

PROPOSED DISPOSAL OF 42B PENJURU ROAD, SINGAPORE 609163
- GRANT OF OPTION TO PURCHASE

1. INTRODUCTION

The board of directors (the “**Board**”) of Mencast Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Mencast Marine Pte. Ltd. (the “**Vendor**”), a wholly-owned subsidiary of the Company, has, on 16 February 2026 granted an option to purchase (the “**Option**”) to Grandwoods Trading (Singapore) Pte Ltd (the “**Purchaser**”) for the sale of its leasehold property located at 42B Penjuru Road, Singapore 609163 (the “**Property**”), at a consideration of S\$21,000,000 (the “**Consideration**”), and on the terms and subject to the conditions of the Option (the “**Proposed Disposal**”). The Option shall remain valid until 4:00 p.m. on 18 March 2026 (the “**Expiry**”). Upon the acceptance and the exercise of the Option by the Purchaser, the Option shall constitute a binding contract for the Proposed Disposal at the Consideration.

2. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore and its principal activities are recycling of metal products, metal trading, general warehousing and metal fabrication. The Purchaser is an independent and unrelated third party. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its beneficial owners are third parties independent of the Company, its Directors and controlling shareholders, and are not related to the Company.

3. INFORMATION ON THE PROPERTY

The Property is a leasehold property granted by JTC Corporation (“**JTC**”) with a tenure of 30 years commencing from 1 March 2011. The Property comprises a single-user general industrial factory with a 4-storey ancillary office building, with a land and gross floor area of approximately 16,200 and 13,825 square metres respectively. It is currently being used by the Vendor to house the Group’s propulsion manufacturing operations. The Property is being sold subject to JTC’s approval for the assignment of lease.

Based on the unaudited consolidated financial statements for the half year ended 30 June 2025 (“**HY2025**”), (i) the aggregate net carrying amount of the Property was approximately S\$12,268,000; and (ii) the Proposed Disposal is expected to result in a gain on disposal of approximately S\$7,732,000, after deducting relocation and moving costs, professional fees and other related expenses of approximately S\$1,000,000.

The Company had commissioned Edmund Tie & Company (SEA) Pte Ltd to conduct an independent valuation of the Property for the purpose of the Proposed Disposal (the “**Valuation Report**”). Based on the independent valuation report on the Property dated 31 December 2025, the open market value of the Property was S\$24,300,000. The valuation was derived using the Direct Comparison Method by comparing the Property with identical or similar properties for which price information is available, and adjustments made for differences in the location, size, tenure, condition, building specifications and other relevant factors.

4. SALIENT TERMS OF THE OPTION

4.1 Consideration

The Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations between the Vendor and the Purchaser. In arriving at the Consideration, the Group had taken into consideration, *inter alia*, (i) the rationale for the Proposed Disposal as set out in paragraph 5 below, (ii) the prevailing market conditions, and (iii) that the offer made by the Purchaser represents the most favourable sale terms which the Vendor has received to-date, having regard to the independent valuation of the Property as at 31 December 2025.

Under the terms of the Option, the Consideration shall be payable in the following manner:

- (a) a sum of S\$210,000 ("Option Fee"), plus goods and services tax ("GST") thereon, upon the grant of the Option. As at date of this announcement, the Vendor has received the Option Fee from the Purchaser;
- (b) a sum of S\$840,000 (the "Balance Deposit"), plus GST thereon, in favor of the Vendor's solicitors, upon the exercise of the Option by the Purchaser. The Vendor's solicitors shall hold the said payment of the Balance Deposit plus GST as stakeholder pending completion of the Proposed Disposal; and
- (c) the balance of the Consideration, plus GST thereon, upon completion of the Proposed Disposal.

In the event that the Option is not properly exercised by the Purchaser in accordance with the terms of the Option, the Option Fee shall be forfeited in full by the Purchaser.

