

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group					
	For the fourth quarter ended 31 December			For the year ended 31 December		
	2015 (\$'000)	2014 (\$'000)	Increase/ (decrease) (%)	2015 (\$'000)	2014 (\$'000)	Increase/ (decrease) (%)
Revenue	15,425	25,036	(38)	90,622	130,609	(31)
Cost of sales	(17,778)	(16,177)	10	(71,619)	(92,703)	(23)
Gross profit	(2,353)	8,859	NM	19,003	37,906	(50)
Other gains – net	2,162	5,448	(60)	8,079	8,126	(1)
Expenses						
- Administrative	(4,904)	(4,901)	-	(19,111)	(20,904)	(9)
- Finance	(1,557)	(1,478)	5	(5,656)	(5,195)	9
Profit before income tax	(6,652)	7,928	NM	2,315	19,933	(88)
Income tax	601	(660)	NM	(161)	(1,734)	(91)
Net profit	(6,051)	7,268	NM	2,154	18,199	(88)
Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss						
Fair value loss on financial assets, available-for-sale	-	(3)	NM	-	(3)	NM
Currency translation differences arising from consolidation ⁽¹⁾	(1,080)	486	NM	(570)	43	NM
Total comprehensive income	(7,131)	7,751	NM	1,584	18,239	(91)
Net profit attributable to :						
Equity holders of the Company	(5,678)	7,136	NM	1,582	17,460	(91)
Non-controlling interests	(373)	132	NM	572	739	(23)
	(6,051)	7,268	NM	2,154	18,199	(88)
Total comprehensive income attributable to :						
Equity holders of the Company	(6,758)	7,619	NM	1,012	17,500	(94)
Non-controlling interests	(373)	132	NM	572	739	(23)
	(7,131)	7,751	NM	1,584	18,239	(91)

(1) The currency translation difference arising from consolidation relates mainly to the fluctuations of Indonesian Rupiah and Chinese Renminbi against Singapore Dollar.

(2) "NM" denotes not meaningful.

MENCAST HOLDINGS LTD.
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(Company Registration Number: 200802235C)

1(a)(ii) Notes to statement of comprehensive income

The Group's profit is arrived at after charging / (crediting):

	The Group					
	For the fourth quarter ended 31 December			For the year ended 31 December		
	2015 (\$'000)	2014 (\$'000)	Increase/ (decrease) (%)	2015 (\$'000)	2014 (\$'000)	Increase/ (decrease) (%)
<u>Included in other gains:</u>						
- Sale of scrap metals	(36)	(66)	(45)	(255)	(432)	(41)
- Loss/(gain) on sale of property, plant and equipment	10	(4,479)	NM	(4,183)	(4,540)	(8)
- Write-back of deferred consideration on a previous acquisition	(1,892)	-	100	(1,892)	-	100
- Foreign exchange gain - net	(54)	(302)	(82)	(93)	(525)	(82)
- Government grants	(63)	(3)	NM	(478)	(504)	(5)
- Other loss/(income) ⁽¹⁾	9	(103)	NM	(346)	(762)	(55)
- Write-back of allowance for impairment of trade receivables	(7)	(33)	(79)	(333)	-	100
- Write-back of long outstanding payable	(23)	(308)	(93)	(104)	(820)	(87)
- Rental income	(106)	(154)	(31)	(395)	(543)	(27)
	(2,162)	(5,448)	(60)	(8,079)	(8,126)	(1)
<u>Included under finance expense:</u>						
- Interest expense	1,557	1,478	5	5,656	5,195	9
<u>Included under cost of sales and administrative expenses:</u>						
- Depreciation of property, plant and equipment ⁽²⁾	2,862	2,669	7	13,695	12,441	10
<u>Included under income tax:</u>						
- (Over)/under provision of current income tax in prior financial years	(80)	68	NM	(110)	140	NM
- Under/(over) provision of deferred income tax in prior financial years	19	(215)	NM	19	(461)	NM

Notes:

- (1) Other income relates to interest income, dividend income and miscellaneous income/expense.
- (2) The increase in depreciation of property, plant and equipment was mainly due to depreciation of new machinery and equipment, trucks and renovation.
- (3) "NM" denotes not meaningful.

