

**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 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 Financial Criteria Watch-list (hereinafter referred to as the “Watch-list”) as at the date of this announcement as the Company did not meet 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 Financial Exit Criteria.

**Update on the Unaudited Financial Performance and Financial Position**

The Group reported a total revenue of S\$34.9 million for the nine months ended 30 September 2020, as compared to S\$30.9 million in the corresponding period in 2019. Net profit attributable to equity holders of the Company was S\$10.1 million as compared to a net loss of S\$7.0 million in previous year same period.

Please refer to the announcement dated 13 November 2020 on the unaudited financial statements of the Group for the nine months financial period ended 30 September 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 Financial Exit Criteria**

The Board endeavours to review the available options to meet the Financial Exit Criteria, taking into account of the lackluster market conditions and uncertainties surrounding the global economy in light of the COVID-19 outbreak. The Company will remain focused on efforts to improve its financial performance.

The Group’s waste management business under the Energy business segment has been growing quarter-on-quarter since late 2019 and the Group had secured contracts with oil Supermajors for the purchase of certain goods and services in connection with the Group waste treatment plants on 17 December 2019 and 3 March 2020.

The Group will continue to focus on developing and enhance the capabilities of this segment by ways of increasing its capacity, developing new revenue stream, business collaborations to expand its customer base which will serve to reduce the Group’s reliance on the marine, offshore and O&G industry that it operates in. The Group will also continue to source for other business opportunities to expand and boost the performance and net asset value of the Company.

Further to the above, the Company remains committed to rationalise and reduce operating costs across its business segments, as well as restructure and/or re-organise its loss-making subsidiaries. In this regard, the Group has, on 2 October 2020, entered into a sale and purchase agreement to dispose its 51% share of a loss-making subsidiary, Mencast-KSE Pte. Ltd. The proposed disposal was completed on 12 November 2020.

The Company is aware of the 5<sup>th</sup> June 2022 deadline given by SGX-ST to meet the Financial Exit Criteria. The Company will, in the meantime, provide Shareholders with quarterly update on its efforts and the progress made in meeting the Financial Exit Criteria.

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 GLENDLE  
Executive Chairman & Chief Executive Officer  
13 November 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](mailto:ir@mencast.com.sg)**