

MENCAST HOLDINGS LTD.

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

MENCAST TO MANUFACTURE FOR UK'S STONE MARINE GROUP; WILL ALSO ACQUIRE STONE MARINE SINGAPORE

- ✓ *Strategic Partnership to manufacture propellers and sterngear for customers of UK based Stone Marine Group. As part of this agreement, Mencast will purchase Stone Marine Singapore for approximately \$2.5 million minus the aggregate amount of all outstanding debt of Stone Marine Singapore*
- ✓ *Stone Marine's strength in high performance propellers and sterngear equipment is complementary to Mencast's existing business with limited overlap*
- ✓ *Acquisition will be funded from internal cash resources*

SINGAPORE, 8 March 2016 – Mencast Holdings Ltd. ("Mencast"), a Mainboard listed and Singapore-based maintenance, repair and overhaul ("MRO") provider comprising Offshore & Engineering, Marine and Energy Services, wishes to announce that it has entered into a business partnership to manufacture for the Stone Marine Group. As part of the business partnership, Mencast will be acquiring the entire share capital of Stone Marine Singapore Private Limited ("Stone Marine Singapore") for a cash consideration of approximately \$2.5 million minus the aggregate amount of all outstanding debt of the Target (but excluding the shareholder's loan by the Vendor to the Target).

"We are delighted to enter this business partnership with Mencast," said Mr John Langham, Chairman of Stone Marine Group. "Mencast is known for quality and this agreement allows our customers to be supplied with propellers, stern gear and Hydroseals of the highest quality, designed by Stone Marine and manufactured in Singapore."

"This is a strongly synergistic to our business," said Glenndle Sim, Chairman and CEO of Mencast. "The Stone Marine Group has more than 100 years of leadership in high performance propeller and sterngear equipment, and this partnership will open up the premium military and naval vessel market to us." Mr Sim added, "Mencast continues to receive a steady stream of enquiries for manufacturing and repairing of propellers and stern gear. This is a business we have been in for over 30 years and we know how to operate profitably even in very tough market conditions."

As part of the agreement, Stone Marine's ultimate parent company, Langham Industries Limited ("Langham"), will procure that Mencast be granted an exclusive territorial licence to manufacture propellers, associated stern gears and HydroSeals under the "Stone Marine" and "Stone Marine Seals" brands for Asia Pacific (excluding China and Korea) and a shared territorial license for the Middle East, China, India, Netherlands, Pakistan, Russia, Korea, Africa (but excluding South Africa). Mencast will pay a royalty fee as well as purchase propeller designs from Langham.

For the term of the Licence, Langham will not directly or indirectly engage in any business in the exclusive territories which is similar to or in competition with the business of Stone Marine Singapore.

Langham is headquartered in the United Kingdom and will procure that Stone Marine Propulsion Limited and Bruntons Propellers shall provide Stone Marine Singapore with a first right to provide a quotation for any orders for the related Stone Marine products.

The completion of the Sales and Purchase Agreement is conditional upon, inter alia, the receipt of approvals from relevant authorities in relation to the transaction. Upon completion of the transaction, Stone Marine Singapore will become a wholly-owned subsidiary of the Mencast.

The consideration will be financed through internal cash resources. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned transaction. Save for the potential gain on bargain purchase, this acquisition is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year.

A copy of the binding term sheet may be inspected at the registered office of the Company at, 42E Penjuru Road, Singapore 609161 during normal business hours for a period of three (3) months from the date of this announcement.

About Stone Marine Singapore

Established in 1969, Stone Marine Singapore Private Limited ("Stone Marine Singapore") is a leader in custom designed and manufactured high-end propellers and stern gear equipment. The company designs and produces propellers from general use in commercial passenger vessels, to OSVs and high performance propellers for luxury speed boats and military applications where maximum speed with minimum noise and vibration are demanded by the customers.

Stone Marine Singapore is a wholly-owned subsidiary of Stone Marine Overseas Limited, a company incorporated in the United Kingdom. Its ultimate holding company, Langham Industries Limited (“Langham Industries”) is also incorporated in the United Kingdom.

About Langham

Langham Industries Limited (“Langham”) is a major UK engineering group serving the marine and aerospace industries. A pioneer of screw propulsion, the company can trace its history back to the earliest days of propeller manufacturing in the 19th century.

In addition to enjoying a worldwide reputation for designing and supplying marine propellers of all sizes for commercial, naval and leisure vessels, Langham manufactures aerospace fasteners as well as high quality light alloy castings for the aerospace, defense and motor racing industries.

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.

Led by a dedicated and experienced management team, and operating from our waterfront facilities and logistics seaborne hub on 52,120 square meters of land area, Mencast is well on track to achieve its goal of becoming a leader in the Oil & Gas MRO industry. For more information on Mencast, visit <http://www.mencast.com.sg>

Contacts:

Jojo Alviedo

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