

CIRCULAR DATED 30 JANUARY 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

THIS CIRCULAR IS ISSUED BY MENCASD HOLDINGS LTD. (THE "COMPANY"). IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled "DEFINITIONS".

This Circular, together with the Notice of Extraordinary General Meeting ("EGM") and the accompanying Proxy Form have been made available on SGXNet and the Company's website at <https://www.mencast.com.sg/>. **A printed copy of this Circular, together with the Notice of EGM and the accompanying Proxy Form will NOT be despatched to Shareholders.**

If you have sold or transferred all your ordinary shares in the capital of Company, you should immediately forward this Circular, the Notice of EGM and the Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The approval in-principle of the SGX-ST in relation to the Company's application for the Proposed Transfer shall not be taken as an indication of the merits of the Proposed Transfer, the Company, its subsidiaries and/or its securities.

Mencast

PARTNER PERFECT

MENCASD HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200802235C)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) THE PROPOSED TRANSFER FROM THE MAINBOARD OF THE SGX-ST TO THE CATALIST**
- (II) THE PROPOSED NEW SHARE ISSUE MANDATE IN ACCORDANCE WITH SECTION 161 OF THE COMPANIES ACT 1967 OF SINGAPORE AND RULE 806(2) OF THE CATALIST RULES**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form	: 19 February 2023 at 10:30 a.m.
Date and Time of the EGM	: 21 February 2023 at 10:30 a.m.
Place of the EGM	: The EGM will be held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163, 21 February 2023 at 10:30 a.m. Please refer to Sections 11 and 12 of this Circular and the notes to the Notice of EGM dated 30 January 2023 for further details.

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:-

“ACRA”	Accounting and Corporate Regulatory Authority of Singapore
“AIP”	The approval-in-principle received from the SGX-ST on 18 January 2023 in relation to the Proposed Transfer
“Board” or “Board of Directors”	The board of directors of the Company as at the date of this Circular
“Catalist”	The Catalist board of the SGX-ST
“Catalist Rules”	The SGX Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	The Central Depository (Pte) Limited
“Circular”	This circular to Shareholders dated 30 January 2023
“CPFIS”	The Central Provident Fund Investment Scheme
“Company”	Mencast Holdings Ltd.
“Companies Act”	The Companies Act 1967, as amended, modified or supplemented from time to time
“Constitution”	The constitution of the Company, as may be amended or modified from time to time
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Cure Period”	Pursuant to Rule 1315 of the Mainboard Rules, the period of 36 months from the date on which an issuer is placed on the Watch-List, during which the issuer is required to take active steps to comply with Rule 1314 of the Mainboard Rules
“Directors”	The directors of the Company as at the date of this Circular
“EBITDA”	Earnings before interest, taxes, depreciation and amortisation
“Effective Transfer Date”	The effective date of the Proposed Transfer
“EGM”	The extraordinary meeting of the Company to be held on 21 February 2023 at 10:30 a.m., the notice of which is set out on pages N-1 to N-5 of this Circular
“FY”	Financial year ended or ending 31 December
“Group”	The Company and its subsidiaries

DEFINITIONS

“Latest Practicable Date”	19 January 2023, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	The Catalist Rules or the Mainboard Rules (as the case may be), as may be amended, supplemented or modified from time to time
“Mainboard”	The Mainboard of the SGX-ST
“Mainboard Rules”	The rules of the Listing Manual applicable to issuers listed on the Mainboard, as may be amended, supplemented and/or modified from time to time
“New Share Issue Mandate” or “Proposed New Share Issue Mandate”	The Proposed New Share Issue Mandate to be adopted at the EGM
“Notice of EGM”	The Notice of EGM as set out on pages N-1 to N-5 of this Circular
“Proposed Sponsor” or “SAC”	SAC Capital Private Limited
“Proposed Transfer”	The proposed transfer of the listing of the Company from the Mainboard to the Catalist
“Proxy Form”	The proxy form in respect of the EGM as set out on pages P-1 to P-2 of this Circular
“Register of Members”	The register of members of the Company
“Resolutions”	The special resolution for the Proposed Transfer and the ordinary resolution for the Proposed New Share Issue Mandate
“Second Extension”	The second extension of the Cure Period to 28 February 2023
“SFA”	Securities and Futures Act 2001, as amended, modified, or supplemented from time to time
“SGXNet”	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to SGX-ST or any other system networks prescribed by SGX-ST for the purpose of SGX-ST making that information available to the market
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
“Shares”	Ordinary shares in the share capital of the Company
“Substantial Shareholder”	In relation to a company, means a person which has an interest (as defined in the Companies Act) in one or more voting shares of the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company
“Watch-List”	The watch-list of the SGX-ST

DEFINITIONS

“Watch-List Exit Criteria”

Means the following:

- (i) record consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts); and
- (ii) average daily market capitalisation of S\$40 million or more over the last 6 months

“%” or “per cent.”

Percentage or per centum

“S\$”, “\$” and “cents”

Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The expressions **“related corporation”**, **“subsidiary”** and **“Substantial Shareholder”** shall have the meaning ascribed to them respectively in the Companies Act and the Catalist Rules.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA and the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA and the Listing Manual or modification as the case may be, unless otherwise provided.

Any reference in this Circular to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

Mencast

PARTNER PERFECT

MENCAST HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200802235C)

Directors:

Mr. Sim Soon Ngee Glennle (*Executive Chairman and Chief Executive Officer*)

Mr. Wong Boon Huat (*Executive Director*)

Mr. Sunny Wong Fook Choy (*Lead Independent Director*)

Mr. Leow David Ivan (*Independent Director*)

Mr. Ng Chee Keong (*Independent Director*)

Registered Office:

42E Penjuru Road

Mencast Central

Singapore 609161

30 January 2023

To: The Shareholders of Mencast Holdings Ltd.

Dear Sir / Madam,

(I) THE PROPOSED TRANSFER FROM THE MAINBOARD TO THE CATALIST

(II) THE PROPOSED NEW SHARE ISSUE MANDATE IN ACCORDANCE WITH SECTION 161 OF THE COMPANIES ACT AND RULE 806(2) OF THE CATALIST RULES

1. INTRODUCTION

1.1 The Directors are convening an EGM of the Company to be held on 21 February 2023 to seek approval from Shareholders for the following:

- (a) the Proposed Transfer from the SGX Mainboard to Catalist; and
- (b) the Proposed New Share Issue Mandate in accordance with section 161 of the Companies Act and Rule 806(2) of the Catalist Rules.

1.2 The ordinary resolution relating to the Proposed New Share Issue Mandate is conditional upon the special resolution relating to the Proposed Transfer. Should the special resolution on the Proposed Transfer not be approved, the ordinary resolution relating to the Proposed New Share Issue Mandate will not be duly passed.

1.3 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Transfer and the Proposed New Share Issue Mandate to be tabled at the EGM, and to seek Shareholders' approval in respect of the same at the EGM to be held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on 21 February 2023 at 10:30 a.m., the notice of which is set out on pages N-1 to N-5 of this Circular.

