

SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

## Mencast delivers 20% growth in earnings to a record high of S\$10.2 million for FY2011

- Revenue surged 76% to S\$56.3 million mainly due to maiden revenue contributions from newly acquired subsidiaries
- Proposed first and final cash dividend of 1.2 cents per ordinary share, representing a payout of about 22%
- Group’s order book stood at S\$19.1 million as at 31 December 2011, up 127.4% from last financial year

Singapore, 28 February 2012 – Mencast Holdings Ltd. and its subsidiaries (“Mencast” or the “Group”), a marine and offshore services company, today announced growth of 20% in net profit attributable to equity holders to an all time high of S\$10.2 million for the twelve months ended 31 December 2011 (“FY2011”). A table on the financial highlights is provided below:

FINANCIAL HIGHLIGHTS	FY2011	FY2010	chg
	S\$'000	S\$'000	%
Revenue	56,358	32,031	76
Gross Profit	23,466	15,958	47
Gross Profit Margin	41.6%	49.8%	-
Administrative Expenses	(12,907)	(6,167)	>100
Net Profit Attributable to Equity Holders	10,236	8,495	20
Net Profit Margin	18.2%	26.5%	-
Net Cash Generated by Operating Activities	7,246	2,241	>100
Basic Earnings Per Share (cents)*	5.77	5.39	7

\* Based on weighted average of 177,475,573 shares for FY2011 (FY2010: 157,657,514 shares)

### Financial Overview

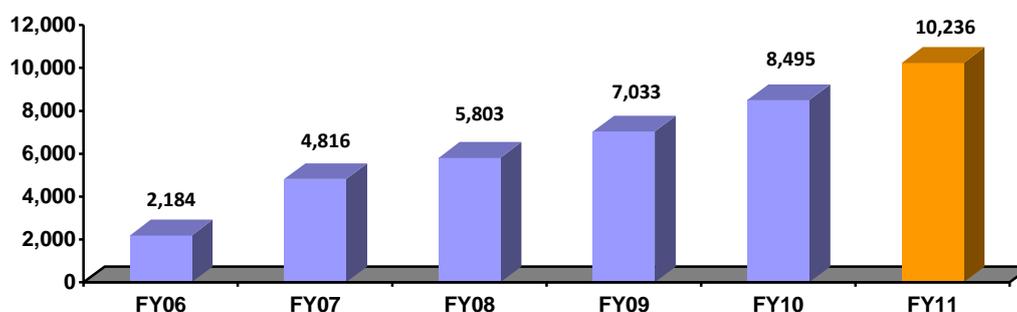
The Group’s total revenue grew by about 76% in FY2011 to S\$56.4 million mainly due to the maiden revenue contributions from the newly acquired subsidiaries, Top Great Engineering & Marine Pte Ltd (“TGEM”) and Unidive Marine Services Pte Ltd (“Unidive”). TGEM and Unidive combined, contributed revenues of S\$11.2 million and S\$18.0 million respectively towards the Group’s Marine Services business division and the Offshore & Engineering Services business division. **[Note: (1) Marine Services includes sterngear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering &**

*fabrication works. (2) Offshore & Engineering Services include offshore structures, engineering, manufacturing, inspection and maintenance.]*

The Group's gross profit increased by 47% to S\$23.5 million in FY2011, but the gross profit margin declined from 49.8% in FY2010 to 41.6% in FY2011. The increase in gross profit was due to the maiden contributions from the newly acquired subsidiaries, TGEM and Unidive. This was due mainly to the decrease in gross profit margin from the Marine Services business division as a result of competitive pricing, offset by the maiden contributions from the Offshore & Engineering Services business division.

The Group's administrative expenses more than doubled from S\$6.2 million in FY2010 to S\$12.9 million in FY2011. The increase was primarily due to the administrative expenses of approximately S\$5.8 million attributable to TGEM and Unidive following the completion of their respective acquisitions by the Group, as well as increase in rental expenses and legal cost from our acquisitions.

Thus, the Group's net profit attributable to equity holders increased by over 20% in FY2011 to S\$10.2 million, a record high as can be seen from the graph below. This translated to basic earnings per share of 5.77 cents.



*(Net profit attributable to equity holders in S\$'000)*

### **Rewarding Shareholders**

To reward the loyal shareholders, the Board of Directors of Mencast, has proposed a higher first and final tax-exempt cash dividend of 1.2 cents per ordinary share. This represents a payout of about 22% of the net profit attributable to equity holders of FY2011.

### **Outlook & Business Prospects**

Reflecting back on FY2011, **Mr Glennle Sim, Executive Chairman & CEO of Mencast**, commented, ***“2011 was an important year for the Group. We transformed our business from being a sterngear manufacturing and services company to a complete MRO (Maintenance, Repair and Overhaul) solutions provider. We also have the strong offshore capability including offshore structures, engineering, manufacturing, inspection and maintenance.***

***2011 was all about growth, diversification and expansion. Our 20% profit growth is testament to the success of the integration of our newly acquired subsidiaries and we are confident that the synergies from the businesses will propel the Group even further.***

***Mencast also achieved another very significant milestone recently with the transfer of our listing to the SGX Mainboard. This will surely help the Group to gain exposure to a much more diversified range of investors."***

The Group's order book stood at S\$19.1 million as at 31 December 2011 and comprised of S\$8.9 million from Marine Services business division and S\$10.2 million from Offshore & Engineering business division, up 127.4% from last financial year.

Providing update on the Group's waterfront facility at Penjuru Road, the construction of the quay wall, allowing alongside berthing of ships at the waterfront site is on track and the completion is expected in the second half of 2012. The factory building at the same site has obtained temporary occupation permit ("TOP"). Piling on the additional land at Penjuru Road has commenced and expected to be completed in the first half of 2012.

Barring any unforeseen circumstances, the Group is confident to remain profitable for FY2012.

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

Listed on the SGX-Mainboard, Mencast was the first company to achieve a listing on SGX-CATALIST and also the first company to be transferred to the SGX Mainboard. Mencast is a Singapore-based marine and offshore services company.

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.

For more information, please refer to the corporate website: [www.mencast.com.sg](http://www.mencast.com.sg)

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Issued for and on behalf of Mencast Holdings Ltd.

By Financial PR Pte Ltd

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