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 31 December 2015 (\$'000)	As at 31 December 2014 (\$'000)	As at 31 December 2015 (\$'000)	As at 31 December 2014 (\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	10,896	19,686	410	259
Trade and other receivables	61,473	85,479	95,731	85,476
Inventories	8,775	10,328	-	-
	81,144	115,493	96,141	85,735
Assets of disposal group classified as held-for-sale	20,076	-	-	-
	101,220	115,493	96,141	85,735
Non-current assets				
Financial assets, available-for-sale	169	172	-	-
Investment in subsidiaries	-	-	82,030	94,251
Investment in joint venture	207	881	-	-
Property, plant and equipment	208,501	181,936	33	63
Deposits for purchase of property, plant and equipment	283	1,872	-	-
Intangible assets	45,180	45,180	-	-
Club memberships	60	60	-	-
Deferred income tax asset	-	-	524	524
	254,400	230,101	82,587	94,838
Total assets	355,620	345,594	178,728	180,573
LIABILITIES				
Current liabilities				
Trade and other payables	21,765	34,902	61,328	57,194
Borrowings	103,184	70,013	49,843	-
Current income tax liabilities	741	869	-	-
	125,690	105,784	111,171	57,194
Liabilities directly associated with disposal group classified as held-for-sale	5,522	-	-	-
	131,212	105,784	111,171	57,194
Non-current liabilities				
Other payables	-	5,100	2,350	5,100
Borrowings	86,123	100,713	-	49,617
Deferred income tax liabilities	4,512	4,453	-	-
	90,635	110,266	2,350	54,717
Total liabilities	221,847	216,050	113,521	111,911
NET ASSETS	133,773	129,544	65,207	68,662
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	75,562	72,027	75,562	72,027
Fair value reserves	92	92	-	-
Other reserve	509	-	-	-
Translation reserves	(2,551)	(1,981)	-	-
Retained earnings/(accumulated losses)	54,114	56,153	(10,355)	(3,365)
	127,726	126,291	65,207	68,662
Non-controlling interests	6,047	3,253	-	-
Total equity	133,773	129,544	65,207	68,662

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Note to statement of financial position:

Included in the Group's property, plant and equipment are seven properties which are carried at cost less accumulated depreciation. The Group engaged third-party valuers, to carry out a valuation of the properties. Set out below are the fair values of the seven properties:

Location	Description	Land Area (sqm)	Latest Valuation Date	NBV as at 31 December 2015 (\$'000)	Fair values (\$'000)	Excess of fair values over NBV (\$'000)
7 Tuas View Circuit	Office building, dormitory & workshop	8,501	Jan 2016	8,810	15,000	6,190
12 Kwong Min Road	Office building, dormitory & workshop	4,623	Aug 2015	3,807	8,500	4,693
42E Penjuru Road	Waterfront, office building & workshop	19,266	Aug 2015	20,981	34,000	13,019
42B Penjuru Road	Office building & workshop	16,200	Jan 2016	19,523	29,000	9,477
107 Gul Circle*	Office building & workshop	12,618	Nov 2015	5,320	7,500	2,180
11 Tuas Basin Close*	Waterfront, office building & workshop	14,730	Dec 2013	7,286	8,500	1,214
No.6 Xinghua Gangqu Dadao*	Office building & workshop	34,433	Mar 2015	7,470	8,396	926
Total		110,371		73,197	110,896	37,699

The estimated market values are presented for information purposes only and are not recognised in the Group's financial statements.

* These properties are included in the "Assets of disposal group classified as held-for-sale" on the balance sheet as at 31 December 2015.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31 December 2015		As at 31 December 2014	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Borrowings				
Current borrowings	44,159	59,025	56,380	13,633
Borrowings included in the disposal group classified as held-for-sale	559	4,963	-	-
Total	44,718	63,988	56,380	13,633

Amount repayable after one year

	As at 31 December 2015		As at 31 December 2014	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Borrowings				
Non-current borrowings	83,814	2,309	44,341	56,372
Borrowings included in the disposal group classified as held-for-sale	-	-	-	-
Total	83,814	2,309	44,341	56,372

Details of any collaterals

The bank borrowings are secured by the Group's leasehold buildings, certain short-term bank deposits and corporate guarantees by the Company.

Finance lease liabilities of the Group are secured by leased machinery and equipment and motor vehicles, as the legal title is retained by the lessor and will be transferred to the Group upon full payment.