1.4 Shareholders are advised to read this Circular in its entirety and any Shareholder, who may require advice in context of his/her/their specific investment or who are in any doubt as to the course of action he/she/they should take, should consult his/her/their stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

1.5 The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.

LETTER TO SHAREHOLDERS

2. BACKGROUND

- 2.1 On 6 June 2019, the Company was placed on the Watch-List due to the financial entry criteria pursuant to Rule 1311(1) of the Mainboard Rules, which states that the SGX-ST will place an issuer on the Watch-List if it records 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 six (6) months.
- 2.2 In accordance with Rule 1315 of the Mainboard Rules, the Company had a Cure Period of 36 months (i.e. by 5 June 2022) to meet the Watch-List Exit Criteria. In the event that the Company is unable to meet the Watch-List Exit Criteria within the Cure Period, the SGX-ST may either delist the Company or suspend the trading of the Company's Shares with a view to delisting the Company.
- 2.3 Pursuant to paragraph 4.2(1) of Practice Note 13.2 of the Mainboard Rules, an issuer may apply to the SGX-ST for an extension of the Cure Period by up to 12 months if the issuer is able to satisfy (i) at least one of the requirements under Rule 1314 of the Mainboard Rules and (ii) has achieved healthy cash flow from its operating activities (based on its audited full year consolidated accounts for the most recently completed financial year).
- 2.4 On 13 May 2022, the Company appointed SAC to assist in the Proposed Transfer and the Company's exit from the Watch-List. The Company has also proposed SAC to act as the Company's continuing sponsor subject to the effective transfer of the Company from the Mainboard to Catalist.
- 2.5 On 20 May 2022, the Company submitted its application to the SGX-ST to seek an extension of time up to 30 December 2022 to comply with Rule 1315 of the Mainboard Rules. The Company's rationale for seeking the extension were as follows:
- (a) for the Company and potential sponsor to go through the necessary process and procedures including submission of the application for the Proposed Transfer to the SGX-ST;
 - (b) for the SGX-ST to review the application for the Proposed Transfer; and
 - (c) for the Company to prepare a circular to shareholders as well as to serve a 21 days' notice for an extraordinary general meeting to be convened for the shareholders to approve the Proposed Transfer.
- 2.6 On 3 June 2022, the SGX-ST granted its approval for an extension of the Cure Period by approximately 7 months, to end on 30 December 2022, subject to the following conditions:
- (a) the Company announcing the period of extension granted, the reasons for seeking the extension to comply with Rule 1315 of the Mainboard Rules, the conditions as required under Rule 107 of the Listing Manual, and if such conditions have been satisfied. If these conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
 - (b) the completion of the Company's transfer of its listing status to Catalist by 30 December 2022.
- The Company had fulfilled the condition in paragraph 2.6(a) through the dissemination of the announcement on 5 June 2022.
- 2.7 On 8 December 2022, the Company made an application to the SGX-ST for a further extension of time of the Cure Period to 28 February 2023 for the Company to comply with Rule 1315 of the Mainboard Rules ("**Second Extension**"). The reason for the Second Extension was to allow time for the SGX-ST to review the application for the Proposed Transfer; and for the Company to prepare a circular to shareholders as well as to serve a 21 days' notice for an extraordinary general meeting to be convened for the shareholders to approve the Proposed Transfer.
- 2.8 On 23 December 2022, the SGX-ST granted its approval for the Second Extension by approximately 2 months, to end on 28 February 2023.

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- 2.9 The Company had, on 23 November 2022 made an application to the SGX-ST for the Proposed Transfer through its Proposed Sponsor. On 18 January 2023, the Board announced that the Company had obtained the approval in-principle (the “AIP”) from the SGX-ST in relation to the Company’s application for the Proposed Transfer. The AIP is subject to, *inter alia*:
- (a) compliance with the SGX-ST’s listing requirements;
 - (b) an immediate announcement via SGXNet of the Proposed Transfer;
 - (c) Shareholders’ approval being obtained for the Proposed Transfer via a special resolution under Rule 410(4) of the Catalist Rules; and
 - (d) submission of:
 - (i) a written undertaking from the Company in the format set out in Appendix 4E of the Catalist Rules to comply with all of the SGX-ST’s requirement and policies applicable to the issuers listed on the Catalist;
 - (ii) a written undertaking by the Company and its sponsor that they are not aware of any material information which has not been previously announced via SGXNet which will affect the Company’s suitability for the transfer to the Catalist;
 - (iii) a written undertaking from each of the Company’s directors in the form set out in Appendix 7H of the Catalist Rules and an undertaking from the Company to procure the same written undertaking from any new director appointed to the Company’s board after the Proposed Transfer takes place; and
 - (iv) a written confirmation from the Company that it is in compliance with all applicable Mainboard Rules.

The Company has satisfied all of the above conditions as of the date of this Circular, save for condition (c) which will be satisfied if Shareholders’ approval for the Proposed Transfer is obtained at the EGM.

The AIP from the SGX-ST is not to be taken as an indication of the merits of the Proposed Transfer, the Company, its subsidiaries and/or its securities.

3. RATIONALE FOR THE PROPOSED TRANSFER

- 3.1 Pursuant to the Proposed Transfer, the Group would be exiting the Watch-List. Since being placed on the Watch-List, the Group has been committed in executing its turnaround strategies, to remain prudent and focus on operational cost containment to ensure resiliency across its business segments, to drive growth by exploring viable opportunities both in Singapore and overseas, and to seek out strategic partners and potential investments to expand and boost the performance and net asset value of the Group. With continued support from the lenders and the Group’s continuous effort on the debt restructuring exercise (with the latest development announced on 11 November 2021), the uplifting of the Company’s going concern issue in FY2020 and FY2021, a stronger balance sheet and a net profit position in FY2021, such positive developments had reflected the effectiveness of management’s intensive effort in executing the Group’s turnaround roadmap for the last three (3) years;
- 3.2 The Proposed Transfer is part of the Group’s longer-term business strategy to execute its turnaround strategies and to achieve recurring profitability. The Group recognises the fact that it is easier to carry out acquisitions or disposals or to issue shares and raise capital from Catalist as compared to the Mainboard, due to the higher thresholds for shareholder’s approvals and the wider mandate to issue new shares. As the Group is in the midst of divesting non-core assets to improve its profitability, the Proposed Transfer would also create a more expedient process for disposals; and
- 3.3 After taking into consideration the divestment of the Group’s non-core assets and loss-making subsidiaries, current business size, market capitalisation and share price of the Company, the Board is of the view that the Group better resembles that of companies on Catalist. The Company’s average market capitalisation for the last 6 months preceding the Latest Practicable Date of this Circular is S\$27.5 million. By keeping its listing status on the Catalist, the Company will also be in good stead to meet its fund-raising needs to carry out growth initiatives and explore opportunities for potential mergers and acquisitions to enlarge its current business base and increase profitability, as well as securing better commercial terms and meeting debt covenants.

LETTER TO SHAREHOLDERS

3.4 Based on the foregoing, if Shareholders' approval is not obtained and the Proposed Transfer is not effected by the Cure Period on 28 February 2023, the SGX-ST may delist the Company, or suspend trading of the Shares (without the agreement of the Company) with a view to delisting the Company. If the Company were to remain listed on the Mainboard, the Company expects that substantive corporate actions (including, but not limited to, restructuring and business acquisitions) would have to be carried out with the objective of raising the Share price and thereby market capitalisation in order to exit the Watch-List.

The Board believes that it is in the best interests of the Company and Shareholders for the Company to continue to be listed on the SGX-ST, and that the Catalist would be a more conducive platform for the Group to meet its funding needs and carry on its business strategies for the reasons stated in Sections 3.1 to 3.4.

3.5 **Shareholders are advised that the trading performance of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiments. There is no certainty that the aforementioned corporate actions, even if carried out, would achieve the objectives of raising the Share price.**

Current Circumstances of the Group

3.6 As of Latest Practicable Date, the Group is principally engaged in the following businesses:

- (a) Offshore & Engineering - Includes offshore structures, engineering, manufacturing, inspection, and maintenance;
- (b) Marine - Includes stern gear manufacturing and refurbishment works, ship inspection, repair and maintenance services and engineering and fabrication works; and
- (c) Energy Services - Includes waste treatment and recovery waste system. Capabilities of waste treatment plant include treatment of waste, water, oily sludge, slope, mud oil, contaminated soil, solid wastes, and filter cakes.

3.7 Since recording pre-tax losses for FY2016 to FY2019, the Group has been committed to executing its turnaround strategies, to remain prudent and focus on operational cost containment to ensure resiliency across its business segments and became operationally profitable in FY2020 and FY2021. Please refer to Sections 4.3 and 4.4 for details on the turnaround strategies undertaken by the Group.

3.8 As a result of the Group's continuous debt restructuring efforts, the Group strengthened its balance sheet, and recorded a positive working capital of S\$20.8 million and S\$22.2 million as at 30 June 2022 and 31 December 2021 respectively; and net asset position of S\$31.6 million as at 30 June 2022 and S\$31.5 million as at 31 December 2021.

