

**MENCAST HOLDINGS LTD.**

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

---

**PROPOSED DISPOSAL OF PRC SUBSIDIARY  
– WAIVER FROM REQUIREMENT FOR SHAREHOLDERS' APPROVAL**

---

**1. Introduction**

Reference is made to the announcement made by the Board of Directors ("**Board**") of Mencast Holdings Limited ("**Company**" and, together with its subsidiaries the "**Group**") on 4 May 2018 (the "**Prior Announcement**") in relation to the entry of S&W Pte Ltd ("**S&W**"), a wholly owned subsidiary of the Company, into a sale and purchase agreement (the "**SPA**") for the disposal of S&W's entire stake in Changshu Honghua Equipment (Changshu) Co, Ltd. ("**Changshu**") on the terms and conditions of the SPA (the "**Proposed Disposal**").

*All capitalised terms used and not defined herein shall have the same meanings given to them in the Prior Announcement.*

**2. Grant of Waiver**

Further to the Prior Announcement, the Company had submitted an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to seek a waiver from the requirement of obtaining shareholders' approval for the Proposed Disposal (the "**Waiver**").

The SGX-ST had, on 5 July 2018, informed the Company that it has no objection to the Company's application for waiver from the requirement of obtaining shareholders' approval, subject to the Company announcing the waiver granted, the reasons for seeking the waiver, the conditions as required under Listing Rule 107, and if the waiver conditions have been satisfied. If waiver conditions have not been met on the date of the announcement, the Company must make an updated announcement when the conditions have all been met.

The release of this announcement seeks to satisfy all waiver conditions set out in preceding paragraph.

**3. Reasons for the Waiver Application**

The Company had sought the Waiver as it is of the view that the Proposed Disposal involves the sale of a non-core asset of the Group, and there would be no material change in the risk profile of the Company arising from the Proposed Disposal. Specifically:

- (a) The Proposed Disposal is part of the Group's on-going debt restructuring exercise. In particular, the divestment of under-utilized and/or non-core assets by way of a straight sale of assets and/or disposal of subsidiary through a sale of shares is one solution identified by the management of the Company to raise monies for purposes of paring down the Group's debts and to meet the Group's current working capital requirements. As there was no operations in Changshu for the year ended 31 December 2017, the subsidiary (with its sole remaining assets being land and buildings in the PRC) was identified as non-core asset of the Group.
- (b) The Board is of the view that the Proposed Disposal will allow the Group to streamline its

structure, reduce its fixed operating costs and minimise future losses to the Group. The Proposed Disposal will also 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 organisational structure, the Board and 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.

In light of the above grounds, the Company is of the view that the Waiver would be in the interests of the Company and the Shareholders.

#### **4. Listing Rule 107**

Listing Rule 107 provides that:

“The Exchange may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the Exchange will not waive it. The Exchange may grant a waiver subject to such conditions, as it considers appropriate. If the Exchange waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.”

#### **BY ORDER OF THE BOARD**

SIM SOON NGEE GLENN DLE  
Executive Chairman & Chief Executive Officer  
5 July 2018

## **About Mencast**

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

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

## **Contacts:**

### **Chris San**

Chief Financial Officer

### **David Leow**

Chairman of Corporate Strategy and Communications Committee, Board of Directors

**Tel: 65 6268 4331**

**E-mail: [ir@mencast.com.sg](mailto:ir@mencast.com.sg)**