The unsecured borrowing that is repayable in one year of \$49.8 million relating to the proceeds from the issuance of \$50.0 million fixed rate notes due on 12 September 2016 ("Series 1 Notes") under the \$200.0 million multicurrency Medium Term Note programme. The Series 1 Notes bear interest at the fixed rate of 5.75% per annum payable semi-annually in arrears.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group			
	For the fourth quarter ended 31 December		For the year ended 31 December	
	2015 (\$'000)	2014 (\$'000)	2015 (\$'000)	2014 (\$'000)
Cash flows from operating activities				
Net profit	(6,051)	7,268	2,154	18,199
Adjustments for:				
- Income tax	(601)	660	161	1,734
- Depreciation of property, plant and equipment	2,862	2,669	13,695	12,441
- Loss/(Gain) on disposal of property, plant and equipment	10	(4,479)	(4,183)	(4,540)
- Write-back of deferred consideration on a previous acquisition	(1,892)	-	(1,892)	-
- Dividend income on available-for-sale financial assets	(2)	-	(2)	(7)
- Award of performance shares	-	-	70	72
- Interest income	(3)	(10)	(19)	(14)
- Interest expense	1,557	1,478	5,656	5,195
- Currency translation differences	(1,080)	475	(570)	87
	(5,200)	8,061	15,070	33,167
Changes in working capital:				
- Trade and other receivables	11,685	9,556	25,590	(26,600)
- Inventories	1,778	1,164	1,553	(1,285)
- Trade and other payables	(6,507)	(9,189)	(16,880)	(5,526)
Cash generated/(used in) from operations	1,756	9,592	25,333	(244)
Interest received	3	10	19	14
Income tax refunded/(paid)	175	352	(230)	(107)
Net cash provided by/(used in) operating activities	1,934	9,954	25,122	(337)
Cash flows from investing activities				
Dividend received on available-for-sale financial assets	2	-	2	7
Payments of other payables relating to prior financial years' acquisitions	-	-	(2,625)	(9,985)
Dividend from investment in joint venture	-	-	674	-
Proceeds from disposal of property, plant and equipment	2,665	7,013	9,498	7,460
Proceeds from disposal of financial assets, available-for sale	-	-	3	-
Purchase of property, plant and equipment	(2,492)	(15,668)	(16,720)	(10,903)
Release of short-term bank deposits pledged	267	344	317	1,909
Net cash provided by/(used in) investing activities	442	(8,311)	(8,851)	(11,512)
Cash flows from financing activities				
Dividend paid	-	-	(3,621)	(8,877)
Interest paid	(788)	(390)	(4,699)	(4,968)
Repayment of bank borrowings	(9,391)	(18,945)	(31,017)	(36,502)
Repayment of finance lease liabilities	(1,325)	(1,825)	(7,050)	(7,621)
Proceeds from bank borrowings	5,762	24,475	23,230	57,801
Proceeds from rights issue	-	-	-	11,800
Purchase of treasury shares	-	(92)	(10)	(136)
Net cash (used in)/provided by financing activities	(5,742)	3,223	(23,167)	11,497
Net (decrease)/increase in cash and cash equivalents	(3,366)	4,866	(6,896)	(352)
Cash and cash equivalents at beginning of financial period	10,640	9,304	14,170	14,522
Cash and cash equivalents at end of financial period	7,274	14,170	7,274	14,170

(1) Cash and cash equivalents, for the purpose of presenting consolidated statement of cash flows, consist of :

	As at 31 December 2015 (\$'000)	As at 31 December 2014 (\$'000)
Cash and bank balances	10,896	19,686
Short-term bank deposits pledged	(2,718)	(3,035)
Bank overdrafts included in borrowings	(904)	(2,481)
	7,274	14,170

