MENCAST HOLDINGS LTD.
AND ITS SUBSIDIARY CORPORATIONS
(Company Registration No.200802235C)

Financial Statements
for the Second Half Year and Full Year Ended
31 December 2024

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Charmian Lim (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

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A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	For the second half year ended 31 December			For the full year ended 31 December		
	2HY2024 ($'000)	2HY2023 ($'000)	Increase/ (decrease) (%)	**FY2024 ($'000)**	FY2023 ($'000)	Increase/ (decrease) (%)
Revenue	**28,029**	24,715	13	**53,490**	48,417	10
Cost of sales	**(18,319)**	(18,204)	1	**(37,670)**	(34,271)	10
Gross profit	**9,710**	6,511	49	**15,820**	14,146	12
Other gains – net						
- Interest income - bank deposits	**35**	20	75	**70**	32	119
- Loss allowance on trade receivables	**-**	(3)	NM	**-**	(60)	NM
- Write-off of trade receivables	**-**	(4)	NM	**-**	(4)	NM
- Other	**1,384**	1,348	3	**3,264**	6,058	(46)
Expenses						
- Administrative	**(4,923)**	(4,868)	1	**(9,953)**	(9,958)	-
- Finance	**(3,056)**	(3,546)	(14)	**(6,414)**	(7,429)	(14)
Share of loss of associated companies	**-**	-	-	**-**	(37)	NM
Profit/(loss) before income tax	**3,150**	(542)	NM	**2,787**	2,748	1
Income tax expense	**(343)**	(84)	308	**(480)**	(244)	97
Net profit/(loss)	**2,807**	(626)	NM	**2,307**	2,504	(8)
Other comprehensive income/(loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences for foreign operations, gain/(loss)[1]	**11**	(163)	NM	**(15)**	(46)	(67)
Items that will not be reclassified subsequently to profit or loss:						
Fair value gain on financial assets, at FVOCI	**4**	4	-	**26**	4	550
Total comprehensive income/(loss)	**2,822**	(785)	NM	**2,318**	2,462	(6)
Net profit/(loss) attributable to:						
Equity holders of the Company	**2,835**	(620)	NM	**2,419**	1,461	66
Non-controlling interests	**(28)**	(6)	367	**(112)**	1,043	NM
	2,807	(626)	NM	**2,307**	2,504	(8)
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	**2,849**	(779)	NM	**2,430**	1,419	71
Non-controlling interests	**(27)**	(6)	350	**(112)**	1,043	NM
	2,822	(785)	NM	**2,318**	2,462	(6)
Earnings/(loss) per share ("EPS/LPS") attributable to equity holders of the Company (cents per share)						
Basic and diluted	**0.61**	(0.14)	NM	**0.53**	0.32	66

[1] The currency translation difference arose from the consolidation of foreign subsidiaries which mainly relates to the fluctuations of Indonesian Rupiah against Singapore Dollar.
[2] "NM" denotes not meaningful.

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B. BALANCE SHEETS

	Group		Company	
	FY2024 ($'000)	FY2023 ($'000)	**FY2024 ($'000)**	FY2023 ($'000)
ASSETS				
Current assets				
Cash and cash equivalents	**10,163**	10,470	**1,343**	524
Trade and other receivables	**14,407**	14,041	**34,614**	36,959
Inventories	**5,020**	4,076	**-**	-
Contract assets	**1,214**	249	**727**	607
	30,804	28,836	**36,684**	38,090
Assets of disposal group classified as held-for-sale	**70,544**	70,544	**-**	-
	101,348	99,380	**36,684**	38,090
Non-current assets				
Financial assets, at FVOCI	**117**	91	**-**	-
Investments in subsidiary corporations	**-**	-	**44,121**	48,821
Investments in associated companies	**-**	-	**-**	-
Property, plant and equipment	**68,078**	75,860	**9**	39
Deposits for the purchase of property, plant and equipment	**1,440**	881	**-**	-
Intangible assets	**4,781**	4,781	**-**	-
	74,416	81,613	**44,130**	48,860
Total assets	**175,764**	180,993	**80,814**	86,950
LIABILITIES				
Current liabilities				
Trade and other payables	**9,660**	8,376	**17,854**	17,449
Contract liabilities	**2,661**	1,177	**-**	-
Borrowings	**7,696**	9,705	**2,872**	2,872
Current income tax liabilities	**474**	321	**-**	-
	20,491	19,579	**20,726**	20,321
Liabilities directly associated with disposal group classified as held-for-sale	**66,745**	67,238	**-**	-
	87,236	86,817	**20,726**	20,321
Non-current liabilities				
Borrowings	**51,536**	60,062	**35,132**	37,799
Deferred income tax liabilities	**2,079**	1,752	**-**	-
	53,615	61,814	**35,132**	37,799
Total liabilities	**140,851**	148,631	**55,858**	58,120
NET ASSETS	**34,913**	32,362	**24,956**	28,830
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**93,420**	93,267	**93,420**	93,267
Fair value reserve	**40**	14	**-**	-
Translation reserve	**(959)**	(986)	**-**	(42)
Accumulated losses	**(59,150)**	(61,527)	**(68,464)**	(64,395)
	33,351	30,768	**24,956**	28,830
Non-controlling interests	**1,562**	1,594	**-**	-
Total equity	**34,913**	32,362	**24,956**	28,830