3.9 Going forward, the Group will continue to focus on divesting non-core assets identified in the Amended DRA as defined in paragraph 4.4 of this Circular.

3.10 Board's assessment on the sustainability of the Company's growth post transfer to Catalist

The Board of Directors is of the opinion that the sustainability of the Company's growth is expected to continue, barring any unforeseen circumstance and taking into account the following:

- (a) the disposal of non-core assets and identified business unit will not materially change the Group's core businesses and is not expected to have a material change in the risk profile of the Company. The Board is of the view that such disposals will allow the Group to reduce its fixed operating costs and to streamline its business structure. These disposals will enable the Company to free up its resources and capital for allocation to its other profitable operations and towards satisfying its debts. With a leaner organisation structure, the Board believes that the management can allocate more of its time and resources to pursue new business opportunities that will increase the number of revenue streams for the Group and deliver positive value to Shareholders;
- (b) in view of (a) above, the Board believes that the Group will be able to continue and expend more energy on its core businesses, particularly its propulsion manufacturing and waste management business, in respect of seeking new business strategies which include scaling up its operations, and capacity as well as expanding into new product offerings to further broaden its customer base with new and recurring customers; and

LETTER TO SHAREHOLDERS

- (c) the Board noted that the Company has taken active steps and made concerted efforts for the Group to return to profitability since being placed on the Watch-List. These steps include the following:
- the Group has reviewed the operations and viability of the Group's existing businesses and assets in its three (3) business segments, namely Marine, Offshore & Engineering and Energy Services segments and successfully executed its turnaround strategies.
 - the Group has explored the viability of expanding its businesses in the Energy Services segment and undertook a strategic business transformation to accelerate its growth in its waste treatment management business which is providing a stable and growing source of income for the Group.
 - the Company has endeavoured and will continue to endeavour, as a matter of priority to implement cost-saving initiatives to optimise the cost-effectiveness of the Group's existing businesses.

3.11 Key Financial Information of the Group

S\$'000	FY2019	FY2020	FY2021	HY2022
Revenue	42,950	46,872	51,283	17,706
Gross profit	3,731	12,617	13,587	3,571
Impairment loss on property, plant and equipment	1,410 ⁽¹⁾	2,160 ⁽²⁾	840 ⁽³⁾	-
Impairment loss on disposal group classified as held-for-sale	-	3,500 ⁽⁴⁾	-	-
Pre-tax profits from continuing operations	(8,346)	5,902	4,797	304
Less: adjustments for non-recurring income	(6,757)	(12,204)	(1,535)	(266)
Adjusted pre-tax profits from continuing operations	(15,103)	(6,302)	3,262	38
Working Capital	(87,739)	24,988	22,172	20,796
Net asset position	19,441	24,866	31,531	31,645
Cashflow from operations	18,142	14,651	18,816	5,637

Notes:

- (1) S\$1,410,000 relates to impairment of a construction-in-progress vessel held under the Offshore & Engineering segment.
- (2) S\$2,160,000 relates to impairment of an under-utilised vessel from the Offshore & Engineering segment.
- (3) S\$840,000 relates to impairment of under-utilised machinery and equipment from the Offshore & Engineering segment.
- (4) S\$3,500,000 relates to impairment of 42A Penjuru Property.

4. REQUIREMENTS FOR THE PROPOSED TRANSFER

Compliance with Requirements under the SGX-ST Regulator's Column

- 4.1 The SGX-ST, on 4 January 2016, issued a Regulator's Column titled "Transfer from Mainboard to Catalist – what to expect of companies and sponsors", which provides guidance on, Mainboard companies transferring to Catalist. For an issuer placed on the Watch-List who is profitable but has a market capitalisation below S\$40 million over the past 120 days, the issuer may proceed to apply for the transfer if the issuer (i) achieves a consolidated audited pre-tax profit for the most recent financial year; (ii) appoints a sponsor and the sponsor is satisfied that the issuer meets the criteria for transfer to the Catalist; and (iii) consults the SGX-ST and the SGX-ST issues a no-objection ("**RC Requirements**").
- 4.2 Having regard to the RC Requirements, the Company (i) appointed the Proposed Sponsor (being SAC Capital Private Limited, who is satisfied that the Company meets the criteria for transfer to the Catalist) as the continuing sponsor, subject to the Proposed Transfer taking effect; and (ii) received in-principle approval from the SGX-ST (through the Proposed Sponsor) on the Proposed Transfer, further details of which are set out in paragraph 2.9 of this Circular.

LETTER TO SHAREHOLDERS

4.3 Since being placed on the Watch-List on 6 June 2019, the Company has been actively undertaking turnaround measures and focusing on cash conservation, streamlining its cost structure and improving operational efficiencies and driving growth by exploring viable business opportunities.

(i) Focusing on cash conservation and containing its cost structure

The Group recognised the need to reduce its capital expenditure and labour cost to conserve cash and contain its cost structure. In doing so, the Group was committed to rationalise, restructure and/or re-organise loss-making subsidiaries and associates across its business segments, particularly reducing its reliance on labour- and capital-intensive businesses. During FY2019 to FY2022, the Group has disposed of (i) its 50% stake in Vac-Tech Engineering Pte Ltd ("**Vac-Tech**"); (ii) its 51% stake in Mencast-KSE Pte. Ltd; (iii) its entire stake in S&W Process Equipment (Changshu) Co., Ltd.; and (iv) its entire stake in Mencast Subsea Pte. Ltd. and its subsidiaries ("**Mencast Subsea**"). On 17 December 2022, the Company announced a further disposal of its remaining 20% equity interest in Vac-Tech which is in the midst of completion. Following these disposals, the Group's manpower and fixed operating costs were reduced and the Group was able to free up its resources and capital for allocation to other profitable operations.

(ii) Exploring viable business opportunities and focusing growth of the Group's waste management business

In late 2019, the Group initiated action plans to develop and focus on the growth development and capacity of its waste treatment plant to meet its expanding customer base. The Group's waste management business, under the Energy Services business segment, has been growing since late 2019 and is contributing positively to the Group in terms of EBITDA and profitability. The Group will continue to focus on developing and enhancing its capabilities through increasing its capacity, developing new revenue streams, and business collaborations to expand its customer base.

(iii) Finalisation of the debt restructuring agreement with its lenders

The Group has, on 26 August 2020, entered into an Amendment and Restatement Agreement with its lenders amending and restating the Debt Restructuring Agreement for the restructuring of the Group's existing debts owed to the Lenders. The existing debts and principal repayments were re-profiled, thus enabling the Group to meet its liabilities as and when it falls due. Please refer to Section 4.4 for further details.

4.4 *Viability of the Group's business and ability to continue as a going concern*

As a result of the abovementioned efforts, the Group was able to turn around its performance and achieved a consolidated audited pre-tax profit for the most recent financial year (being FY2021). The Group recorded (i) audited pre-tax profit of S\$4.8 million and S\$5.9 million for FY2021 and FY2020 respectively, and unaudited pre-tax profit of S\$0.3 million in the half year ended 30 June 2022; (ii) strong positive cash flows from operating activities of S\$5.6 million, S\$18.8 million, S\$14.6 million and S\$18.1 million in the period ended 30 June 2022 ("**1H2022**"), FY2021, FY2020 and FY2019 respectively; (iii) cash and cash equivalents of S\$11.9 million as at 30 June 2022 and S\$14.3 million as at 31 December 2021; (iv) positive working capital of S\$20.8 million as at 30 June 2022 and S\$22.2 million as at 31 December 2021; (v) net asset position of S\$31.6 million as at 30 June 2022 and S\$31.5 million as at 31 December 2021; and (vii) does not have any material contingent liabilities as at Latest Practicable Date, save for corporate guarantees amounting to S\$1.3 million.

As at 30 June 2022 and 31 December 2021, the Group has approximately S\$145.9 million and S\$152.1 million of borrowings respectively. The Group has received continued support from its lenders to date.