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1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Share capital (\$'000)	Treasury shares (\$'000)	Retained Earnings (\$'000)	Fair Value reserves (\$'000)	Translation reserves (\$'000)	Other reserve (\$'000)	Total (\$'000)	Non-controlling interests (\$'000)	Total equity (\$'000)
Group									
Balance as at 1 January 2015	72,220	(193)	56,153	92	(1,981)	-	126,291	3,253	129,544
- Disposal of non-controlling interests without a change in control	-	-	-	-	-	509	509	2,011	2,520
- Additional investment by non-controlling interest	-	-	-	-	-	-	-	211	211
- Total comprehensive income	-	-	1,125	-	85	-	1,210	1,080	2,290
Balance as at 31 March 2015	72,220	(193)	57,278	92	(1,896)	509	128,010	6,555	134,565
- Issue of new shares for acquisition of business in prior financial years	2,625	-	-	-	-	-	2,625	-	2,625
- Total comprehensive income/(loss)	-	-	1,314	-	(150)	-	1,164	(48)	1,116
Balance as at 30 June 2015	74,845	(193)	58,592	92	(2,046)	509	131,799	6,507	138,306
- Dividend paid	-	-	(3,621)	-	-	-	(3,621)	-	(3,621)
- Award of FY2013 performance shares to employees	70	-	-	-	-	-	70	-	70
- Share buy back	-	(10)	-	-	-	-	(10)	-	(10)
- Issue of new shares for acquisition of business in prior financial years	850	-	-	-	-	-	850	-	850
- Total comprehensive income/(loss)	-	-	4,821	-	575	-	5,396	(87)	5,309
Balance as at 30 September 2015	75,765	(203)	59,792	92	(1,471)	509	134,484	6,420	140,904
- Total comprehensive income/(loss)	-	-	(5,678)	-	(1,080)	-	(6,758)	(373)	(7,131)
Balance as at 31 December 2015	75,765	(203)	54,114	92	(2,551)	509	127,726	6,047	133,773

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	Share capital (\$'000)	Treasury shares (\$'000)	Retained earnings (\$'000)	Fair value reserves (\$'000)	Translation reserves (\$'000)	Other reserve (\$'000)	Total (\$'000)	Non- controlling interests (\$'000)	Total equity (\$'000)
Group									
Balance as at 1 January 2014	58,576	(135)	47,570	95	(2,024)	-	104,082	2,514	106,596
- Issue of new shares for acquisition of business in prior financial years	1,000	-	-	-	-	-	1,000	-	1,000
- Total comprehensive income/(loss)	-	-	1,968	-	8	-	1,976	477	2,453
Balance as at 31 March 2014	59,576	(135)	49,538	95	(2,016)	-	107,058	2,991	110,049
- Dividend paid	-	-	(8,877)	-	-	-	(8,877)	-	(8,877)
- Issue of new shares for acquisition of business in prior financial years	850	-	-	-	-	-	850	-	850
- Total comprehensive income/(loss)	-	-	5,920	-	(516)	-	5,404	101	5,505
Balance as at 30 June 2014	60,426	(135)	46,581	95	(2,532)	-	104,435	3,092	107,527
- Issue of new shares pursuant to rights issue	11,800	-	-	-	-	-	11,800	-	11,800
- Share buy back	-	(44)	-	-	-	-	(44)	-	(44)
- Award of FY2013 performance shares to employees	(6)	78	-	-	-	-	72	-	72
- Total comprehensive income/(loss)	-	-	2,436	-	65	-	2,501	29	2,530
Balance as at 30 September 2014	72,220	(101)	49,017	95	(2,467)	-	118,764	3,121	121,885
- Share buy back	-	(92)	-	-	-	-	(92)	-	(92)
- Total comprehensive income	-	-	7,136	(3)	486	-	7,619	132	7,751
Balance as at 31 December 2014	72,220	(193)	56,153	92	(1,981)	-	126,291	3,253	129,544

