors

Tel: 65 6268 4331
E-mail: ir@mencast.com.sg