MENCAST HOLDINGS LTD.
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Revenue and earnings grew by 70% and 24% respectively for FY2014 Q1

- **Revenue increased by 70% to $30.8 million, contributed mainly by Offshore & Engineering and Energy Services segments**
- **The start of operations of 42B facility in FY2014 Q2 will support future growth**
- **Order book increases by 28%**

Singapore, 12 May 2014 – Mencast Holdings Ltd. and its subsidiaries ("Mencast" or the "Group"), a Mainboard listed and Singapore-based maintenance, repair and overhaul ("MRO") provider comprising Offshore & Engineering, Marine and Energy Services, is pleased to report a 24% increase in net profit after tax to $2.4 million for the first quarter ended 31 March 2014 ("FY2014 Q1"). A table on the financial highlights is provided below:

FINANCIAL HIGHLIGHTS	FY2014 Q1	FY2013 Q1	chg
	$'000	$'000	%
Revenue	30,775	18,093	70
Gross Profit	8,448	6,151	37
Gross Profit Margin	*27%*	*34%*	(7%)
Net Profit After Tax	2,445	1,969	24

Commenting on the Group's prospects, **Mr Glenndle Sim, Executive Chairman & CEO of Mencast,** said, ***"Mencast has started FY2014 Q1 with strong revenue growth. FY2014 will be a year where we concentrate our efforts in integrating our capabilities and capacities. These will further enhance our position as the leading MRO player in the region.***

The Offshore & Engineering industry continues to enjoy growth and the number of job inquiries received by the Group has been strong. Along with our facilities in Penjuru Road and our new workshops in China and Indonesia, we have increased our capability and capacity."

Financial Overview

The Group reported revenue of $30.8 million for the first quarter ended 31 March 2014, a 70% jump from $18.1 million for the first quarter ended 31 March 2013. The increase in revenue was driven by strong improvement in the Offshore & Engineering segment along with contributions from the Energy Services segment.

Segmental Revenue	FY2014 Q1		FY2013 Q1	
	($'000)	(%)	(S$'000)	(%)
Offshore & Engineering	17,236	56	5,704	31
Marine	9,959	32	11,373	63
Energy Services	3,580	12	1,016	6
Total	30,775	100	18,093	100

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

Revenue from Offshore & Engineering segment increased by $11.5 million or 102% due to:

- New projects awarded in FY2014 and more backlog jobs at end of FY2013 as compared to end of FY2012.

- Revenue contribution of $3.0 million from the two newly acquired subsidiaries

Revenue from Marine segment decreased by $1.4 million or 12% mainly due to:

- Decrease in revenue from sterngear manufacturing and sterngear repair services of $639,000 or 14% as the demand for such market slowed down since FY2013 Q2.

- Decrease in diving services of $414,000 or 13% mainly due to one-off diving job in FY2013 Q1 of approximately $1.0 million. No such one-off diving job in FY2014 Q1.

The increase in revenue of $2.6 million or 252% in Energy Services segment was mainly due to commencement of jobs since FY2013 Q2 after securing long-term contracts with major Oil & Gas customers.

Cost of sales and gross profit increased by $10.4 million or 87% and $2.3 million or 37% respectively, in tandem with the increase in revenue.

Gross profit margin decreased from 34% in FY2013 Q1 to 27% in FY2014 Q1 mainly due to:

- Lower margin for Offshore & Engineering projects; and

- Higher fixed cost for the property at 42B Penjuru Road such as depreciation, land rental, property tax as well as increase in staff and training cost for the precision engineering business. The precision engineering business is expected to operate at normal capacity in FY2014 Q2 as the qualification audits by major Oil & Gas equipment manufacturers were mostly completed in FY2013 Q4.

The Group's administrative expenses increased by $1.5 million or 39% due to:

- Administrative expenses of the two newly acquired subsidiaries of $1.2 million.

- Increase in fixed costs in relation to the new property at 42A Penjuru Road (e.g. land rent and property tax).

- Increase in other administrative expenses such as depreciation of office space at 42B Penjuru Road, insurance expense, and professional and legal fees.

The Group's capacity has increased significantly in FY2014 Q1 as compared to FY2013 Q1 resulting in higher cost. Despite this, the Group's net profit increased by $476,000 or 24% for FY2014 Q1.

However, net profit attributable to the equity holders of the Company decreased by $90,000 or 4% for FY2014 Q1.

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ABOUT MENCAST HOLDINGS LTD. (Bloomberg Ticker: MCAST SP)

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 new 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**

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