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	Share capital (\$'000)	Treasury shares (\$'000)	Retained earnings/ (accumulated losses) (\$'000)	Total equity (\$'000)
Company				
Balance as at 1 January 2015	72,220	(193)	(3,365)	68,662
- Total comprehensive loss	-	-	(502)	(502)
Balance as at 31 March 2015	72,220	(193)	(3,867)	68,160
- Issue of new shares for acquisition of business in prior financial years	2,625	-	-	2,625
- Total comprehensive loss	-	-	(824)	(824)
Balance as at 30 June 2015	74,845	(193)	(4,691)	69,961
- Dividend paid	-	-	(3,621)	(3,621)
- Award of FY2013 performance shares to employees	70	-	-	70
- Share buy back	-	(10)	-	(10)
- Issue of new shares for acquisition of business in prior financial years	850	-	-	850
- Total comprehensive loss	-	-	(941)	(941)
Balance as at 30 September 2015	75,765	(203)	(9,253)	66,309
- Total comprehensive loss	-	-	(1,102)	(1,102)
Balance as at 31 December 2015	75,765	(203)	(10,355)	65,207
Balance as at 1 January 2014				
	58,576	(135)	1,200	59,641
- Issue of new shares for acquisition of business in prior financial years	1,000	-	-	1,000
- Total comprehensive loss	-	-	(825)	(825)
Balance as at 31 March 2014	59,576	(135)	375	59,816
- Dividend paid	-	-	(8,876)	(8,876)
- Issue of new shares for acquisition of business in prior financial years	850	-	-	850
- Total comprehensive income	-	-	199	199
Balance as at 30 June 2014	60,426	(135)	(8,302)	51,989
- Issue of new shares pursuant to rights issue	11,800	-	-	11,800
- Share buy back	-	(44)	-	(44)
- Award of FY2013 performance shares to employees	(6)	78	-	72
- Total comprehensive loss	-	-	(161)	(161)
Balance as at 30 September 2014	72,220	(101)	(8,463)	63,656
- Share buy back	-	(92)	-	(92)
- Total comprehensive income	-	-	5,098	5,098
Balance as at 31 December 2014	72,220	(193)	(3,365)	68,662

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The details of the changes in issued share capital of the Company from 1 January 2015 to 31 December 2015 are as follows:

CHANGES IN ISSUED SHARE CAPITAL	Number of shares ('000)	Paid-up capital (S\$'000)
Issued share capital as at 1 January 2015	357,091	72,027
Issue of new shares for acquisitions in prior financial years	5,044	2,625
Issued share capital as at 30 June 2015	362,135	74,652
Award of FY2013 performance shares to employees	346	70
Share buy back	(50)	(10)
Issue of new shares for acquisitions in prior financial years	1,838	850
Issued share capital as at 30 September and 31 December 2015	364,269	75,562

Save as disclosed above, the Company did not have any outstanding options or convertibles as at 31 December 2015 and 31 December 2014.

Pursuant to Subscription Agreement, on 25 January 2016 the Company has allotted and issued an aggregate of 54,640,000 new shares at an issue price of S\$0.27 per new share.

The new shares rank pari passu in all respects with all other existing shares in issue.

Following the completion of the above issuance, the total number of issued shares in the capital of the Company (excluding treasury shares) has increased from 364,269,092 shares to 418,909,092 shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 December 2015	As at 31 December 2014
Total number of issued shares (excluding treasury shares) (in '000)	364,269	357,091

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at end of 31 December 2015.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the independent auditor.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current financial period compared with those audited financial statements for the financial year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial year, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual periods beginning on or after 1 January 2015.

The adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company's accounting policies nor any material impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	The Group			
	For the fourth quarter ended 31 December 2015	2014	For the year ended 31 December 2015	2014
Earnings attributable to equity holders of the Company (\$'000)	(5,678)	7,136	1,582	17,460
Weighted average number of shares outstanding for basic EPS ('000)	364,269	357,229	361,035	345,320
Basic EPS attributable to equity holders of the Company (SGD cents)	(1.56)	2.00	0.44	5.06
Weighted average number of shares outstanding for basic EPS ('000)	364,269	357,229	361,035	345,320
Adjustment for 2014 Performance Share Award to be issued ('000)	53	193	53	58
	364,322	357,422	361,088	345,378
Diluted EPS attributable to equity holders of the Company (SGD cents)	(1.56)	2.00	0.44	5.06

Basic and Diluted EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

NET ASSET VALUE ("NAV")

	Group		Company	
	As at		As at	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
NAV per ordinary share (SGD cents)	35.06	35.37	17.90	19.23
Number of shares used in computation of NAV per share ('000)	364,269	357,091	364,269	357,091

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF INCOME STATEMENT OF THE GROUP

FY2015 vs FY2014

Revenue

<u>Revenue by segment</u>	For the year ended 31 December 2015		For the year ended 31 December 2014	
	(\$'000)	(%)	(\$'000)	(%)
Offshore & Engineering	40,138	44	72,661	56
Marine	37,322	41	43,462	33
Energy Services	13,162	15	14,486	11
	90,622	100	130,609	100

Notes:

- (1) Offshore & Engineering includes offshore structures, engineering, manufacturing, inspection and maintenance. This also includes rope access services.
(2) Marine includes stearngear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering & fabrication works. This also includes diving services.
(3) Energy Services includes oil sludge and slop reclamation, hydro cleaning oil and gas tanks, encapsulation of wastes prior for landfill disposal and design and launch carbon footprint management initiatives and green initiatives.