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital ($'000)	Treasury shares ($'000)	Fair value reserve[1] ($'000)	Translation reserve[1] ($'000)	Accumulated losses ($'000)	Total ($'000)	Non-controlling interests ($'000)	Total equity ($'000)
Group								
Balance as at 1 January 2024	**93,470**	**(203)**	**14**	**(986)**	**(61,527)**	**30,768**	**1,594**	**32,362**
Total comprehensive income/(loss)	**-**	**-**	**22**	**(25)**	**(416)**	**(419)**	**(85)**	**(504)**
Incorporation of new subsidiary corporations	**-**	**-**	**-**	**-**	**-**	**-**	**80**	**80**
Write-off of translation reserve from an associated company[2]	**-**	**-**	**-**	**42**	**(42)**	**-**	**-**	**-**
Share issue pursuant to:								
- Share Awards under the PSAS 2021[3]	**153**	**-**	**-**	**-**	**-**	**153**	**-**	**153**
Balance as at 30 June 2024	**93,623**	**(203)**	**36**	**(969)**	**(61,985)**	**30,502**	**1,589**	**32,091**
Total comprehensive income/(loss)	**-**	**-**	**4**	**10**	**2,835**	**2,849**	**(27)**	**2,822**
Balance as at 31 December 2024	**93,623**	**(203)**	**40**	**(959)**	**(59,150)**	**33,351**	**1,562**	**34,913**
Balance as at 1 January 2023	93,285	(203)	10	(940)	(62,988)	29,164	1,711	30,875
Total comprehensive income	-	-	-	117	2,081	2,198	1,049	3,247
Incorporation of new subsidiary corporations	-	-	-	-	-	-	40	40
Share issue pursuant to:								
- Share based payment	35	-	-	-	-	35	-	35
- Share Awards under the PSAS 2021[3]	150	-	-	-	-	150	-	150
Balance as at 30 June 2023	93,470	(203)	10	(823)	(60,907)	31,547	2,800	34,347
Total comprehensive income/(loss)	-	-	4	(163)	(620)	(779)	(6)	(785)
Dividends payable to non-controlling interests	-	-	-	-	-	-	(1,200)	(1,200)
Balance as at 31 December 2023	93,470	(203)	14	(986)	(61,527)	30,768	1,594	32,362

[1] *Fair value and translation reserves are not available for distribution.*
[2] *Resulted from the internal reorganisation of Menji Technology Development (Shanghai) Co., Ltd. as announced on 23 January 2024.*
[3] *PSAS 2021 – Mencast Performance Share Award Scheme 2021 was approved and adopted on 30 April 2021, subject to a maximum period of ten (10) years from the adoption date.*

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C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital ($'000)	Treasury shares ($'000)	Translation reserve[1] ($'000)	Accumulated losses ($'000)	Total equity ($'000)
Company					
Balance as at 1 January 2024	**93,470**	**(203)**	**(42)**	**(64,395)**	**28,830**
Total comprehensive loss	**-**	**-**	**-**	**(1,592)**	**(1,592)**
Write-off of translation reserve from an associated company[2]	**-**	**-**	**42**	**(42)**	**-**
Share issue pursuant to:					
- Share Awards under the PSAS 2021[3]	**153**	**-**	**-**	**-**	**153**
Balance as at 30 June 2024	**93,623**	**(203)**	**-**	**(66,029)**	**27,391**
Total comprehensive loss	**-**	**-**	**-**	**(2,435)**	**(2,435)**
Balance as at 31 December 2024	**93,623**	**(203)**	**-**	**(68,464)**	**24,956**
Balance as at 1 January 2023	93,285	(203)	(44)	(68,747)	24,291
Total comprehensive income/(loss)	-	-	2	(2,038)	(2,036)
Share issue pursuant to:					
- Share based payment	35	-	-	-	35
- Share Awards under the PSAS 2021[3]	150	-	-	-	150
Balance as at 30 June 2023	93,470	(203)	(42)	(70,785)	22,440
Total comprehensive income	-	-	-	6,390	6,390
Balance as at 31 December 2023	93,470	(203)	(42)	(64,395)	28,830

(1) *Translation reserve is not available for distribution.*
(2) *Resulted from the internal reorganisation of Menji Technology Development (Shanghai) Co., Ltd. as announced on 23 January 2024.*
(3) *PSAS 2021 – Mencast Performance Share Award Scheme 2021 was approved and adopted on 30 April 2021, subject to a maximum period of ten (10) years from the adoption date.*

D. CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group			
	For the second half year ended 31 Dec		For the full year ended 31 Dec	
	2HY2024 ($'000)	2HY2023 ($'000)	**FY2024 ($'000)**	FY2023 ($'000)
Cash flows from operating activities				
Net profit/(loss)	**2,807**	(626)	**2,307**	2,504
Adjustments for:				
- Income tax expense	**343**	84	**480**	244
- Depreciation of property, plant and equipment	**3,970**	4,180	**7,904**	8,291
- Dividend income from financial assets, FVOCI	**-**	-	**-**	(3)
- Discount on Net Working Capital	**-**	82	**-**	82
- Impairment loss on property, plant, and equipment	**805**	38	**805**	38
- Loss/(gain) on disposal of non-current assets held-for-sale	**-**	41	**61**	(3,793)
- Loss on disposal of property, plant and equipment	**29**	127	**83**	1,022
- Shares Awards under the PSAS 2021	**-**	-	**153**	150
- Share of loss of associated companies	**-**	-	**-**	37
- Interest income	**(35)**	(20)	**(70)**	(32)
- Interest expense	**3,056**	3,546	**6,414**	7,429
- Currency translation differences	**11**	(2)	**(12)**	(26)
	10,986	7,450	**18,125**	15,943
Changes in working capital, net of acquisition of a subsidiary corporation:				
- Trade and other receivables	**(1,339)**	(1,123)	**(1,290)**	1,445
- Inventories	**403**	1,420	**(944)**	1,566
- Contract assets	**(1,020)**	(31)	**(965)**	85
- Trade and other payables	**2,981**	1,863	**1,305**	1,550
- Contract liabilities	**(1,103)**	(1,533)	**1,484**	(962)
Cash generated from operations	**10,908**	8,046	**17,715**	19,627
Interest received	**35**	20	**70**	32
Income tax refunded/(paid)	**-**	77	**-**	(661)
Net cash provided by operating activities	**10,943**	8,143	**17,785**	18,998
Cash flows from investing activities				
Dividend income from financial assets, FVOCI	**-**	-	**-**	3
Proceeds from disposal of non-current assets classified as held-for-sale	**-**	894	**1,034**	6,764
Proceeds from disposal of property, plant and equipment	**117**	5,125	**147**	9,692
Purchase of property, plant and equipment	**(1,507)**	(2,232)	**(2,241)**	(3,486)
Receipt of asset-related government grant	**1,050**	-	**1,050**	-
Acquisition of a subsidiary corporation	**-**	-	**191**	-
Short-term bank deposits pledged	**(7)**	(7)	**(13)**	(7)
Net cash (used in)/provided by investing activities	**(347)**	3,780	**168**	12,966
Cash flows from financing activities				
Interest paid	**(3,108)**	(3,588)	**(6,474)**	(7,520)
Repayment of bank borrowings	**(5,467)**	(10,619)	**(10,903)**	(21,048)
Repayment lease liabilities	**(718)**	(699)	**(1,397)**	(1,856)
(Decrease)/increase of trade financing	**(856)**	416	**801**	(143)
Proceeds from issuance of subsidiary corporation's shares to non-controlling	**-**	25	**-**	40
Dividends paid to non-controlling interest	**(300)**	-	**(300)**	-
Net cash used in financing activities	**(10,449)**	(14,465)	**(18,273)**	(30,527)
Net increase/(decrease) in cash and cash equivalents	**147**	(2,542)	**(320)**	1,437
Cash and cash equivalents at the beginning of the financial period/year	**9,491**	12,500	**9,958**	8,521
Cash and cash equivalents at the end of the financial period/year	**9,638**	9,958	**9,638**	9,958

Cash and cash equivalents, for the purpose of presenting the consolidated statement of cash flows, consist of:

	As at 31 Dec 2024 ($'000)	As at 31 Dec 2023 ($'000)
Cash and bank balances	**10,163**	10,470
Short-term bank deposits pledged	**(525)**	(512)
	9,638	9,958

E. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Mencast Holdings Ltd. (the "**Company**") is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and incorporated and domiciled in Singapore. The address of its registered office is 42E Penjuru Road, Mencast Central, Singapore 609161.

These consolidated financial statements as at and for the financial period/year ended 31 December 2024 comprise the Company and its subsidiary corporations (collectively, the "**Group**").

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiary corporations are as follows:

a. Manufacture, supply and refurbishment and reconditioning of stern gear;
b. Collection of waste (including treatment and disposal of waste and recycling of non-metal waste);
c. Fabrication of steel structure, shipbuilding and repairs;
d. Manufacturing and precision machining services for parts used in machines and equipment; and
e. Manufacture of electrical machinery, apparatus, appliances and supplies, and general cleaning services.

2. Basis of preparation

The financial statements for the Second Half Year ("**2HY2024**") and Full Year ("**FY2024**") ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last unaudited financial statements for the period ended 30 June 2024 ("**1HY2024**").

The accounting policies adopted are consistent with those of the previous financial year ("**FY2023**") which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Singapore dollars ("**SGD**" or "**$**") which is the functional currency of the Company and have been rounded to the nearest thousand ("**$'000**").