4.2 Conditions Precedent

The Proposed Disposal is subject to, *inter alia*, the following conditions precedent:

- (a) the written approval of JTC ("JTC Approval") being obtained by the parties for the sale and purchase of the Property and the unconditional waiver by JTC of its right of first refusal in respect of the Property ("ROFR");
- (b) the written approvals and clearances of JTC and/or other relevant governmental authorities, including the National Environment Agency and Land Transport Authority, being obtained by the Purchaser for their purchase and intended use as within the Purchaser's scope of business which is the recycling of metal products, metal trading, general warehousing and metal fabrication (the "Change of Use Approval");
- (c) the Vendor, at its own cost and expense, completing the work of:
 - i. dismantling the connecting bridge with the property at 42A Penjuru Road, Singapore 609164 and reinstating the fencing;
 - ii. reinstating the fence to ensure full separation and privacy between the Property and its adjacent properties subject to the terms of the head lease under which the Property is comprised;
 - iii. dismantling and retaining all the overhead cranes within the factory area by the Completion Date (as defined below) unless otherwise agreed with the Purchaser; and
 - iv. any unauthorized works or alterations in the Property (if any) for which JTC requires rectification; and

(d) the approval of the Shareholders of the Company being obtained (if required) for the Proposed Disposal ("Shareholder Approval"), unless such waiver (if any) is being granted by the SGX-ST.

4.3 Rescission

In the event that the JTC Approval (including the Change of Use Approval) is not obtained by the date falling six months from the date of the Option or such later date as the parties may agree in writing, then the following shall apply:

- (a) if the delay (or failure) in obtaining the JTC Approval is attributable to the Purchaser's default in completing and submitting the requisite forms, documents, particulars and details to JTC or the relevant authority(ies) (including but not limited to information and documents in connection with the Change of Use Approval), then the Vendor shall treat the Option or (if the Option has been exercised) the agreement as rescinded by the Vendor and the Option Fee and (as the case may be) the Balance Deposit paid by the Purchaser shall be forfeited in favour of the Vendor without prejudice to the Vendor's other rights and/or remedies available to the Vendor at law or in equity;
- (b) if the delay (or failure) in obtaining the JTC Approval is not due to either party's default, then either party shall be entitled to treat the Option or (if the Option has been exercised) the agreement as rescinded and the Vendor shall forthwith refund to the Purchaser the Option Fee and (as the case may be) the Balance Deposit paid by the Purchaser to the Vendor without any interest, compensation or deduction whatsoever and thereupon neither party shall then claim or demand against the other for costs, damages, compensation or otherwise; and
- (c) if the delay (or failure) in obtaining the JTC Approval is attributable to the Vendor's fault in completing and submitting the requisite forms, documents, particulars and details to JTC, then the Purchaser shall be entitled to treat the agreement as rescinded and the Vendor shall forthwith refund the Option Fee and (if the Option has been duly exercised) the Balance Deposit paid by the Purchaser to the Vendor, without prejudice to the Purchaser's other rights and/or remedies available to the Purchaser at law or in equity.

Separately, if JTC gives the Vendor written notice of its intention to exercise the ROFR, the Vendor will notify the Purchaser within seven (7) days of receiving written notification from JTC of its decision to exercise the ROFR, whereupon the parties agree that the Option shall be null and void, or if already exercised by the Purchaser, rescinded and all monies paid by the Purchaser to the Vendor shall be refunded without interest or deduction subject to the terms of the Option.

Additionally, if Shareholder Approval is required under the applicable listing rules, and the Vendor does not procure the Shareholder Approval by 29 May 2026, the Parties agree that the Option shall be null and void, or if already exercised by the Purchaser, rescinded and all monies paid by the Purchaser to the Vendor shall be refunded without interest or deduction subject to the terms of the Option.

4.4 Completion

Completion of Proposed Disposal ("Completion") shall take place on the latest of the following dates ("Completion Date"):

- (a) if the said JTC Approval is given subject to conditions, but no environmental site assessment ("ESA") is required by JTC, then four (4) months from the date JTC confirms that such conditions have been fulfilled and it has no objections to the assignment or transfer; or

- (b) if an ESA is required by JTC, four (4) months from the date of JTC's confirmation that no decontamination works are required; or
- (c) if decontamination works are required by JTC, four (4) months from JTC's confirmation that the decontamination works have been completed.

5. RATIONALE AND USE OF PROCEEDS

The Proposed Disposal forms part of the Group's ongoing efforts to optimise its asset base and reduce borrowings, in line with its broader deleveraging and balance sheet strengthening objectives. Upon completion of the Proposed Disposal, the Group is expected to meet and exceed the aggregate deleveraging target of S\$55 million stipulated under its debt restructuring arrangements.

While the Property was not originally identified as part of the Group's initial asset divestment plan, the Board has reviewed the Group's asset portfolio in response to prevailing market conditions and financing considerations. Following market interest received for the Property, the Group has decided to proceed with the Proposed Disposal, having regard the relative marketability of the Group's assets and the Group's deleveraging objectives.