The overall decrease in Group's revenue of \$40.0 million or 31% for the year ended 31 December 2015 is explained below:

REVIEW OF INCOME STATEMENT OF THE GROUP (continued)

Offshore & Engineering segment

Overall, revenue from Offshore & Engineering segment decreased by \$32.5 million or 45% due to:

- Major projects had been completed and very few major projects were obtained during FY2015 as a result of the tough market for the Oil & Gas service industry.
- Such decrease was slightly offset by the increase in revenue from precision engineering business as new orders from major Oil & Gas equipment manufacturers were secured since latter part of FY2014.

These also explain the lower revenue from Offshore & Engineering segment in Q4 FY2015 as compared to Q4 FY2014.

Marine segment

The turnover from Marine segment decreased by \$6.1 million or 14% mainly due to lower customer orders and deferral to Q2 FY2016 of certain diving jobs.

These also explain the lower revenue from Marine segment in Q4 FY2015 as compared to Q4 FY2014

Energy Services segment

Revenue from Energy Services decreased by \$1.3 million or 9% mainly due to revenue from a special project completed in FY2014.

This also explains the decrease in revenue from Energy Services segment in Q4 FY2015 as compared to Q4 FY2014.

Cost of sales, gross profit and gross profit margin

The decline in gross profit and gross profit margin from \$37.9 million to \$19.0 million or decrease by 50% was mainly stemmed from a lower revenue . As the oil and gas trading condition remains uncertain, the management has started to trim its overhead costs and focused on improving efficiency to preserve the margins. This resulted to a lower decrease in cost of sales by 23% and only 8% decrease in gross profit margin from 29% to 21%.

These also explain the fluctuations in cost of sales, gross profit and gross profit margin in Q4 FY2015 as compared to Q4 FY2014.

Other income

Other income marginally decreased by \$47,000 or 1% due to lower gain on disposal of property, plant and equipment in FY2015 as compared to FY2014 but was partially offset by net amount of \$1.9 million write-back of deferred consideration on a previous acquisition recognised in FY2015.

Other income of \$2.2 million in Q4 FY2015 is lower by 60% or by \$3.3 million as compared to Q4 FY2014 of \$5.4 million mainly due to timing difference on gain on sale of property and partially offset by the net amount of \$1.9 million write-back of deferred consideration on a previous acquisition in Q4 FY2015.

REVIEW OF INCOME STATEMENT OF THE GROUP (continued)

Administrative expenses

The Group's administrative expenses decreased by 9% or \$1.8 million due to streamlining measures implemented by the management as explained below:

- cost savings in salaries and related expenses due to decrease in head count and lower bonus for FY2015; and
- a cost cutting initiatives implemented since second half of FY2014 which resulted to lower insurance expense, travelling and entertainment, and utilities.

Finance expenses

The increase in Group's finance expenses of \$461,000 or 9% from \$5.2 million is mainly attributable to higher interest expense on trade financing and short term borrowings. This also explains the higher finance cost in Q4 FY2015 as compared to Q4 FY2014.

Income tax

The Group's effective income tax rate of 7% is lower than the statutory income tax rate of 17% mainly due to utilisation of carry forward tax losses. The effective income tax rate of 7% remains comparable with the effective income tax rate in FY2014 of 9%.

Net profit

The Group's net profit decreased by \$16.0 million or 88% from \$18.2 million in FY2014 to \$2.2 million in FY2015 as a result of the above.

The net profit attributable to non-controlling interests decreased from \$739,000 in FY2014 to \$572,000 in FY2015 due to revenue from a special project completed in FY2014.

Arising from the decrease in net profit as a result of slow down in oil and gas industry, the net profit attributable to equity shareholders of the Company declined by 91% from \$15.9 million in FY2014 to \$1.6 million in FY2015.

REVIEW OF FINANCIAL POSITION

Current assets

The decrease in current assets of \$34.4 million from \$115.5 million as at 31 December 2014 to \$81.1 million as at 31 December 2015 is mainly attributable to:

- (a) The decrease in cash and cash equivalents of \$8.8 million or 45% from \$19.7 million as at 31 December 2014 to \$10.9 million as at 31 December 2015 is mainly due to purchase of property, plant and equipment and settlement of borrowings offset by the cash provided by operating activities.
- (b) The decrease in trade and other receivables by \$24.0 million or 28% from \$85.5 million as at 31 December 2014 to \$61.5 million as at 31 December 2015 is mainly due to the decrease in revenue and collections of long-outstanding receivables.