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period/year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period/year ended 1HY2024 and FY2023.

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. **Basis of preparation** (continued)

2.2 **Use of judgements and estimates** (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:
- Note 4.2 – Construction contracts

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period/year are included in the following notes:
- Note 8 – Provision for expected credit losses of trade receivables, contract assets, and other receivables
- Note 10 – Impairment of disposal group classified as held-for-sale
- Note 12 – Depreciation and impairment of property, plant and equipment
- Note 13 – Impairment test of goodwill: key assumptions underlying recoverable amounts

3. **Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

4. **Segment and revenue information**

The Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors assesses the performance of the operating segments based on revenue and gross profit. Administrative and finance expenses and other gains are not allocated to segments.

Segmental assets and liabilities are not monitored as the majority of the assets and liabilities can be utilised or discharged by different operating segments across the Group.

The Group's activities comprise the following segments:

(a) Offshore & Engineering ("**O&E**") - Includes offshore structures, engineering, manufacturing, inspection, and maintenance.

(b) Marine - Includes stern gear manufacturing and refurbishment works, ship inspection, repair and maintenance services and engineering and fabrication work.

(c) Energy services - Include waste treatment and recovery waste system. Capabilities of waste treatment plants include treatment of wastewater, oily sludge, slop, mud oil, contaminated soil, solid wastes, and filter cakes.

4.1 **The reportable segment information is as follows:**

	The Group			
	Offshore & Engineering ($'000)	**Marine ($'000)**	**Energy Services ($'000)**	**Total ($'000)**
2HY2024				
Revenue				
Total segment revenue	**2,778**	**17,171**	**10,470**	**30,419**
Inter-segment revenue	**(56)**	**(2,293)**	**(41)**	**(2,390)**
Revenue from external parties	**2,722**	**14,878**	**10,429**	**28,029**
Gross (loss)/profit	**(166)**	**7,032**	**2,844**	**9,710**
Other gains – net				**1,419**
Expenses				
- Administrative				**(4,923)**
- Finance				**(3,056)**
Profit before income tax				**3,150**
Income tax expense				**(343)**
Net profit				**2,807**

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4. **Segment and revenue information** (continued)

4.1 Reportable Segments (continued)

	The Group			
	Offshore & Engineering ($'000)	Marine ($'000)	Energy Services ($'000)	Total ($'000)
2HY2023				
Revenue				
Total segment revenue	2,614	15,347	8,087	26,048
Inter-segment revenue	-	(1,317)	(16)	(1,333)
Revenue from external parties	2,614	14,030	8,071	24,715
Gross (loss)/profit	(1,255)	5,811	1,955	6,511
Other gains – net				1,361
Expenses				
- Administrative				(4,868)
- Finance				(3,546)
Loss before income tax				(542)
Income tax expense				(84)
Net loss				(626)

	The Group			
	Offshore & Engineering ($'000)	**Marine ($'000)**	**Energy Services ($'000)**	**Total ($'000)**
FY2024				
Revenue				
Total segment revenue	**5,274**	**29,806**	**21,644**	**56,724**
Inter-segment revenue	**(56)**	**(3,121)**	**(57)**	**(3,234)**
Revenue from external parties	**5,218**	**26,685**	**21,587**	**53,490**
Gross (loss)/profit	**(176)**	**12,283**	**3,713**	**15,820**
Other gains – net				**3,334**
Expenses				
- Administrative				**(9,953)**
- Finance				**(6,414)**
Profit before income tax				**2,787**
Income tax expense				**(480)**
Net profit				**2,307**

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4. Segment and revenue information (continued)

4.1 Reportable Segments (continued)

	The Group			
	Offshore & Engineering ($'000)	Marine ($'000)	Energy Services ($'000)	Total ($'000)
FY2023				
Revenue				
Total segment revenue	4,868	26,817	19,204	50,889
Inter-segment revenue	-	(2,446)	(26)	(2,472)
Revenue from external parties	4,868	24,371	19,178	48,417
Gross (loss)/profit	(2,663)	9,383	7,426	14,146
Other gains – net				6,026
Expenses				
- Administrative				(9,958)
- Finance				(7,429)
Share of loss of associated companies				(37)
Profit before income tax				2,748
Income tax expense				(244)
Net profit				2,504

4.2 Disaggregation of revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following nature of revenue and geographical regions.

