



Mencast Holdings Ltd.

(Incorporated in the Republic of Singapore on 30 January 2008)
(Company Registration No.: 200802235C)

News Release

MENCΔST HOLDINGS LTD., A MANUFACTURER AND SUPPLIER OF STERNGEAR EQUIPMENT AND STERNGEAR SERVICES, LAUNCHES IPO

Singapore, 17 June 2008 – Mencast Holdings Ltd. and its subsidiaries (“Mencast” or the “Group”), a sterngear equipment manufacturer and supplier and sterngear services provider based in Singapore, today announced that it has registered its offer document with the Singapore Exchange Securities Trading Limited (“SGX-ST”) and will be launching its initial public offering (“IPO”) of 22.5 million new shares (“New Shares”) at an issue price of S\$0.28 per New Share, in connection with its proposed listing on the SGX Catalyst (“Catalist”).

The Invitation

The Group is aiming to raise approximately S\$5.1 million in net proceeds from the IPO by offering 22.5 million New Shares at S\$0.28 each, consisting of 1.5 million New Shares by way of public offer and 21.0 million New Shares by way of placement.

The New Shares to be issued pursuant to the IPO represent approximately 15.3% of Mencast’s enlarged issued share capital after the IPO. At the issue price of S\$0.28 per New Share, Mencast is priced at a historical price-earnings ratio of approximately 7.3 times, based on its earnings per share of approximately 3.85 cents for the financial year ended 31 December 2007 (“FY2007”).

The public offer opens on 17 June 2008 and will close at 12 noon on 23 June 2008. Trading of its shares on the Catalist is expected to commence at 9.00 am on 25 June 2008.

CIMB-GK Securities Pte. Ltd. is the Sponsor, Underwriter and Placement Agent for the IPO.



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Use of Proceeds

Mencast plans to use approximately S\$1.0 million of the net proceeds from the IPO to expand its production facility to cater for the expected increase in demand for its sterngear equipment and services. In addition, the Group also intends to use approximately S\$1.8 million of the net proceeds from the IPO to expand its geographical coverage by acquiring or building new production plants and investing in new machinery and equipment in areas such as Malaysia and Indonesia.

Business Overview

Mencast manufactures and supplies sterngear equipment and provides sterngear services for a wide range of commercial vessel applications. Mainly catering to customers in the offshore oil and gas and marine industry for the local and regional shipyards, its customers include some of the major players in the offshore oil and gas and marine industry, such as the subsidiaries within the offshore and marine business division of Keppel Corporation Limited, Labroy Shipbuilding and Engineering Pte. Ltd. and the subsidiaries of SembCorp Marine Ltd.

Mencast has built a strong track record and reputation by consistently and efficiently providing high quality products and services. The Group is strategically located in Singapore, which is in close proximity to many shipyards in Singapore and around the South-east Asia region. Illustrating the Group's competency, Mr Toh Ho Tay, Director (Rig & Shipbuilding) of Labroy Marine Pte Ltd commented, "After many years of dealing with Mencast, their handling of materials planning is meticulous and their efficiency and teamwork has been very good, resulting in timely delivery of all the orders placed with them."

Led by a dedicated and experienced management team, as well as equipped with advanced machinery and strong technical expertise, Mencast is committed to providing quality products and services to its customers. Mencast has implemented strict quality control for all stages of its manufacturing process and has obtained ISO certification and certifications from various independent classification societies for its products. In



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recognition of the Group's excellence, it is one of the first sterngear equipment manufacturers in Singapore to obtain the ISO9001:2000 Quality Management System and also achieved the Singapore SME 500 award for two consecutive years in 2005 and 2006.

Financial Highlights

For FY2007, the Group recorded a net profit of approximately S\$4.8 million, as compared to S\$2.2 million in FY2006. The Group also achieved healthy margins, largely attributable to the general increase in average selling prices and the Group's ability to obtain raw materials at competitive prices through direct sourcing.

Growth Prospects and Future Plans

Looking ahead, the Group is encouraged by its growth achieved to date and remain optimistic about its future prospects.

Said Mr Glendle Sim, Chief Executive Officer of Mencast, who has been with the Group for over 10 years: "We believe that the continued increase in level of activities in the offshore oil and gas and marine industry in the region will drive the demand for our sterngear equipment and services.

In addition, we believe that new markets for sterngear equipment and sterngear services in countries outside of Singapore, such as Indonesia, Malaysia, Vietnam and China, are growing, due to their proximity to major oil and gas resources. Given our strategic location in Singapore, we are well-positioned to ride on the continued growth in the offshore oil and gas and marine industry."

Going forward, the Group will be looking into expanding its core business through acquisitions, joint-ventures or strategic alliances with the focus of strengthening its market position, expanding its customer network and exploring new businesses that are complementary to its products and services.

End of Release



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Issued on behalf of Mencast Holdings Ltd. by Boardroom Communications Pte Ltd

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