LETTER TO SHAREHOLDERS

On 1 February 2019, the Group entered into a Debt Restructuring Agreement (the “**DRA**”) with DBS Bank Ltd., Ethoz Capital Ltd., RHB Bank Berhard, Standard Chartered Bank and United Overseas Bank Limited (the “**Lenders**”) for a restructuring of the Group’s existing debts owed to the Lenders. The material terms of the DRA include, *inter alia*, the following:

- (i) Standard contractual interest continues to be payable to the Lenders but the payment of contractual principal sums remains suspended until the end of the restructuring period, i.e. 29 February 2020.
- (ii) Default and/or penalty interest will continue to accrue during the restructuring period but it will be waived and/or extinguished upon the conclusion of the restructuring period provided the DRA is not terminated as a result of the occurrence of an event of default which cannot be remedied, or the occurrence of an event of default which may be remedied but has not within 7 days from the date of the occurrence of the breach.
- (iii) The DRA provides for a mechanism for the repayment of the contractual principal sums owed to the Lenders.
- (iv) The Group shall deleverage its debt by a total amount of S\$130 million during the restructuring period through, *inter alia*, the sale of its properties and other assets, with any balance of proceeds after application toward specified loans subject to a cash sweep mechanism.
- (v) After the restructuring period, the working capital facilities of the Group shall crystallise and be converted into a term loan, repayable in equal monthly instalments over a 23-month period with a final bullet payment in the 24th month.

On 26 August 2020, the Group and the Lenders entered into the Amendment and Restatement of Debt Restructuring Agreement (“**Amended DRA**”), pursuant to which:

- (i) The restructuring period and the general and principal moratoria have been extended to 28 February 2021.
- (ii) The property backed restructured term loans have been reprofiled and will be repayable in equal monthly instalments over a 119-month period (but calculated on the basis of a 240-month period) with a final bullet repayment of the balance due after taking into account certain divestments in the 120th month.
- (iii) The other restructured term loans have been reprofiled and will be repayable in equal monthly instalments over the first 48 months of the repayment period.
- (iv) All financial covenants under the relevant facility agreements (i.e. clauses pertaining to financial conditions, the breach of which would result in an event of default under such facility agreements) will be waived until 31 March 2022.
- (v) Interest on the outstanding debt due and payable to United Overseas Bank Limited shall accrue at a lower agreed interest rate for the period from 1 June 2020 to 31 May 2021.
- (vi) The Group shall deleverage its debt by at least S\$55 million on or before 31 March 2022 through the divestment of certain agreed non-core assets and certain identified non-core subsidiaries of the Group.

On 10 November 2021, the Group entered into a letter agreement to further amend certain terms of the Amended DRA as below:

- (i) All financial covenants under the relevant existing facility agreements (i.e. clauses pertaining to financial conditions, the breach of which would result in an event of default under such facility agreements) will be waived until 31 March 2024, and no event of default under and/or breach of such existing facility agreements shall arise therefrom.
- (ii) The Group shall deleverage its debt by at least S\$55 million on or before 31 March 2024, through the divestment of certain agreed non-core assets and an identified non-core business unit of the Group.
- (iii) During the restructuring period and until 31 March 2024, the Group shall not pay dividends or any other forms of distributions to its shareholders.

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In conjunction with principal repayments, the Group has carried out the following, thereby paring down its debt by S\$45.5 million, from S\$191.4 million as at 31 December 2018 to S\$145.9 million as at 30 June 2022:

- (i) Divested 51.0% equity interest in Mencast-KSE Pte Ltd;
- (ii) Divested 50.0% equity interest in Vac-Tech Engineering Pte Ltd;
- (iii) Disposed of property at 7 Tuas View Circuit;
- (iv) Divested 100.0% of S&W Process Equipment (Changshu) Co Ltd;
- (v) Divested 100.0% of Mencast Subsea Pte Ltd;
- (vi) Terminated lease for 107 Gul Circle.

SAC has reviewed the Company's latest financial statements for FY2021 which was audited by the External Auditors of the Company, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) and noted that the External Auditors did not express any going concern issues.

Based on the foregoing assessment and in consideration of the Group's financial forecasts, where the Group expects to generate positive EBITDA and cash flows from operations, SAC is satisfied on the viability of the Company's business and its ability to operate as a going concern.

4.5 *Adequacy of working capital*

The Company and the Proposed Sponsor are required to conclude that in its reasonable opinion, the working capital available to the Group is sufficient for the Group's present requirements and for at least 12 months after the effective date of the Proposed Transfer. When assessing the adequacy of the Group's working capital, the Company and SAC have considered the following :

- (i) As at 30 June 2022 and 31 December 2021, the Group recorded cash and cash equivalents of S\$11.9 million and S\$14.3 million respectively;
- (ii) As at 30 June 2022 and 31 December 2021, the Group had a positive working capital of S\$20.8 million and S\$22.2 million respectively and borrowings of S\$145.9 million and S\$152.1 million respectively;
- (iii) The Group had recorded positive operating cash flows of S\$5.6 million and S\$18.8 million in 1H2022 and FY2021 respectively;
- (iv) The Group had recorded pre-tax profits from continuing operations of S\$0.3 million and S\$4.8 million in 1H2022 and FY2021 respectively;
- (v) The continual support from the Lenders in respect of the DRA and subsequent amendments;
- (vi) The continuous efforts by the Group in divesting its non-core assets / businesses to pare down its debts;
- (vii) Based on the financial forecast prepared by the Company and approved by the Directors, the Group expects to have positive net working capital positions for FY2022 and FY2023;
- (viii) As at Latest Practicable Date, capital commitments of the Group amounted to S\$0.8 million which mainly pertains to the purchase of machinery and equipment for the Group's waste management business. Such commitments will be funded by internal resources and have been taken into account in the forecast; and
- (ix) As at Latest Practicable Date, the Group represented that it did not have any material contingent liabilities, save for corporate guarantees amounting to S\$1.3 million.

Accordingly, the Board is satisfied that the working capital available for the Group is sufficient for the Group's present requirements and for at least 12 months after the Effective Transfer Date and has provided the working capital opinion as required under Rule 407(2) of the Catalist Rules. Based on the foregoing reasons, SAC has provided the working capital opinion as required under Rule 407(3) of the Catalist Rules in paragraph 4.10.

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4.6 Pre-tax profit achieved due to recurring income

Based on the Company's audited full year financial statements for FY2021, the Group recorded a pre-tax profit of S\$4.8 million for FY2021. The breakdown of adjustments to FY2021 pre-tax profit are as follows:

Adjusted pre-tax profit	S\$'000
Audited pre-tax profit for FY2021	4,797
Less: adjustments for non-recurring income	
Gain on re-measurement of retained investment	(119)
Government grants (JSS / FWL rebates & waivers / others)	(1,416)
Adjusted pre-tax profit	3,262

Having considered the removal of non-recurring income, the adjusted FY2021 pre-tax profit is approximately S\$3.3 million. In this regard, SAC is satisfied that the Group's efforts indicate a turnaround of the Company's financial position and the Group's pre-tax profit for FY2021 would satisfy the transfer requirements of having pre-tax profit being achieved due to recurring income.

- 4.7 The reasons for the Proposed Transfer, plans to turn the Company around (including but not limited to fund-raising and business plans), and how the Proposed Transfer would help the Company in executing such plans are set out in Section 3 of this Circular.
- 4.8 SAC notes that the Company believes that a continued listing on the Catalist provides the Group with a robust platform to access the capital market and other avenues for the Company to consider in order to create long term shareholder's value. Additionally, the Board is of the view that (i) substantive corporate actions would need to be taken to raise its share price to meet the Watch-List requirements if it remains on the Mainboard; and (ii) the Group's market capitalisation better resembles that of companies on Catalist.
- 4.9 Based on the foregoing reasons, SAC is of the view that the Proposed Transfer allows the Company to, while remaining listed, achieve its longer-term business strategy of undertaking turnaround measures, focusing on deleveraging, reducing its costs by improving operational efficiencies, and driving growth by exploring viable business opportunities.

