



## **Mencast Holdings Ltd.**

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

### **News Release**

## **Mencast achieves 20.5% jump in FY08 net profit to S\$5.8 million**

- **Net profit attributable to shareholders grew 20.5% to S\$5.8 million on the back of a 32.8% increase in revenue to S\$25.1 million**
- **Robust growth in sterngear equipment manufacturing**
- **Proposed final dividend of 1.0 cent per ordinary share**

<b>S\$'000</b>	<b>FY2008</b>	<b>FY2007</b>	<b>Change (%)</b>
<b>Revenue</b>	25,063	18,876	32.8
<b>Gross Profit</b>	11,285	8,663	30.3
<b>Net Profit Attributable to Equity Holders</b>	5,804	4,816	20.5
<b>Earnings Per Share (cents)</b>	4.25 <sup>a</sup>	3.85 <sup>b</sup>	10.4

<sup>a</sup> based on weighted average of 136,680,328 shares

<sup>b</sup> based on weighted average of 125,000,000 shares

**SINGAPORE, 18 February 2009 – Mencast Holdings Ltd.** and its subsidiaries (“Mencast” or the “Group”), a sterngear equipment manufacturer and sterngear services provider in Singapore, has turned in a good maiden set of full-year results after its IPO in June last year. Riding on the growth in shipbuilding, repair and maintenance industry, its net profit attributable to shareholders for the full-year ended 31 December 2008 (“FY2008”) surged 20.5% to S\$5.8 million.

Mencast’s revenue increased by 32.8% to S\$25.1 million, on the back of higher revenue contributions from both its sterngear manufacturing and sterngear services divisions. Revenue from the sterngear manufacturing division jumped 70.9% to S\$14.7 million, from S\$8.6 million the year before (“FY2007”). The sterling performance from the sterngear manufacturing division was mainly attributed to the higher demand arising from the increase in activities in the shipbuilding industry in FY2008. Revenue from the sterngear services



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division remained relatively unchanged at approximately S\$10.3 million in both FY2007 and FY2008.

Gross profit for FY2008 rose 30.3% to S\$11.3 million, from S\$8.7 million in FY2007. Gross profit margin declined slightly to 45.0% in FY2008 from 45.9% in FY2007 due mainly to the increase in raw material prices experienced by the Group.

Basic earnings per share for FY2008 improved by 10.4% to 4.25 cents on a weighted average basis.

The Board of Directors has recommended a first and final cash dividend of 1 cent per ordinary share, representing a payout ratio of approximately 25%.

**“2008 was a milestone for Mencast – having just been listed on SGX Catalist in June and entered into a joint-venture MOU with our overseas business partners, Becker Marine Systems and Machinefabriek Amersfoort in November. Despite the deteriorating global economic situation and financial crisis, we have achieved record earnings in FY2008.**

**2009 will pose challenges to the Group. In the medium term, we will focus on our sterngear services as we expect demand for ship repair and ship maintenance to grow. We will also continue our effort to manage costs and cashflows to improve efficiency and productivity.**

**Going forward, we will continue our strategy of growing our business through selective investments and acquisitions for strategic opportunities to enhance our revenue stream. We are confident that Mencast will be able to ride out this financial storm.”**

**Mr Glennle Sim  
Chief Executive Officer**



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**Business Prospects in FY2009**

As at 31 December 2008, Mencast's order book stood at approximately S\$13.0 million.

The global economic slowdown and drop in oil prices have affected the marine and offshore business, resulting in fewer new orders in the shipbuilding industry, which could result in a slowdown in sales in the Group's sterngear manufacturing division. On the other hand, life extension programs by ship owners could have a positive impact on demand for the Group's sterngear services as ship owners seek to extend the sea worthiness of their vessels.

Hence, in the medium term, Mencast will focus increasingly on ship repair, where the significant growth of the global fleet of vessels over the past few years and statutory docking requirement for existing and new vessels are expected to generate demand for the Group's sterngear services.

## 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](http://www.mencast.com.sg)

*This news release and its contents have been reviewed by the Company's sponsor, CIMB-GK Securities Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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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