

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\$11.2 million for the three months ended 31 March 2021, as compared to S\$14.9 million in the corresponding period in 2020. Net profit attributable to equity holders of the Company was S\$0.2 million as compared to S\$10.7 million in previous year same period.

Please refer to the announcement dated 14 May 2021 on the unaudited financial statements of the Group for the three months financial period ended 31 March 2021 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 situation. 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 since it commenced operation in late 2019. The Group will strategically expand its presence and capacity of its waste treatment plant to serve existing customers, as well as to grow the customer base. This enhancement is expected to diversify and stabilise the Group’s business.

While the Group is mindful of the challenges and the impact of a prolonged outbreak of the Covid-19, it remains vigilant and committed in exercising cost discipline across its business segments and will take necessary remedial actions, where possible. The Group will also continue to focus on strengthening its existing business and look for opportunities to increase business activities to expand and boost the performance and net asset value of the Company.

The Company is aware of the 5th 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
14 May 2021

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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