REVIEW OF FINANCIAL POSITION (continued)

Non-current assets

The increase in non-current assets of \$24.3 million from \$230.1 million as at 31 December 2014 to \$254.4 million as at 31 December 2015 is attributable to increase in property, plant and equipment and deposits for purchase of property, plant and equipment of \$25.0 million or 14% in relation to:

- progressive payment for construction of property at 42A Penjuru Road;
- progressive payment for construction of crane barge to support our offshore activities; and
- purchases of commercial vehicles, and other equipment.

Current liabilities

The increase in current liabilities by \$19.9 million from \$105.8 million as at 31 December 2014 to \$125.7 million as at 31 December 2015 is due to:

- (a) The decrease in trade and other payables of \$13.1 million as compared to the balance as at 31 December 2014 is mainly due to payments to suppliers as shown in the decrease in cash and cash equivalents and via utilisation of trade facilities which resulted to a corresponding increase in current borrowings;
- (b) The increase in current borrowings of \$33.2 million as compared to current borrowings as at 31 December 2014 due to reclassification of Series 1 Note of \$49.8 million from non-current borrowings to current borrowings as this will be due for repayment on 12 September 2016. The increase in current borrowings was partially offset by repayment of short term borrowings and decrease in Group's bank overdraft as a result of faster collection of trade receivables.

Non-current liabilities

The decrease in non-current liabilities by \$19.7 million from \$110.3 million as at 31 December 2014 to \$90.6 million as at 31 December 2015 is due to the reclassification of the Series 1 Note to current borrowings as explained above and offset by the drawdown of construction loan pertaining to the construction of property at 42A Penjuru Road coupled with reclassification of certain borrowings to disposal group as discussed below.

Disposal Group classified as held-for-sale

The Group reclassified certain assets and liabilities under disposal group as held-for-sale with a net asset amount of \$14.6 million as part of the key initiatives of management to dispose some under utilised assets for cost savings and improve the cash flow position.

Net current liabilities position

As at 31 December 2015, the Group is in a net current liabilities position of \$30.0 million as compared to net current assets of \$9.7 million as at 31 December 2014. These have not taken into consideration secured long-term bank loans of \$1.4 million which the Group can drawdown to settle portion of its short-term borrowings or for working capital purposes.

The Group has plans to strengthen its liquidity position. On 25 January 2016, the Group has successfully completed a private placement amounting to \$14.8 million for 54,640,000 new shares at an issue price of S\$0.27 per new share. The Group also plans to realign its assets requirements and refinance short-term borrowings as required.

REVIEW OF STATEMENT OF CASH FLOWS

The Group has a net cash provided by operating activities of \$25.1 million mainly due to cash generated from operations of \$25.3 million as a result of decrease in trade and other receivables of \$25.6 million offset by decrease in trade and other payables of \$16.9 million.

The Group had a net cash used in investing activities in FY2015 of \$8.9 million due mainly to purchases of property, plant and equipment of \$16.7 million and payments of to former shareholders relating to prior financial year's acquisition of \$2.6 million offset by proceeds from disposal of property, plant and equipment of \$9.5 million and coupled with dividend from investment in joint venture of \$674,000.

The Group's financing activities has a net cash outflow of \$23.2 due to repayment of bank borrowings and finance lease liabilities (inclusive of interest payment) of \$42.8 million coupled with payment of dividends of approximately \$3.6 million and offset with the proceeds from bank borrowings of \$23.2 million.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The protracted low oil prices continue to adversely affect our customers and their demand for our services in the Oil & Gas sector especially our Offshore division.

In the Marine segment, the demand for sterngear repair and maintenance services as well as the sterngear manufacturing market remains challenging.

Our Energy Services segment has been performing well and, barring unforeseen circumstances, we expect this segment to grow.

Group's order book as at 31 December 2015 stands at \$12.1 million (as at 31 December 2014: \$32.1 million).