Compliance with Rule 410 of the Catalist Rules

- 4.10 A transfer of listing from the Mainboard to the Catalist is governed by Rule 410 of the Catalist Rules. As set out below, the Company has met all the requirements for a transfer to the Catalist, save for the requirement for Shareholders' approval for the Proposed Transfer, which is the subject of this Circular.

Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>Rule 410 – An SGX Mainboard issuer may apply to the Exchange in writing for transfer to Catalist. The Exchange may allow the transfer if the issuer meets the following requirements:</p> <p>(1) Compliance with Rules 406(1), (2)(b), (3), (4) and 407(2) and (3).</p>	<p>Please see below.</p>

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Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>Rule 406(1) – Shareholding Spread and Distribution</p> <p>(a) The proportion of post-invitation share capital in public hands must be at least 15% at the time of listing. The shareholding spread must not be obtained by artificial means, such as giving shares away and offering loans to prospective shareholders to buy the shares.</p> <p>(b) In the computation of the percentage of shares to be held in public hands, existing public shareholders may be included, subject to an aggregate limit of 5% of the issuer’s post-invitation issued share capital and provided such shares are not under moratorium. For the purpose of this Rule, “existing public shareholders” refer to shareholders of the issuer immediately before the invitation and who are deemed “public” as defined in the Manual.</p> <p>(c) The number of public shareholders of the securities must be at least 200.</p> <p>(d) The overall distribution of shareholdings should be expected to provide an orderly secondary market in the securities when trading commences, and be unlikely to lead to a corner situation in the securities.</p> <p>(e) The subscription and allocation value of the shares at IPO for each investor must be at least S\$200 and must be based on an integral multiple of a board lot.</p>	<p>Rule 406(1)(a) to (d)</p> <p>Based on the shareholding statistics available to the Company as at the Latest Practicable Date, approximately 38.39% of the Shares are held in the hands of the public and the number of public Shareholders is more than 730.</p> <p>The overall distribution of the Shares is expected to provide an orderly secondary market in the securities of the Company when trading commences on the Catalist, and is unlikely to lead to a cornered situation in the Shares.</p> <p>Rule 406(1)(e)</p> <p>Not applicable to the Company.</p>
<p>Rule 406(2)(b) – Quantitative Criteria</p> <p>(b) The Exchange may publish specific additional or other criteria for different types of listing applicants.</p>	<p>Save for the requirements to be set out in the AIP of the SGX-ST in relation to the Company’s application for the Proposed Transfer and Exit from Watch-List, the SGX-ST has not published specific additional or other quantitative criteria for the Proposed Transfer as at the date of this Circular.</p>

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Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>Rule 406(3) – Directors and Management</p> <p>(a) The directors and executive officers should have appropriate experience and expertise to manage the group’s business. A director who has no prior experience as a director of an issuer listed on the Exchange must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. If the nominating committee is of the view that training is not required because the director has other relevant experience, the basis of its assessment must be disclosed. As a pre-quotations disclosure requirement, a listing applicant must release a statement (via SGXNet or in the offer document) identifying for each director, whether the person has prior experience as a director of an issuer listed on the Exchange or if he has other relevant experience, and if so, provide details of his directorships and other relevant experience. If the director has no prior experience as a director of an issuer listed on the Exchange and has no other relevant experience, the listing applicant must confirm that the person has undertaken training as prescribed by the Exchange.</p> <p>(b) The character and integrity of the directors, management and controlling shareholders of the listing applicant will be a relevant factor for consideration. In considering whether the directors, management and controlling shareholders have the character and integrity expected of a listed issuer, the sponsor must take into account the disclosures made in the declaration by each director, executive officer, controlling shareholder, and officer occupying a managerial position and above who is a relative of any director or controlling shareholder, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 submitted to the sponsor.</p>	<p>The Company has complied with Rule 406(3) of the Catalist Rules as:</p> <p>(a) the Directors and executive officers of the Group have the appropriate experience and expertise to manage the Group’s business;</p> <p>(b) the Proposed Sponsor has obtained declarations from each director, executive officer, controlling shareholder, and officer occupying a managerial position and above who is a relative of any director or controlling shareholder, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005. Nothing materially adverse has come to the attention of the Proposed Sponsor to suggest that the Directors, executive officers and Controlling Shareholder of the Company do not have the character and integrity expected of a listed issuer;</p> <p>(c) the Company has three (3) non-executive independent directors, Mr Sunny Wong Fook Choy, Mr Leow David Ivan, and Mr Ng Chee Keong, who are independent and free of any business or financial connection with the Group. The independent Directors comprise more than half of the Board;</p> <p>(d) none of the independent Directors:</p> <p style="padding-left: 20px;">(i) is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; or</p> <p style="padding-left: 20px;">(ii) has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is or was determined by the remuneration committee of the Company;</p> <p>(e) All three (3) independent Directors whose tenures exceed nine (9) years have subject themselves to two-tier voting at the annual general meetings held on 30 April 2021 and 29 April 2022 respectively; and</p> <p>(f) the Company has established the Audit Committee, the Nominating Committee and Remuneration Committee with written terms of reference which clearly sets out the authority and duties of these committees, as disclosed in the Company’s annual report.</p>

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Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>(c) The listing applicant's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the listing applicant. Independent directors must comprise at least one-third of the listing applicant's board. If the listing applicant is a foreign listing applicant, at least one of these directors must be resident in Singapore. In the event of any retirement or resignation which renders the listing applicant unable to meet any of the foregoing requirements, the listing applicant should endeavour to fill the vacancy within two months, but in any case, not later than three months.</p> <p>(d) A director will not be independent under any of the following circumstances:</p> <p>(i) if he is employed by the listing applicant or any of its related corporations for the current or any of the past three financial years;</p> <p>(ii) if he has an immediate family member who is employed or has been employed by the listing applicant or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the listing applicant; or</p> <p>(iii) if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the listing applicant, and associates of such directors and chief executive officer. For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the listing applicant, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following: - (X) the retirement or resignation of the director; or (Y) the conclusion of the third annual general meeting of the listing applicant following the passing of the resolutions.</p>	<p>Mr Sunny Wong Fook Choy ("Mr Sunny Wong"), Mr Ng Chee Keong ("Mr Ng") and Mr Leow David Ivan ("Mr David Leow"), who joined the Board of the Company on 29 May 2008, 9 October 2009 and 7 June 2013 respectively have tenures of more than 9 years. Having considered the above, the Nominating Committee and the Board are of the view that Mr Sunny Wong, Mr Ng and Mr David Leow continue to remain objective and independent-minded in Board deliberations. After due consideration and careful assessment, and also having weighed the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board are of the view that Mr Sunny Wong, Mr Ng and Mr David Leow are able to continue to discharge their duties independently with integrity and competence.</p> <p>As at the date of this Circular, the current Board will continue to oversee the Company until the Proposed Transfer is completed. With the recent amendments to the listing rules limiting the tenure of independent directors serving on the boards of listed issuers to nine years by the SGX-ST issued on 11 January 2023, the Board has started the process of identifying potential candidates in place of its 3 independent directors and will work towards complying with the tenure limit rules by the FY2023 annual general meeting to be held in the calendar year 2024.</p>