	At a point in time $'000	Over time $'000	Total $'000
2HY2024			
Construction contracts			
- Singapore	**-**	**10**	**10**
- Asia	**-**	**725**	**725**
	-	**735**	**735**
Sale of goods			
- Singapore	**8,886**	**-**	**8,886**
- Asia	**2,631**	**-**	**2,631**
- Rest of the world	**635**	**-**	**635**
	12,152	**-**	**12,152**
Services income from maintenance, repair and overhaul and waste management			
- Singapore	**12,162**	**-**	**12,162**
- Asia	**1,238**	**-**	**1,238**
- Rest of the world	**1,742**	**-**	**1,742**
	15,142	**-**	**15,142**
Total	**27,294**	**735**	**28,029**

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4. **Segment and revenue information** (continued)

4.2 Disaggregation of revenue (continued)

	At a point in time $'000	Over time $'000	Total $'000
2HY2023			
Construction contracts			
- Singapore	-	8	8
- Asia	-	975	975
	-	983	983
Sale of goods			
- Singapore	8,131	-	8,131
- Asia	1,276	-	1,276
- Rest of the world	244	-	244
	9,651	-	9,651
Services income from maintenance, repair and overhaul and waste management			
- Singapore	12,431	-	12,431
- Asia	543	-	543
- Rest of the world	1,107	-	1,107
	14,081	-	14,081
Total	23,732	983	24,715

	At a point in time $'000	**Over time $'000**	**Total $'000**
FY2024			
Construction contracts			
- Singapore	**-**	**42**	**42**
- Asia	**-**	**1,584**	**1,584**
	-	**1,626**	**1,626**
Sale of goods			
- Singapore	**19,033**	**-**	**19,033**
- Asia	**3,718**	**-**	**3,718**
- Rest of the world	**856**	**-**	**856**
	23,607	**-**	**23,607**
Services income from maintenance, repair and overhaul and waste management			
- Singapore	**23,168**	**-**	**23,168**
- Asia	**2,395**	**-**	**2,395**
- Rest of the world	**2,694**	**-**	**2,694**
	28,257	**-**	**28,257**
Total	**51,864**	**1,626**	**53,490**

4. Segment and revenue information (continued)

4.2 Disaggregation of revenue (continued)

	At a point in time $'000	Over time $'000	Total $'000
FY2023			
Construction contracts			
- Singapore	-	8	8
- Asia	-	2,190	2,190
	-	2,198	2,198
Sale of goods			
- Singapore	13,039	-	13,039
- Asia	1,864	-	1,864
- Rest of the world	464	-	464
	15,367	-	15,367
Services income from maintenance, repair and overhaul and waste management			
- Singapore	27,399	-	27,399
- Asia	1,345	-	1,345
- Rest of the world	2,108	-	2,108
	30,852	-	30,852
Total	46,219	2,198	48,417

Construction contracts

The Group has ongoing contracts to construct specialised equipment. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the specialised equipment. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("**input method**").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate the total contract costs to complete. In making these estimates, Management has relied on the expertise of the surveying engineers to determine the progress of the construction and also on past experience from completed projects.

The breakdown of revenue is as follows:

	Group		
	Financial year ended		**Increase/ (decrease)**
	2024 ($'000)	2023 ($'000)	**(%)**
Revenue reported for:			
First Half Year ended 30 June	**25,461**	23,702	7
Second Half Year ended 31 December	**28,029**	24,715	13
	53,490	48,417	10
Net (loss)/profit before deducting non-controlling interests reported for:			
First Half Year ended 30 June	**(500)**	3,130	NM
Second Half Year ended 31 December	**2,807**	(626)	NM
	2,307	2,504	(8)

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5. Profit/(loss) before income tax

Profit/(loss) before income tax has been arrived after (charging)/crediting:

	Group					
	For the second half year ended 31 Dec			For the full year ended 31 Dec		
	2HY2024 ($'000)	2HY2023 ($'000)	Increase/ (decrease) (%)	**FY2024 ($'000)**	FY2023 ($'000)	Increase/ (decrease) (%)
Included in Other (charges)/credits – net:						
- Dividend income from financial assets, FVOCI	**-**	-	-	**-**	3	NM
- Discount on Net Working Capital(1)	**-**	(82)	NM	**-**	(82)	NM
- Foreign currency exchange gain/(loss), net(2)	**47**	12	292	**95**	(60)	NM
- Government grants(3)	**516**	103	401	**618**	175	253
- Impairment loss on property, plant and equipment(4)	**(805)**	(38)	2,018	**(805)**	(38)	2,018
- (Loss)/gain on disposal of non-current assets held-for-sale(5)	**-**	(41)	NM	**(61)**	3,793	NM
- (Loss)/gain on disposal of property, plant and equipment(6)	**(29)**	(127)	(77)	**(83)**	(1,022)	(92)
- Rental income on operating lease(7)	**1,262**	1,131	12	**2,512**	2,442	3
- Sale of scrap(8)	**294**	331	(11)	**869**	651	33
- Write-back of long outstanding payables/ accruals(9)	**30**	44	(32)	**30**	44	(32)
- Write down of inventories	**-**	(7)	NM	**-**	(7)	NM
- Other income, net(10)	**69**	22	214	**89**	159	(44)
	1,384	1,348	3	**3,264**	6,058	(46)
Included under finance expenses:						
Interest expenses on:						
- Bank borrowings	**2,712**	3,244	(16)	**5,740**	6,814	(16)
- Trade financing	**70**	31	126	**125**	74	69
- Lease liabilities - leasehold land	**265**	264	-	**533**	530	1
- Lease liabilities - hire purchase	**9**	7	29	**16**	11	45
	3,056	3,546	(14)	**6,414**	7,429	(14)
Included under cost of sales and administrative expenses:						
- Depreciation of property, plant and equipment	**3,473**	3,714	(6)	**6,913**	7,370	(6)
- Depreciation of ROU assets - leasehold land	**466**	421	11	**929**	843	10
- Depreciation of ROU assets - hire purchase	**31**	45	(31)	**62**	78	(21)
	3,970	4,180	(5)	**7,904**	8,291	(5)
Included under income tax expense:						
- Under-provision of current income tax in prior financial years(11)	**474**	4	11,750	**153**	4	3,750
- Under-provision of deferred income tax in prior financial years(11)	**-**	-	-	**327**	-	NM