The Board believes that the Proposed Disposal represents a practical and appropriate approach to achieving the Group's deleveraging objectives, while allowing the Group to continue its core operations with minimal disruption. The Proposed Disposal does not involve the sale of any business or revenue-generating operations, and the Group's propulsion manufacturing and MRO activities will be relocated and consolidated at the adjacent property at 42A Penjuru Road, thereby maintaining operational continuity.

The net proceeds of approximately S\$20.0 million (after deducting relocation and moving costs, professional fees and other related expenses) from the Proposed Disposal, if completed, are intended to be utilised primarily towards the repayment of existing loans secured over the Property, thereby facilitating the discharge of the mortgage over the Property. Any remaining proceeds are expected to be applied towards the repayment of other existing borrowings in accordance with the Group's debt restructuring arrangements, thereby reducing the Group's overall gearing and strengthening its financial position.

6. RELATIVE FIGURES UNDER RULE 1006

Based on the latest announced consolidated financial statements of the Group for HY2025, the relative figures of the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalyst Rules are as follows:

Rule 1006	Bases of Computation	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	36.8% ⁽¹⁾
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	49.4% ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾

(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾
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Notes:

- (1) The carrying value of the Property as at 30 June 2025 was S\$12,268,000 and the net asset value of the Group was S\$33,317,000 as at 30 June 2025.
- (2) Rule 1006(b) of the Catalyst Rules is not applicable as the Property currently houses the Group's propulsion manufacturing and MRO activities and thus does not generate any rental income.
- (3) Based on the Consideration of S\$21,000,000 and the Company's market capitalisation of approximately S\$42,478,000, which is determined by multiplying the issued ordinary share capital of the Company (excluding treasury shares) of 469,374,000 shares ("Shares") at the volume weighted average price of the Shares of S\$0.0905 on 13 February 2026, which is the last full market day on which the Shares were traded preceding the date of the grant of the Option.
- (4) Rule 1006(d) of the Catalyst Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalyst Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules exceed 5% but do not exceed 50%, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules. Accordingly, the approval of shareholders of the Company is not required for the Proposed Disposal.

7. FINANCIAL EFFECTS

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after the Proposed Disposal. The financial effects of the Proposed Disposal on the Group as set out below are based on the Group's latest audited financial statements for the financial year ended 31 December 2024 and the following assumptions:

- (a) the financial effects on the Group's net tangible assets ("NTA") attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Disposal took place on 31 December 2024;
- (b) the financial effects on the Group's net profit attributable to the Shareholders and the earnings per Share ("EPS") have been computed assuming that Proposed Disposal took place on 1 January 2024; and
- (c) the estimated relocation and moving costs, professional fees and other related expenses in connection with the Proposed Disposal amount to approximately S\$1,000,000.

7.1 Effects on the NTA

	Before the Disposal	After the Disposal*
NTA (S\$'000)	28,570	35,940
Number of shares ('000)	461,185	461,185
NTA per share (cents)	6.19	7.79

7.2 Effects on EPS

	Before the Disposal	After the Disposal*
Net profit attributable to equity holders of the Company (S\$'000)	2,419	10,894
Number of shares ('000)	459,067	459,067
EPS (cents)	0.53	2.37

** For the avoidance of doubt, the illustrative financial effects presented arise solely from the Proposed Disposal and do not take into account any accounting effects arising from the reclassification of 42A Penjuru Road from asset held-for-sale to property, plant and equipment following the relocation.*

8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholding interests in the Company, if any).

9. **SERVICE CONTRACTS**

No person will be appointed to the Board, and no service contracts will be entered into by the Company in connection with the Proposed Disposal.

10. **DOCUMENTS FOR INSPECTION**

Copies of the Option and the Valuation Report are available for inspection at the registered office of the Company at 42E Penjuru Road, Mencast Central, Singapore 609161 during normal business hours for a period of three (3) months from the date of this announcement.

11. **FURTHER ANNOUNCEMENTS**

The Company will make further announcements in relation to the Proposed Disposal as and when there are material developments.

12. **DIRECTORS RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 this announcement in its proper form and context.

13. **CAUTION IN TRADING**

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. The Proposed Disposal is subject to the exercise of the Option by the Purchaser and the fulfilment of conditions precedent under the Option. There is no certainty or assurance as at the date of this announcement that the Option will be exercised or that the Proposed Disposal will proceed to completion. Shareholders and potential investors are

advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENNDLE
Executive Chairman & Chief Executive Officer
16 February 2026

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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