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Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>(e) The listing applicant must establish one or more committees as may be necessary to perform the functions of an audit committee, a nominating committee and a remuneration committee, with written terms of reference which clearly set out the authority and duties of the committees.</p>	
<p>Rule 406(4) – Sponsorship</p> <p>The listing applicant’s sponsor must provide the confirmation required in Appendix 4B that the listing applicant is suitable for listing and complies with the Rules.</p>	<p>Appendix 4B relates to Initial Public Offering Listing Confirmation and hence is not required to be provided as part of the Company’s application for the Proposed Transfer. The Proposed Sponsor has provided the confirmation required in Appendix 4D of the Catalist Rules to the SGX-ST that the Company is suitable for listing and complies with the Catalist Rules.</p>
<p>Rule 407(2) – Confirmation of working capital sufficiency by the Board</p> <p>With regard to the statement by the listing applicant’s directors required in paragraph 5(a) of Part VI of the Fifth Schedule, the listing applicant’s directors must state, without requiring a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 12 months after listing.</p>	<p>In the reasonable opinion of the Board, barring any unforeseen circumstances and after taking into consideration the Group’s internal resources and operating cash flow, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Effective Transfer Date. The Board’s considerations are further elaborated above in paragraph 4.5.</p>
<p>Rule 407(3) – Confirmation of working capital sufficiency by Proposed Sponsor</p> <p>In addition to the statement by the listing applicant’s directors required by Rule 407(2), the listing applicant’s sponsor must state, without requiring a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 12 months after listing.</p>	<p>In the reasonable opinion of the Proposed Sponsor, barring any unforeseen circumstances and after taking into consideration the Group’s internal resources and operating cash flow as well as the factors elaborated in paragraph 4.5, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Effective Transfer Date.</p>

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Rule 410 of the Catalist Rules	Compliance with the Rule 410
<p>Rule 410(2) – The Company is sponsored and the Proposed Sponsor provides the SGX-ST with a completed Appendix 4D (Transfer Confirmation by Sponsor)</p> <p>It is sponsored and the sponsor provides the Exchange with a completed Appendix 4D.</p>	<p>The Board proposes to appoint SAC Capital Private Limited as its continuing sponsor, subject to the Proposed Transfer taking effect. The Proposed Sponsor has provided the SGX-ST with the completed Appendix 4D (Transfer Confirmation by Sponsor) of the Catalist Rules.</p> <p>The Proposed Sponsor has reviewed, amongst others, the following:</p> <ul style="list-style-type: none"> (i) the independent audit report and memorandum for FY2019 to FY2021 by by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation); (ii) the Enterprise Risk Management report and Internal Audit reports from FY2019 to FY2021 by Mazars LLP; (iii) the board committee and board meeting minutes for the last three (3) financial years; (iv) the internal controls questionnaire completed by the Company; and (v) the Board and Audit Committee’s opinion on the sufficiency and adequacy of the Group’s internal controls. <p>Based on the foregoing, the Proposed Sponsor is satisfied with the Company’s compliance track record and adequacy of its systems, procedures, controls and resources to comply with the Catalist Rules.</p>
<p>Rule 410(3) – The Company provides the SGX-ST with a completed Appendix 4E (Applicant’s Listing Agreement)</p> <p>It provides the Exchange with a completed Appendix 4E.</p>	<p>The Company has in its application to the SGX-ST for the Proposed Transfer provided the SGX-ST with the completed Appendix 4E (Applicant’s Listing Agreement) of the Catalist Rules.</p>
<p>Rule 410(4) – The Company’s Shareholders have approved the Proposed Transfer by special resolution</p> <p>Its shareholders have approved the transfer by special resolution.</p>	<p>The Proposed Transfer is subject to the approval of Shareholders by way of a special resolution at the EGM, the notice of which is set out on pages N-1 to N-5 of this Circular.</p>
<p>Rule 410(5) – The Company is in compliance with all applicable Mainboard Rules</p> <p>It is in compliance with all applicable Mainboard Listing Rules.</p>	<p>The Company has confirmed to the SGX-ST that the Company is in compliance with all applicable Mainboard Rules.</p>

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5. SHAREHOLDERS' APPROVAL

- 5.1 The Proposed Transfer is subject to the approval of the Shareholders by way of a special resolution to be tabled at the EGM.

6. USE OF CPF FUNDS

- 6.1 Shareholders should note that CPF Funds cannot be used to purchase shares that are listed on the Catalist, except for companies that were migrated from the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ) to the Catalist on 17 December 2007.
- 6.2 Accordingly, if the Shareholders approve the Proposed Transfer at the EGM and the Company transfers its listing to the Catalist, CPF Funds can no longer be used to purchase Shares under the CPFIS.
- 6.3 Shareholders who have previously purchased Shares using their CPF Funds prior to the Proposed Transfer under the CPFIS can choose to hold or sell their Shares or participate in corporate actions, subject to prevailing CPFIS rules and limits for such Shares. As of the Last Practicable Date, only monies in excess of S\$20,000 in the CPF Ordinary Account, and up to 35% of investible savings, being the CPF Ordinary Account balance and net amount withdrawn for investment and education, may be used for investment under CPFIS.
- 6.4 Shareholders should also note that CPF members would not be able to purchase shares of companies that are placed on the Watch-List. Accordingly, if Shareholders' approval for the Proposed Transfer is not obtained and the Company remains listed on the Mainboard and remains on the Watch-List, Shareholders would not be able to purchase the Shares under the CPFIS.

7. KEY DIFFERENCES BETWEEN ISSUERS LISTED ON THE MAINBOARD AND ISSUERS LISTED ON THE CATALIST

In order to allow Shareholders to make an informed decision whether or not to approve the special resolution for the Proposed Transfer, the table below summarises some of the key differences between issuers listed on the Mainboard and issuers listed on the Catalist:

	Mainboard Rules	Catalist Rules
Supervision	The SGX-ST supervises the compliance of issuers with their continuing listing obligations under the Mainboard Rules.	Sponsors supervise the compliance of issuers with their continuing listing obligations under the Catalist Rules.
Changes in Capital	An issuer can obtain the mandate of shareholders to issue up to 50% of the issuer's share capital excluding treasury shares and subsidiary holdings (of which shares issued on a non pro rata basis must not exceed 20%).	An issuer can obtain the mandate of shareholders to issue up to 100% of the issuer's share capital excluding treasury shares and subsidiary holdings (of which shares issued on a non-pro rata basis must not exceed 50%). If shareholders approve such mandate by special resolution, the 50% limit can be increased to 100%.

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	Mainboard Rules	Catalist Rules
Size of Share Option Scheme or Share Scheme	<p>The following limits must not be exceeded:</p> <ol style="list-style-type: none"> (1) the aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings from time to time; (2) the aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the shares available under a scheme; (3) the number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme; (4) the aggregate number of shares available to directors and employees of the issuer's parent company and its subsidiaries must not exceed 20% of the shares available under a scheme; and (5) the maximum discount under the scheme must not exceed 20%. The discount must have been approved by shareholders in a separate resolution. 	There is no such prescribed limit.
Significant Transactions	<p>Acquisitions or disposals of assets of more than 20% of the relevant bases set out in the Mainboard Rules (i.e. group's net assets, profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders. In addition, acquisitions of assets of 100% or more of the relevant bases set out in the Mainboard Rules or is one which will result in a change in control of the issuer, will require the approval of both the shareholders and the SGX-ST.</p>	<p>Acquisitions of assets of more than 75% but less than 100% of the relevant bases set out in the Catalist Rules (i.e. profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders. In addition, acquisitions of assets of 100% or more of the relevant bases set out in the Catalist Rules or is one which will result in a change in control of the issuer, will require the appointment of full sponsor and the approval of both the shareholders and the SGX-ST.</p> <p>Disposals of assets of more than 50% of the relevant bases set out in the Catalist Rules (i.e. group net assets, profits, market capitalisation or equity securities issued, as the case may be) will require the approval of shareholders.</p>

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	Mainboard Rules	Catalist Rules
Watch-List Criteria	The SGX-ST will place an issuer on the Watch-List, if it records pre-tax losses for the three (3) most recently completed consecutive financial years (based on the audited full year consolidated accounts), and an average daily market capitalisation of less than S\$40 million over the last six (6) months.	There is no watch-list.

8. PROPOSED NEW SHARE ISSUE MANDATE

8.1 *Rationale*

After the Proposed Transfer, the Company will no longer be subject to the SGX Mainboard Rules and will be subject to the Catalist Rules instead. The Company is seeking the approval of Shareholders at the EGM for the grant of a new general share issue mandate ("**New Share Issue Mandate**") for the allotment and issue of new Shares and convertible securities pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules.