Note:

(1) Pursuant to the sale & purchase agreement ("**SPA**"), the Net Working Capital ("**NWC**"), of Subsea Group as at 30 June 2022 shall belong to the Company and upon completion, the NWC shall be due and owing by the purchasers of Subsea Group to the Company as receivables and payable to the Company in the manner as set out in SPA. As at 31 December 2023, the Company has fully collected the NWC after giving some customers a total discount of $82,000.

(2) Foreign exchange gain in 2HY2024/FY2024 was mainly attributable to the strengthening of USD currency over SGD for bank balances and net receivables in USD currency.

Foreign exchange loss in FY2023 was mainly due to the following:
a. strengthening of SGD over USD for net receivables and bank balances in USD currency; and
b. strengthening of SGD over the Indonesia Rupiah in relation to the receipt from the disposal of Batam property.

(3) The increase in government grant receipts in 2HY2024/FY2024 was primarily due to the receipt of $428,000 by a subsidiary from Enterprise Singapore under the Capability Development Scheme.

(4) The impairment loss on property, plant and equipment in 2HY2024/FY2024 was related to under-utilised machinery and equipment in the Offshore & Engineering and Marine segments recording an impairment of $509,000 and $296,000 respectively.

(5) For the $61,000 loss on disposal of non-current assets held-for-sale in FY2024, please refer to Part E, Note 10(b).

The gain on disposal of non-current assets held-for-sale of $3.79 million in FY2023 was due to the sale of the Group's remaining 20% equity interest in Vac-Tech.

Overall, the Group recorded a net gain of $3.73 million from the disposal of Vac-Tech before deducting any incidental costs.

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5. (Loss)/profit before income tax (continued)

Note: (continued)

(6) The loss on disposal of property, plant and equipment of $83,000 in FY2024 was mainly due to the disposal of an obsolete lathe machine from the Marine segment.

For FY2023, the loss on disposal of property, plant and equipment amounted to $1.02 million, primarily resulting from the disposal of the following:
- property located in Batam Indonesia, for a loss of $106,000;
- machinery, workshop equipment and motor vehicle for a combined net loss of approximately $763,000; and
- a crane barge vessel, for a loss of $153,000.

(7) Rental income remained relatively consistent across both reporting periods, that is FY2024/FY2023 and 2HY2024/2HY2023.

(8) In FY2024, the increase in sales of scrap materials was largely due to higher scrap sales from the Marine segment, attributable to a higher volume of work. However, this was partially offset by a $178,000 decrease in scrap sales from the Offshore & Engineering segment, in line with a decline in revenue from the precision engineering business during the same period.

The sales of scrap materials in 2HY2024 were relatively consistent with 2HY2023, with a slight decline of $37,000.

(9) The write-back of long outstanding payables/accruals in FY2024/FY2023 and 2HY2024/2HY2023 was mainly due to over-accruals of certain expenses in prior years.

(10) Other income pertains to miscellaneous income/expenses.
- In FY2024, the other income mainly consisted of $51,000 from VPC parking and a $36,000 concession received during 2HY2024 from SP Services for water leakage on one of the Group's properties in the prior year.
- In FY2023, the other income mainly included $107,000 from the Group's additional claim on its share of the solar energy export revenue sharing scheme in prior years and VPC parking of $42,000.

(11) Please see Part E Note 7 for the explanation of the increase in income tax expense.

6. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Nature of Transactions	**2HY2024 $'000**	2HY2023 $'000	**FY2024 $'000**	FY2023 $'000
Sale of goods and/or services	**34**	60	**68**	1,001
Purchase of products and services	**-**	-	**-**	(98)
Miscellaneous income	**-**	-	**-**	5
Recharges of common costs	**-**	-	**-**	19
Consideration for the reorganisation of Menji Shanghai	**-**	-	**91**	-

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel, directors and their close family members or are associated companies of the Group.

