



Mencast Holdings Ltd.

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

News Release

MENCAST ACHIEVES REVENUE OF S\$14 M FOR HY2009

- **Sustained performance with net profit attributable to shareholders up 13.1% to S\$4 million**
- **On track to transform into a global sterngear services provider**

SINGAPORE, 3 August 2009 – **Mencast Holdings Ltd.** (“**Mencast**” or the “**Company**”) and its subsidiaries (the “**Group**”), a sterngear equipment manufacturer and sterngear services provider in Singapore, is pleased to announce higher half yearly earnings for the six months ended 30 June 2009 (“**HY2009**”).

Financial Highlights

S\$'000	HY2009	HY2008	Change (%)
Revenue	14,017	13,169	6.4
Gross Profit	7,128	6,233	14.4
Gross Profit Margin	50.8%	47.3%	-
Net Profit Attributable to Equity Holders	4,007	3,544	13.1
Net Profit Margin	28.6%	26.9%	-
Earnings Per Share (cents)	2.72 ^a	2.82 ^b	(3.5)

^a based on weighted average of 147,500,000 shares

^b based on weighted average of 125,741,758 shares



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Financial Overview

The Group ended HY2009 with revenue of S\$14.0 million compared with S\$13.2 million in HY2008. Gross profit stood at S\$7.1 million, up 14.4% from S\$6.2 million in HY2008. Gross profit margin increased from 47.3% in HY2008 to 50.8% in HY2009. The increase was mainly due to the lower cost of materials like copper alloy and steel in HY2009 as compared to significantly higher prices of the same materials purchased in HY2008.

Sterngear manufacturing revenue registered a growth of 24.5% to S\$8.8 million in HY2009 mainly due to the Group's strong order book at the end of last financial year. Sterngear services revenue was however S\$0.9 million lower in HY2009 as a result of the deferment of repair work by shipowners and shipbuilders generally during this difficult economic climate.

Total operating expenses – comprising administrative expenses and finance costs – stood at S\$2.3 million in HY2009, up from S\$1.8 million in HY2008. Administrative expenses increased by S\$0.7 million to S\$2.2 million were mainly attributed to higher manpower costs which were in line with higher business activities, increase in directors' remuneration in accordance with service agreements dated 30 May 2008 and various recurring professional fees following the Company's public listing on 25 June 2008. Finance costs increased by S\$58,000 in HY2009 mainly due to the interest expense on the bank loans drawn down to finance the purchase of new plant at No. 12 Kwong Min Road.

Consequently, the Group's net profit attributable to equity holders rose 13.1% to S\$4.0 million for HY2009 with net profit margin improving from 26.9% in HY2008 to 28.6% in HY2009.

As at 30 June 2009, basic earnings per share on a weighted average basis decreased from 2.82 cents to 2.72 cents.

Outlook and Business Prospects

The Group will continue to operate under challenging and difficult conditions as current demand for new shipbuilding orders remain weak, which in turn could result in a slowdown in



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sales in the sterngear manufacturing division. As at 30 June 2009, the Group's order book for sterngear manufacturing was approximately S\$9.4 million.

The sterngear services business will remain very competitive. However, with the completion of the acquisition of Recon Propeller and Engineering Pte Ltd on 23 July 2009, the Group will be better positioned to capture a wider market for repairs and servicing of propellers.

“The global economic situation and business environment remained challenging in the first half of 2009. Against this backdrop, I am pleased to report that Mencast has turned in another good set of results this past six months.

To build on our performance and to strengthen our market position, we have to continuously sharpen our competitive edge. The acquisition of Recon Propeller will no doubt put us on the right track to transform the Group into a global sterngear services provider, giving us room to grow in this difficult period.

We believe that the long-term fundamentals for the industry remain intact. While we will be prudent in carrying out expansion plans, the Group would continue to look out for selective strategic opportunities in related businesses to strengthen our market position and to enhance our revenue stream.”

**Mr Glendle Sim
Chief Executive Officer**

End of news release



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About Mencast Holdings Ltd.

The first company to achieve a listing on SGX CATALIST, Mencast is a Singapore-based sterngear equipment manufacturer and sterngear services provider for a wide range of commercial vessel applications.

Catering primarily to customers in the offshore oil and gas and marine industry for the local and regional shipyards, Mencast's clientele include some of the major players in the offshore oil and gas and marine industry.

Mencast is one of the first sterngear equipment manufacturers in Singapore to obtain the ISO9001:2000 Quality Management System. Also, it had achieved the Singapore SME 500 award for two consecutive years in 2005 and 2006.

For more information, please refer to the corporate website www.mencast.com.sg

*This news release and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this news release. This news release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this news release, including the correctness of any of the statements or opinions made or reports contained in this news release.*

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