8.2 *Main Differences between the Catalist Rules and the Mainboard Rules in relation to General Share Issue Mandates*

	Mainboard Rules	Catalist Rules
Pro rata limits	The limit of the general share issue mandate set out in Rule 806(2) of the Mainboard Rules is 50% of the total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate.	The limit of the general share issue mandate set out in Rule 806(2)(a) of the Catalist Rules is 100% of the total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate.
Non pro rata limits (ordinary resolution)	Pursuant to Rule 806(2) of the SGX Mainboard Rules, issuers can only issue up to 20% of the total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate on a non-pro rata basis.	Pursuant to Rule 806(2)(a) of the Catalist Rules, issuers can only issue up to 50% of the total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate on a non-pro rata basis.
Non pro rata limits (special resolution)	None.	Pursuant to Rule 806(2)(b) of the Catalist Rules, issuers can issue up to 100% of the total number of issued shares (excluding treasury shares) at the time of the passing of the resolution approving the mandate on a non-pro rata basis if Shareholders approve this by way of a special resolution.

At the last annual general meeting of the Company held on 29 April 2022, Shareholders approved a general share issue mandate empowering the Directors to issue from time to time and at any time such number of new Shares and instruments (including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Shares) on such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, subject to certain limits as prescribed in the Mainboard Rules (the "**Existing Share Issue Mandate**"). Unless revoked or varied by the Company in general meeting, the Existing Share Issue Mandate will expire on the date of the next annual general meeting of the Company. As of the Latest Practicable Date, the Company has not issued any Shares under the Existing Share Issue Mandate, and the Company has no intention of issuing any shares from the date of this Circular to the date of the EGM.

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The Company will be seeking Shareholders' approval at this EGM, by way of an ordinary resolution, for the Proposed New Share Issue Mandate to be given to the Directors to issue new Shares and convertible securities of the Company of up to 100% of the Company's issued share capital (excluding treasury shares and subsidiary holdings, if any) as at the date of the EGM, of which the aggregate number of Shares and convertible securities that may be issued other than on a pro rata basis is up to fifty percent (50%) of the total number of Issued Shares.

The Proposed New Share Issue Mandate falls within the limits set out in Rule 806(2)(a) of the Catalist Rules.

The Proposed New Share Issue Mandate is conditional upon the Shareholders voting in favour of the Proposed Transfer as a special resolution.

8.3 *Validity Period of the New Share Issue Mandate*

The Proposed New Share Issue Mandate, if approved by Shareholders at the EGM, will supersede and replace the Existing Share Issue Mandate, to the extent that the Existing Share Issue Mandate has not yet been utilised, and shall take force and effect from the date of the EGM, and the Existing Share Issue Mandate, to the extent that the Existing Share Issue Mandate has not yet been utilised, shall correspondingly be deemed revoked with effect from the date of the EGM.

The Proposed Catalist Share Issue Mandate shall continue in force until the earliest of the following:

- (a) the conclusion of the next annual general meeting;
- (b) the expiration of the period within which the next annual general meeting is required to be held pursuant to the Constitution or any applicable laws of Singapore;
- (c) it is carried out to the full extent mandated; or
- (d) it is revoked or varied by ordinary resolution of the Shareholders in a general meeting.

Subject to its continued relevance to the Company, the Proposed New Share Issue Mandate will be put to Shareholders for renewal at subsequent general meetings of the Company.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 *Interests in the Shares*

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾
Directors				
Sim Soon Ngee Glenndle ⁽³⁾	86,852,900	19.22	63,402,800	14.03
Wong Boon Huat ⁽⁴⁾	31,531,106	6.98	-	-
Sunny Wong Fook Choy	2,361,500	0.52	-	-
Leow David Ivan	7,944,600	1.76	-	-
Ng Chee Keong	1,891,700	0.42	-	-
Substantial Shareholders (who are not Directors)				
Chua Kim Choo ⁽³⁾	41,716,800	9.23	108,538,900	24.02
Sim Soon Ying ⁽³⁾	21,686,000	4.80	128,569,700	28.45
Wong Swee Chun ⁽⁵⁾	50,409,050	11.15	1,509,900	0.33
Gay Chee Cheong ⁽⁶⁾	11,358,000	2.51	21,175,000	4.69
Chua Siok Lan ⁽⁶⁾	21,000,000	4.65	11,533,000	2.55
Ni Weiming ⁽⁶⁾	175,000	0.04	32,358,000	7.16

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the total of 451,950,224 issued Shares (excluding 455,025 treasury shares) as at the Latest Practicable Date.
- (2) Rounded to the nearest two decimal place.
- (3) The following shares are registered under Sim Soon Ngee Glenndle:
 - (i) 64,600,000 shares in Citibank Nominees Singapore Pte Ltd; and
 - (ii) 18,967,900 in DBS Nominees (Private) Limited.

Sim Soon Ngee Glenndle is deemed interested in the shares of Chua Kim Choo and Sim Soon Ying. Sim Soon Ngee Glenndle is the son of Chua Kim Choo and the brother of Sim Soon Ying. Each is deemed to have an interest in the shares held by each other.
- (4) 28,005,306 shares registered in the name of Citibank Nominees Singapore Pte Ltd.
- (5) Wong Swee Chun is deemed interested in the shares of S C Wong Holdings Pte. Ltd
- (6) Gay Chee Cheong is deemed interested in the shares of Chua Siok Lan and Ni Weiming. Gay Chee Cheong is the husband of Chua Siok Lan and father of Ni Weiming. Each is deemed to have an interest in the shares held by each other.

9.2 *Interests in the Proposed Transfer and Proposed New Share Issue Mandate*

Save for their respective interests in the Company, none of the Directors or, to the best of the Directors' knowledge, the Substantial Shareholders has any interest, direct or indirect, in the Proposed Transfer and Proposed New Share Issue Mandate.

10. DIRECTORS' RECOMMENDATIONS

10.1 *Proposed Transfer*

The Directors, having considered the rationale for the Proposed Transfer, are of the opinion that it is in the best interests of the Company and Shareholders, and accordingly recommend that Shareholders vote in favour of the special resolution in relation to the Proposed Transfer at the EGM.

10.2 *Proposed New Share Issue Mandate*

The Directors, having considered the rationale for the Proposed New Share Issue Mandate, are of the opinion that it is in the best interests of the Company and Shareholders, and accordingly recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed New Share Issue Mandate at the EGM.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on 21 February 2023 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the Resolutions set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

- 12.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend, speak and vote on the Resolutions at the EGM on their behalf are requested to download, print and complete the Proxy Form in accordance with the instructions printed thereon, which have been uploaded together with the Notice of EGM and this Circular on SGXNet and the Company's website accessible at <https://www.mencast.com.sg>.
- 12.2 The Proxy Form can be submitted by post or as a clearly readable image sent by email no later than 48 hours before the time appointed for the EGM. If the Proxy Form is sent by post, it must be posted to and received at the registered office of the Company's share registrar, Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632. If submitted electronically, the Proxy Form must be sent by email in Portable Document Format (PDF) to the following email address srs.teame@boardroomlimited.com.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transfer and Proposed New Share Issue Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of Circular would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 42E Penjuru Road, Mencast Central, Singapore 609161 by prior appointment during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:-

- (a) Constitution of the Company; and
- (b) The annual report of the Company for the FY2021.

Yours faithfully
For and on behalf of the Board of
MENCAST HOLDINGS LTD.

Sim Soon Ngee Glendle
Executive Chairman and Chief Executive Officer
30 January 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

MENCAST HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200802235C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Mencast Holdings Ltd. (the “**Company**”) will be held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on 21 February 2023 at 10:30 a.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the circular to shareholders of the Company dated 30 January 2023 (the “**Circular**”).*

Special Resolution: Proposed Transfer from the Mainboard of the SGX-ST to the Catalyst

It is RESOLVED that:

- (a) approval be and is hereby given for the Company to transfer its listing from the Mainboard of the SGX-ST to the Catalyst (“**Proposed Transfer**”); and
- (b) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms, documents with or to relevant authorities) as they or each of them may in their or each of their absolute discretion consider necessary, desirable or expedient to give effect to this resolution or the matters or transactions contemplated pursuant to or in connection with the Proposed Transfer.

