



MENCAST HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company registration no.: 200802235C)
(The “Company”)

(I) ENTRY INTO A SUPPLEMENTAL AGREEMENT AMENDING THE TERMS OF THE SHARE SALE AND PURCHASE AGREEMENT DATED 02 OCTOBER 2020

(II) COMPLETION OF THE SHARE SALE AND PURCHASE AGREEMENT

Unless otherwise defined, all capitalised terms used herein bear the same meanings as in Announcement (hereinafter defined)

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) refer to the Company’s announcement dated 2 October 2020 (the “**Announcement**”) relating to the sale of 51% of the issued and paid-up share capital in Mencast-KSE Pte. Ltd. (“**MKSE**”).
- 1.2 The Board wishes to announce that the Seller and the Purchaser have mutually agreed in writing to vary and amend the terms of the sale and purchase agreement dated 02 October 2020 (the “**Original SPA**”), by way of a supplemental agreement entered into between the parties on 10 November 2020 (the “**Supplemental Agreement**”). Save as disclosed below, all the other terms and conditions of the Original SPA remain unchanged.
- 1.3 Further to the above, the Board also wishes to update the Completion of the Proposed Disposal has taken place on 12 November 2020.

2. KEY AMENDMENTS CONTAINED IN THE SUPPLEMENTAL AGREEMENT

2.1 Amendments to the Retainer Agreement

2.1.1 Under the Original SPA,

the agreement is conditional upon satisfaction or waiver (as the case may be) of the Seller and the Purchaser entering into an agreement by 15 October 2020 for the Seller to exclusively repair and maintain the Purchaser’s dredgers, such agreement having a duration of at least 12 months, with a value of at least S\$1,000,000.

2.1.2 Pursuant to the Supplemental Agreement

the agreement is conditional upon satisfaction or waiver (as the case may be) of MKSE, the Purchaser, and Mencast Offshore & Marine Pte. Ltd. entering into an agreement for Mencast Offshore & Marine Pte. Ltd. and selected entities in the Group to procure or supply standby emergency berthing services to the dredgers owned by MKSE and the Purchaser, such agreement having a duration of at least 12 months, with a value of at least S\$1,000,000.

2.2 Amendments to the Debt Novation Agreement

2.2.1 Under the Original SPA

the agreement was conditional upon satisfaction or waiver (as the case may be) of the Seller, the Purchaser, and MKSE entering into an agreement wherein:

- (a) MKSE shall agree to novate all debts owed by MKSE to the Group as at 31 August 2020 (the “**Inter-Company Debts**”); and
- (b) the Purchaser shall agree to undertake and repay such Inter-Company Debts, and use its best endeavours to enter into such loan facilities as may be necessary in order for the Purchaser to fully and immediately satisfy its obligations under the agreement;

2.2.2 Pursuant to the Supplemental Agreement,

the agreement is conditional upon satisfaction or waiver (as the case may be) of the Seller, the Purchaser, MKSE, the Company, Mencast Offshore & Marine Pte. Ltd., and Recon Propeller & Engineering Pte. Ltd entering into an agreement wherein:

- (a) MKSE shall agree to novate the Inter-Company Debts owed by the MKSE to the Group; and
- (b) the Purchaser shall agree to undertake and repay such Inter-Company Debts and use its best endeavours to enter into such loan facilities as may be necessary in order for the Purchaser to fully and immediately satisfy its obligations under the deed.

2.3 Amendments to the Charge Agreement

2.3.1 Under the Original SPA:

immediately following Completion, and as a condition subsequent to the SPA, the Purchaser undertakes to the Seller that the Purchaser shall procure and ensure that MKSE shall enter into an agreement with the Company under which:

- (a) MKSE shall grant the Company a charge over two vessels which are flagged in Singapore and owned by MKSE (the “**Charged Vessels**”), in order to secure all debts owed by the Purchaser to the Company following the Purchaser’s entry into the Debt Novation Agreement; and
- (b) the Company may agree to release the charge on the charged vessels subject to further conditions to be discussed, including if such release is absolutely necessary in order for the Purchaser to enter into a loan facility.

2.3.2 Pursuant to the Supplemental Agreement:

- (a) No later than 30 Business Days following Completion (or such later date as may be agreed to by the Seller), and as a condition subsequent to the SPA, the Purchaser undertakes to the Seller that it shall enter into mortgage(s), together with the corresponding deed(s) of covenant with the Company, under which the Charged Vessels shall be mortgaged by the Purchaser in favour of the

Company to secure all debts owed by the Purchaser to the Company under the Debt Novation Deed following the Purchaser's entry into the Debt Novation Deed.

(b) No later than 30 Business Days following Completion (or such later date as may be agreed to by the Seller), and as a condition subsequent to this Agreement, the Purchaser undertakes to the Seller that it will procure that MKSE shall enter into such security documents and/or letters of waiver and consent (in each case, if required by the Seller), or such other documents as may be reasonably required by the Seller to, *inter alia*:

(i) assign and/or charge in favour of the Company its rights, interests, title and benefits under the letters from the Purchaser to MKSE, each dated 10 June 2019 relating to the Charged Vessels; and

(ii) mortgage and/or charge its title and interests in the Charged Vessels in favour of the Company,

in each case, in favour of the Company to secure all debts owed by the Purchaser to the Company under the Debt Novation Deed (as amended from time to time) following the Purchaser's entry into the Debt Novation Deed.

(c) The Company may agree to release the Charge Agreement subject to further conditions to be discussed and mutually agreed upon, including if such release is absolutely necessary in order for the Purchaser to enter into a Loan Facility.

3. COMPLETION

The Board wishes to announce that the Completion of the Proposed Disposal has taken place today. Accordingly, the Company has received the consideration for the sale of the Sale Shares from the Purchaser as per the terms of the SPA, as amended by the Supplemental Agreement. From the date of this announcement, MKSE has ceased to be a subsidiary of the Company.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and the Supplemental Agreement will be made available for inspection during normal business hours of the Company for three (3) months from the date of this announcement at the Company's registered office address at 42E Penjuru Road, Mencast Central, Singapore 609161.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Executive Chairman & Chief Executive Officer
12 November 2020