The nature of transactions with associated companies is explained as follows:

i. The decrease in transactions with associated companies was mainly due to the disposal of one of its associated companies, namely Vac-Tech Engineering Pte. Ltd. ("**Vac-Tech**"). The proposed disposal was completed on 1 February 2023, in accordance with the terms and conditions of the SPA dated 17 December 2022, and as a result, the Group ceased to hold any interest in Vac-Tech.

ii. On 23 January 2024, the Group incorporated a new subsidiary corporation in Singapore, Menji Development Pte. Ltd. ("**Menji Development**"), with an issued capital of $200,000 for 200,000 ordinary shares. The Group holds a 60% equity interest in Menji Development through Mencast Investment Holdings Pte. Ltd.. On the same day, the Group completed an internal reorganisation exercise involving Menji Pte. Ltd. ("**Menji Singapore**") by transferring its entire equity interests in Menji Technology Development (Shanghai) Co., Ltd., 旻集科技发展（上海）有限公司 ("**Menji Shanghai**") to Menji Development for $91,000, based on the total identifiable net assets as at the date of transfer. Please refer to Part E, Note 18 for further details.

Following the reorganisation, the Group's effective interests in Menji Shanghai increased from 49.73% to 60.0%, while the Group continues to hold a 49.73% equity interest in Menji Pte. Ltd. and remains as an associated company of the Group.

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7. Income tax expense

For FY2024, the Group recognised an income tax expense of $480,000 (FY2023: $244,000) attributed to the following:

i. No provision for current income tax in FY2024 (FY2023: $240,000 attributable to profit from the Marine segment), as the Group has unrecognised tax losses and capital allowances as at balance sheet date. These can be carried forward and utilised to offset future taxable income, subject to meeting certain statutory requirements.

ii. An under-provision of deferred income tax from the prior financial year amounting to $327,000 (FY2023: $Nil), mainly due to timing differences in the depreciation of certain machinery and equipment in the precision engineering business.

iii. An under-provision of current income tax for prior years of $153,000 (FY2023: $4,000), from the Marine segment after deducting available group relief.

Please refer to Part E Note 5.(11) for details on the under-provision of current income tax in prior financial years.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group at amortised cost as at 31 December 2024 and 2023:

	Group		Company	
	FY2024 $'000	FY2023 $'000	**FY2024 $'000**	FY2023 $'000
Financial assets				
Financial assets, at FVOCI	**117**	91	**-**	-
Cash and cash equivalents[5]	**10,163**	10,470	**1,343**	524
Trade and other receivables[1,3]	**13,552**	12,638	**34,557**	36,930
Contract assets[2]	**1,214**	249	**727**	607
	25,046	23,448	**36,627**	38,061
Financial liabilities				
Trade and other payables[3]	**9,660**	8,376	**17,854**	17,449
Borrowings[4]	**125,977**	137,005	**38,004**	40,671
	135,637	145,381	**55,858**	58,120

Notes:
1. Excluding the prepayment and advances to suppliers.
2. The Group and the Company have no deferred costs for FY2024 and FY2023.
3. Including the Group's receivables from/payables to associated companies amounting to $1.88 million and $68,000 (FY2023: $1.81 million and $25,000) respectively.
4. Including the liabilities under the disposal group classified as held-for-sale.
5. Please see the significant restrictions below.

Significant restrictions

Cash in bank of $6,000 as at 31 December 2024 (FY2023: $Nil) is held in the People's Republic of China ("**PRC**") and is subject to local exchange control regulations. These local exchange regulations provide for restrictions on remitting capital from the country, other than through normal dividends.

Provision for expected credit losses ("**ECL**")

i. Trade receivables and contract assets

Management determines the ECL for trade receivables and contract assets by applying the simplified approach, which measures the lifetime ECL for trade receivables. The Group categorises its trade receivables based on their past due status, determined by the invoice date, and classifies debtors into two categories based on shared credit risk characteristics (i) Non-credit-impaired debtors; and (ii) Credit-impaired debtors, i.e., those in the process of or under liquidation, bankruptcy, or lawsuits.

8. Financial assets and financial liabilities (continued)

Provision for expected credit losses ("**ECL**") (continued)

i. Trade receivables and contract assets (continued)

For non-credit-impaired debtors, the Group uses an allowance matrix to measure the lifetime ECL allowances for trade receivables and contract assets. The allowance matrix is based on historically observed default rates (over 36 months) across the expected life of the trade receivables and contract assets, with adjustments made for forward-looking estimates. At each balance sheet date, the historical default rates are updated, and any changes in the forward-looking estimates are analysed.

For credit-impaired debtors, the Group assesses the impairment of trade receivables and contract assets through debtor-specific evaluations.

In measuring the ECL for credit-impaired debtors, the Group considers settlement arrangements made with various customers, such as instalment plans and contra settlements. Additionally, the Group takes into account reasonable and relevant forward-looking information, including actual or expected significant adverse changes in business, financial or economic conditions that could materially affect the customer's ability to meet the obligations.

For FY2024, a loss allowance of $Nil (FY2023: $60,000) for trade receivables was recognised.