Ordinary Resolution: The Proposed New Share Issue Mandate in accordance with Section 161 of the Companies Act 1967 and Rule 806(2) of Section B: Rules of Catalyst of the Listing Manual

Shareholders should note that this Ordinary Resolution relating to the New Share Issue Mandate is conditional upon the passing of Special Resolution relating to the Proposed Transfer. In the event that the Special Resolution is not passed, this Ordinary Resolution will also not be passed.

*IT IS RESOLVED that subject to the passing of the Special Resolution above, and pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of the Catalyst of the SGX-ST (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:*

- (a) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instructions convertible into Shares,

at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit and, notwithstanding the authority conferred by this ordinary resolution, issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this ordinary resolution was in force, provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this ordinary resolution) to be issued pursuant to this ordinary resolution shall not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (d) below) (“**Issued Shares**”), of which the aggregate number of shares to be issued other than on a pro rata basis shall not exceed fifty percent (50%) of the total number of Issued Shares;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this ordinary resolution, after adjusting for:
- (i) new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this ordinary resolution; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (3) in exercising the authority conferred by this ordinary resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all legal requirements under the Companies Act and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note)

By Order of the Board

Kevin Cho
Company Secretary
Singapore, 30 January 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Explanatory Note

The Ordinary Resolution, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred percent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company.

Access to Documents or Information Relating to the EGM:

The EGM will be held at 42B Penjurong Road, Level 2 Auditorium, Singapore 609163 on 21 February 2023 at 10:30 a.m. in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time.

Copies of this Notice of EGM, the Circular and the Proxy Form will not be sent to members. Instead, this Notice of EGM, the Circular and the Proxy Form will be sent to members by electronic means via publication on the Company's corporate website at <https://www.mencast.com.sg>. This Notice will also be made available on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

Shareholders will be able to participate in the EGM in following manner set out in the paragraphs below.

Attendance at the EGM:

1. Subject to the COVID-19 situation, the Company may restrict the number of in-person attendees at the EGM to such number as the Directors may determine in compliance with the prevailing Ministry of Health advisory from time-to-time.
2. Shareholders (whether individual or corporate) who are appointing a proxyholder(s) to attend the EGM on his/her/its behalf should pre-register the proxyholder and specify his/her/its intention to attend the EGM as well as to submit the completed and signed Proxy Form by 10:30 a.m. on 19 February 2023, being at least 48 hours before the time fixed for the EGM, failing which the appointment shall be invalid.
3. The Directors of the Company together with senior management of the Company, will attend the EGM physically at the EGM venue.
4. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the EGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy or proxies to attend the Meeting. We encourage members to mask up when attending the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Submission of Proxy Form to Vote:

1. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy or proxies, duly completed and signed, must be deposited/submitted:
 - a. if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - b. if submitted electronically, be received by Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teame@boardroomlimited.com,

in either case, by no later than 10:30 a.m. on 19 February 2023 (the "Cut-off time"), being 48 hours before the time appointed for holding the EGM.

Members are strongly encouraged to submit completed proxy forms electronically via email.

3. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
4. Central Provident Fund Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes **at least seven (7) working days before the EGM (i.e. by 10:30 a.m. on 9 February 2023)** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

Submission of relevant and substantial questions in relation to the Resolutions set out in the Notice of EGM:

1. Shareholders may raise questions at the EGM or submit questions related to the resolutions tabled for approval at the EGM, in advance of the EGM.

Shareholders who wish to submit questions ahead of the EGM may do so by 5:00 p.m. on 8 February 2023 via the following:

- a. email to srs.teame@boardroomlimited.com; or
- b. by mail to the Company, Mencast Holdings Ltd., at 42E Penjuru Road, Mencast Central, Singapore 609161.

When submitting questions, Shareholders are requested to provide the following details for verification purpose:

- (i) Full name (Company name for corporates);
- (ii) Contact number;
- (iii) Address;
- (iv) NRIC, passport number or company registration number;
- (v) Number of shares held; and
- (vi) The manner in which shares are held (i.e. CDP, CPF or SRS).

NOTICE OF EXTRAORDINARY GENERAL MEETING

Addressing questions:

2. The Company will endeavour to address all substantial and relevant questions submitted by Shareholders prior to or during the EGM. For substantial and relevant questions received by 5:00 p.m. on 8 February 2023, the Company will endeavour to provide a response on (i) the SGX-ST's website; and (ii) the Company's corporate website on or before 16 February 2023, 10:30 a.m. (at least 72 hours prior to the closing date and time for the lodgement of the proxy forms).

Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

3. The Board and Management will endeavour to address as many substantial and relevant questions raised during the EGM. However, Shareholders should note that there may not be sufficient time available at the EGM to address all questions raised. The minutes of the EGM will be published on the SGX-ST's website within one month after the date of the EGM.

Miscellaneous

Please note that all documents relating to the business of the EGM including the accompanying proxy form will be published on SGXNet together with the Notice of EGM. In view of the evolving COVID-19 situation, Shareholders are advised to continue to check SGXNet regularly for any updates relating to the EGM.

Any reference to a time of day in this Notice of EGM is made by reference to Singapore time.

Personal data privacy

By submitting (a) the Proxy Form appointing a proxy or proxies to attend, speak and vote at the EGM of the Company and/or any adjournment thereof, or (b) questions in relation to the resolutions set out in the Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

1. processing and administration by the Company (or its agents or service providers) of the appointment of a proxy or proxies for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists (including questions and answers), proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
2. addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
3. enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

PROXY FORM

MENCAST HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200802235C)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

This proxy form has been made available on SGXNet at <https://www.sgx.com/securities/company-announcements>

*I/We _____ (Name) _____ (*NRIC/Passport No./Co. Reg. No.)

of _____ (Address)

being *a member/members of MENCAST HOLDINGS LTD. (the "**Company**"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the EGM as *my/our proxy to attend, speak and to vote for *me/us on *my/our behalf, at the EGM of the Company to be convened and held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on 21 February 2023 at 10:30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/they will on any other matters arising at the EGM and/or at any adjournment thereof.

The resolution put to vote at the EGM shall be decided by way of poll.

No.	Special Resolution	Number of Votes For [#]	Number of Votes Against [#]	Number of Votes Abstain [#]
1.	Proposed Transfer from the Mainboard of the SGX-ST to the Catalist			
	Ordinary Resolution			
2.	The Proposed New Share Issue Mandate			

* Please delete accordingly.

If you wish to exercise all your shares to be voted For or Against the resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the For or Against box in respect of that resolution. If you wish to abstain from voting on the resolution, please tick (✓) in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in the Abstain box in respect of that resolution.

Dated this _____ day of _____ 2023

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Total number of Shares held in	No. of Shares
(a) CDP Register	
(b) Register of Members	

PROXY FORM

Notes to the Proxy Form

1. Please insert the total number of ordinary shares ("**Ordinary Shares**") held by you. If you have Ordinary Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Ordinary Shares in the box provided next to CDP Register. If you have Ordinary Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Ordinary Shares in the box provided next to Register of Members. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company is entitled to attend and vote at the EGM in person or appoint one or two proxies to attend and vote in his/her stead.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Shareholder, who is a relevant intermediary, is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of Shares is held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the CPF Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A proxy need not be a member of the Company.
 6. Investors holding shares under the Central Provident Fund Investment Schemes members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 10:30 a.m. on Thursday, 9 February 2023). CPF Investors or SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the EGM.
 7. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted to the Company in the following manner:
 - (i) If submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (ii) If submitted electronically, be received by Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teame@boardroomlimited.com,

In either case, by no later than 10:30 a.m. on Sunday, 19 February 2023, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above or scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 10:30 a.m. on 18 February 2023, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of EGM.