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend: First and Final

Dividend type: Cash

Dividend amount per ordinary share: \$0.01 per ordinary share

Tax rate: One-tier tax-exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13 Interested Person Transactions

Other than the deemed disposal of the Group's 21% equity interest in Vac-Tech as announced on 15 January 2015, there were no interested person transactions, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the full year ended 31 December 2015. The Company does not have a general mandate from shareholders for interested person transactions.

PART II: ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issue's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's activities comprise the following segments:

- (a) Offshore & Engineering - includes offshore structures, engineering, manufacturing, inspection and maintenance. This also includes rope access services.
- (b) Marine - includes stearngear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering & fabrication works. This also includes diving services.
- (c) Energy - includes oil sludge and slop reclamation, hydro cleaning oil and gas tanks, encapsulation of wastes prior for landfill disposal and design and launch carbon footprint management initiatives and green initiatives.

The segment information are as follows:

	The Group			Total (\$'000)
	Offshore & Engineering (\$'000)	Marine (\$'000)	Energy (\$'000)	
<u>FY 2015</u>				
Revenue				
Revenue from external parties	40,138	37,322	13,162	90,622
Gross profit	3,692	12,748	2,563	19,003
Other gains				8,079
Expenses				
- Administrative				(19,111)
- Finance				(5,656)
Profit before income tax				2,315
Income tax				(161)
Net profit for the financial year				2,154

MENCAST HOLDINGS LTD.
(Incorporated in the Republic of Singapore on 30 January 2008)
(Company Registration Number: 200802235C)

	The Group			Total (\$'000)
	Offshore & Engineering (\$'000)	Marine (\$'000)	Energy (\$'000)	
<u>FY 2014</u>				
Revenue				
Revenue from external parties	72,661	43,462	14,486	130,609
Gross profit	<u>14,193</u>	<u>18,752</u>	<u>4,961</u>	37,906
Other gains				8,126
Expenses				
- Administrative				(20,904)
- Finance				<u>(5,195)</u>
Profit before income tax				19,933
Income tax				<u>(1,734)</u>
Net profit for the financial year				<u>18,199</u>

Geographical Segments

Group's revenue by geographical market which is analysed based on the country of domicile of the customers is as follows:

	Financial year ended	
	31 December 2015 (\$'000)	31 December 2014 (\$'000)
Singapore	69,184	97,749
Asia ⁽¹⁾	15,698	20,362
Rest of the world ⁽²⁾	5,740	12,498
	<u>90,622</u>	<u>130,609</u>

Notes:

(1) Asia refers to customers from Malaysia, Brunei, China, Indonesia, the Philippines, Thailand, Vietnam, Hong Kong, India, Sri Lanka, Maldives and Australia.

(2) Rest of the world refers to customers from Europe, the Middle East and USA.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The decrease in revenue from all geographical segments were mainly due to global trend in the oil and gas industry.

16 A breakdown of sales as follows:

	Group		
	Financial year ended		
	31 December 2015 (\$'000)	31 December 2014 (\$'000)	Increase / (decrease) (%)
Sales reported for:			
First half ended 30 June	54,184	74,686	(27)
Second half ended 31 December	36,438	55,923	(35)
	90,622	130,609	(31)
Net profit before deducting non-controlling interests reported for:			
First half ended 30 June	3,471	8,466	(59)
Second half ended 31 December	(1,317)	9,733	(114)
	2,154	18,199	(88)

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Latest Full Year (FY2015) (\$'000)	Previous Full Year (FY2014) (\$'000)
Total annual dividend		
Ordinary – First and Final	3,621	2,959
Special dividend	-	5,918
	3,621	8,877

- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Sim Wei Wei	35	Daughter of substantial shareholder of the Company, Chua Kim Choo, and sister of Executive Chairman and Chief Executive Officer of the Company, Sim Soon Ngee Glennle.	Head of HR and Corporate Services since 2013. Oversee, coordinate and allocate the Group resources for the achievement of Mencast's strategic objectives.	No change.
Wong Boon Hwee	45	Brother of the Executive Director of the Company, Wong Boon Huat	Head of Marine division of Top Great Engineering & Marine Pte Ltd ("TGEM") and Mencast Offshore & Marine Pte Ltd since 2000 and 2012 respectively. Overseeing the day-to-day operation of projects in the marine repairs work and new fabrications.	No change.

BY ORDER OF THE BOARD

Sim Soon Ngee Glennle
 Executive Chairman and Chief Executive Officer

25 February 2016
