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## Revenue and net profit declined by 11% and 10% respectively for the first quarter ended 31 March 2015

- Revenue decreased by 11% to \$27.3 million, mainly due to decline in Offshore & Engineering segment of 22% offset by the growth in Energy Services segment of 33%
- Net profit decreased by 10% to \$2.2 million
- Order book stands at \$24.5 million as at 31 March 2015

Singapore, 15 May 2015 – 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, announced an 11% decrease in revenue and 10% decrease in net profit for the first quarter ended 31 March 2015 (“FY2015 Q1”). A table on the financial highlights is provided below:

FINANCIAL HIGHLIGHTS	FY2015 Q1	FY2014 Q1	chg
	\$'000	\$'000	%
Revenue	27,323	30,775	(11)
Gross Profit	7,690	8,448	(9)
Net Profit After Tax	2,205	2,445	(10)

Commenting on the Group’s prospects, Mr Glendle Sim, Executive Chairman & CEO of Mencast, said, *“The decline in oil price has affected the Oil and Gas industry and has driven spending cutbacks amongst national (NOCs) and international (IOCs) oil companies as well as the other market participants cutback their spending budgets. To date, the protracted low oil prices make for a tough environment for our customers and affected the demand for our services in this sector specifically our Offshore division.*

*In the Marine segment, the demand for sterngear repair and maintenance services is relatively stable whilst the sterngear manufacturing market remains challenging.*

*Our Energy Services segment has been growing well and, barring unforeseen circumstances, we expect this trend to continue.*

*The market continues to be highly challenging due to low oil prices. Our key priorities are to rationalise costs and increase efficiency. Energy Services division has been growing and we will continue to invest in this division to leverage on its high potential.*

*Group’s order book as at 31 March 2015 stands at \$24.5 million (as at 31 December 2014: \$32.1 million).”*

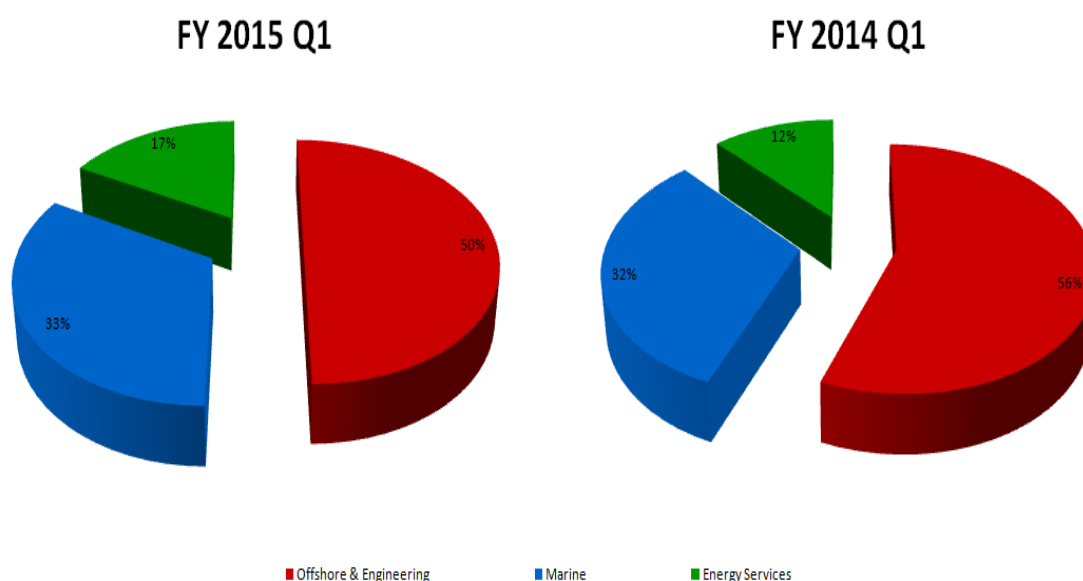
## Financial Overview

The Group reported revenue of \$27.3 million for the first quarter ended 31 March 2015, an 11% down from \$30.8 million for the first quarter ended 31 March 2014. The decrease in revenue was mainly due to decrease in revenue in Offshore & Engineering segment of 22% offset by the growth in Energy Services segment of 33%.

Segmental Revenue	FY2015 Q1		FY2014 Q1	
	(\$'000)	(%)	(\$'000)	(%)
Offshore & Engineering	13,520	50	17,236	56
Marine	9,047	33	9,959	32
Energy Services	4,756	17	3,580	12
Total	27,323	100	30,775	100

- 1) Offshore & Engineering includes offshore structures, engineering, manufacturing, inspection and maintenance. This also includes rope access services
- 2) Marine Services include stearn gear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering & fabrication works. This also includes diving services
- 3) 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

### Segmental Revenue



Overall, revenue from Offshore & Engineering segment decreased by \$3.7 million or 22% due to:

Decrease in revenue from construction contracts as a result of (a) decrease in orders from recurring customers; and (b) most of the major contracts secured in FY2013 – FY2014 have been substantially completed and there are no secured major contracts during this period due to the slow down in the Oil & Gas market; and

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.

Revenue from Marine segment decreased by \$912,000 or 9% mainly due to decrease in revenue from diving and berthing services offset by the increase in revenue from sterngear repair services.

Revenue from Energy Services segment increased by \$1.2 million or 33% due to increase in demand for tank cleaning services as well as variation orders from existing contracts.

Cost of sales and gross profit decreased by \$2.7 million or 12% and \$758,000 or 9% respectively, in line with the decrease in revenue.

Gross profit margin increased from 27% in FY2014 Q1 to 28% in FY2015 Q1 mainly due to:

- better gross profit margin from precision engineering division as a result of increase in revenue in FY2015 Q1 as compared to FY2014 Q1; and
- better gross profit margin from sterngear manufacturing and repair services division arising from lower material and overhead cost.

Other income increased by \$129,000 or 15% mainly due to increase in the government grant received.

The Group's administrative expenses decreased by \$607,000 or 12% due to:

- lower staff cost and related staff expenses arising from cost savings in salaries and related expenses as a result of decrease in head count; and
- decrease in repair and maintenance as significant repairs and maintenance were incurred in FY2014 Q1 in relation to property of the newly acquired subsidiary and existing dormitories.

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#### **ABOUT MENCAS 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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