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Revenue and earnings grew by 64% and 10% respectively for HY2014

- **Revenue increased by 64% to $74.7 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 15%**

Singapore, 31 July 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 64% increase in revenue and 10% increase in net profit for the half year ended 30 June 2014 ("HY2014"). A table on the financial highlights is provided below:

FINANCIAL HIGHLIGHTS	HY2014	HY2013	chg
	$'000	$'000	%
Revenue	74,686	45,640	64
Gross Profit	20,868	15,897	31
Gross Profit Margin	*28%*	*35%*	(7%)
Net Profit After Tax	8,466	7,688	10

Commenting on the Group's prospects, **Mr Glenndle Sim, Executive Chairman & CEO of Mencast,** said, ***"Mencast had an excellent half year, with revenue up by 64% as compared to the corresponding period. Our Offshore & Engineering and Energy Services divisions are extending their leadership and now generate 70% of Group's revenue.***

The costs associated with our large increase in capacity and the impact of our recent acquisitions moderated net profit growth in this financial period. Filling our new capacity and effectively integrating the new acquisitions will strengthen our market position – This is in-line with our vision to be a leading MRO player."

Financial Overview

The Group reported revenue of $74.7 million for the half year ended 30 June 2014, a 64% jump from $45.6 million for the last half year ended 30 June 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	HY2014		HY2013	
	($'000)	(%)	(S$'000)	(%)
Offshore & Engineering	45,593	61	22,480	49
Marine	22,099	30	19,801	44
Energy Services	6,994	9	3,359	7
Total	74,686	100	45,640	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 $23.1 million or 103% due to:

- New projects awarded in FY2014 from both new and existing customers. There are also more backlog at end of FY2013 as compared to end of FY2012;

- Increase in revenue from precision engineering business as orders from major Oil & Gas equipment manufacturers started to come in since Q2 FY2014; and

- Revenue contributions of $10.4 million from the newly acquired subsidiaries.

Revenue from Marine segment decreased by $2.3 million or 12% mainly due to:

- Better utilisation of waterfront facilities for berthing services;

- Increase in revenue from diving services of $253,000; and

- Increase in demand for sterngear repair services in Q2 FY2014.

Revenue from Energy Services increased by $3.6 million or 108% due to:

- Commencement of jobs since Q2 FY2013 after securing long-term contracts with major Oil & Gas customers; and

- Higher revenue from scaffold project of $2.1 million due to variation orders.

Cost of sales and gross profit increased by $24.1 million or 81% and $5.0 million or 31% respectively, in tandem with the increase in revenue.

Gross profit margin decreased from 35% in HY2013 to 28% in HY2014 mainly due to:

- Lower margin for Offshore & Engineering projects;

- Higher fixed cost for the properties at 42E and 42B Penjuru Road such as land rental and property tax;

- Higher depreciation for the property at 42B Penjuru Road and overhead cost such as utilities and consumables for the new equipment; and

- Increase in salaries and wages due to increase in headcount.

The Group's administrative expenses increased by $3.7 million or 50% due to:

- Administrative expenses of the two newly acquired subsidiaries;

- Increase in fixed cost in relation to the new property at 42A Penjuru Road (eg land rent and property tax); and

- 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 net profit has increased by $778,000 or 10% in HY2014 as compared to HY2013 mainly as a result of increase in revenue of 64% offset by the increase in cost arising from capacity expansions and consolidating recent acquisitions. The net profit attributable to equity holders of the Company also increased by $229,000 or 3% for HY2014.

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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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