

MENCAST HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company registration no.: 200802235C)

SETTLEMENT AGREEMENT WITH LQS CONSTRUCTION PTE. LTD. (IN COMPULSORY LIQUIDATION)

Reference is made to the announcement by the Board of Directors ("**Board**") of Mencast Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**") on 7 April 2017 in relation to an arbitration between Mencast Marine Pte Ltd ("**Mencast Marine**"), a wholly owned subsidiary of the Company, and LQS Construction Pte. Ltd. (in compulsory liquidation) ("**LQS**").

LQS is a construction company incorporated in Singapore that Mencast Marine had engaged as its main contractor for the construction of a 4-storey factory and an 11-storey office building at 42A Penjuru Road. A dispute had arisen in relation to this contract, and such dispute has been settled by way of a settlement agreement ("**Agreement**") with LQS dated 2 March 2020.

Under the Agreement, the parties have come to a full and final settlement of all claims arising out of the contract and each party has agreed to discontinue all claims against the other party and to not sue or commence any action, suit or other proceeding against the other party in any jurisdiction. The specific terms of the settlement are required to be kept confidential under the Agreement.

The Company is of the view that entering into the Agreement is in the best interest of the Group, and the Board is pleased that the parties have reached a full and final settlement. The settlement is expected to have a material positive impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2020.

None of the Company's Directors and controlling shareholders has any interest, direct or indirect, in the Agreement, other than through their respective shareholding interests in the Company.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Executive Chairman & Chief Executive Officer
2 March 2020



About Mencast

Mencast Holdings Ltd. and its subsidiaries ("Mencast" or the "Group") is a regional maintenance, repair and overhaul ("MRO") solutions provider for the global Offshore, Oil & Gas and Marine sectors. Headquartered in Singapore, our Group was successfully listed in June 2008 as the first sponsor-approved listing on Singapore's SGX Catalist and later became the first such company to transfer to the SGX Mainboard.

For more information on Mencast, visit <http://www.mencast.com.sg>

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