During the financial year ended 31 December 2024, Management assessed and concluded to write off a loss allowance for trade receivables from non-related parties amounting to $572,000 (FY2023: $Nil), as there was no indication of recovery.

ii. Other receivables

The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is initially measured at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessments.

No loss allowance was recognised by the Group for these financial assets for FY2024/FY2023.

During the financial year ended 31 December 2024, the Company has made a loss allowance amounting to $3,484,000 (FY2023: $3,000,000), as there is no reasonable ground to recover the receivables from these subsidiary corporations.

As at 31 December 2024, the Group assessed and concluded that the ECL provision is adequate.

9. Financial assets, at FVOCI

Fair value measurements

The following table presents assets measured and carried out at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e., as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset that are not based on observable market data (unobservable inputs) (Level 3).

9. Financial assets, at FVOCI (continued)

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

	Group	
	FY2024	FY2023
	$'000	$'000
Financial assets, at FVOCI	**117**	91

Financial assets, at FVOCI are equity securities listed in Malaysia.

During the financial year ended 31 December 2024, the Group recognised a fair value gain of $26,000 (FY2023: $4,000).

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

10. Disposal group classified as held-for-sale

As at 31 December 2024, the carrying amount of assets and liabilities held-for-sale/disposal was $70,544,000 and $66,745,000 respectively (FY2023: $70,544,000 and $67,238,000).

The balances as at 31 December 2024 comprised the following:

a. As part of the Further Amended Debt Restructuring Agreement ("**Further Amended DRA**"), the Group is committed to disposing of a key property to pare down its debt. The carrying amounts of its assets and liabilities were $70,544,000 and $66,745,000 respectively (FY2023: $70,544,000 and $67,238,000).

b. Disposal of Vac-Tech

On 17 December 2022, Mencast Energy Pte. Ltd., a 70% subsidiary corporation of the Company, entered into a Sale and Purchase agreement ("**SPA**"), for the disposal of its remaining 20% equity interest in Vac-Tech, represented by 600,000 shares.

Following the Group's decision to sell Vac-Tech, and in compliance with SFRS(I) 5 *Non-Current Assets Held-for-Sale and Discontinued Operations*, the investment in the associated company, Vac-Tech, of approximately $4,066,000 was reclassified as assets of disposal group classified as held-for-sale on the consolidated balance sheet as at 31 December 2022.

On 1 February 2023, the proposed disposal of Vac-Tech was completed in accordance with the terms of the SPA and resulted in a net gain on disposal of an associated company classified as non-current assets held-for-sale amounting to $3,793,000. Subsequently, the Group ceased to hold any interest in Vac-Tech.

As at 31 December 2023, the Group has other receivables related to the third and final tranche payment of $1,095,000 from the disposal of Vac-Tech, subject to adjustments pursuant to the SPA.

Subsequently, on 3 April 2024, the Group received the third and final tranche payment of $1,034,000, with a shortfall of $61,000 from the $1,095,000 recognised in FY2023 after taking effect the net cash and net working capital adjustments pursuant to the SPA.

Overall, the Group recognised a net gain on disposal of Vac-Tech of $3,732,000 before deducting any incidental costs.

For the financial years ended FY2024/FY2023, Management has reviewed and concluded that the requirements of SFRS(I) 5 were met.

<u>Impairment testing</u>

For the purpose of impairment testing, judgement is required from the management in the measurement of the property at the lower of carrying amount and fair value less cost to sell.

No impairment charge was recognised for the financial years ended 31 December 2024 and 2023.

11. Investment in associated companies

	Group		Company	
	FY2024	FY2023	**FY2024**	FY2023
	$'000	$'000	**$'000**	$'000
Equity investment				
Beginning of financial year	**-**	35	**-**	35
Share of loss of associated companies	**-**	(37)	**-**	(37)
Currency translation difference	**-**	2	**-**	2
End of financial year	**-**	-	**-**	-

As at 31 December 2024 and 2023, the Group has one associated company namely:

a. Menji Singapore and its subsidiary corporation ("**Menji Group**")

As explained in Part E, Note 6, on 23 January 2024, the Group conducted an internal reorganisation exercise involving Menji Singapore, transferring its entire equity interest in Menji Shanghai for $91,000 to Menji Development post incorporation.

Following the reorganisation, Menji Shanghai is no longer a subsidiary of Menji Singapore. However, the Group continues to hold 49.73% equity interest in Menji Singapore, which remains an associated company of the Group.

As at 31 December 2024, the carrying amount of the investment in Menji Singapore is $Nil (FY2023: $Nil), as the Group and Company's share of losses in Menji Singapore has exceeded its interest. As a result, the Group and the Company have not recognised any further losses.

12. Property, plant and equipment ("PPE")

As at 31 December 2024, the Group registered a net book value of $68.08 million (FY2023: $75.86 million).

The decrease in PPE was mainly attributable to the following:
a. depreciation expense on PPE and ROU assets amounting to $7.90 million;
b. cash receipt of an asset-related government grant of $1.05 million under Enterprise Development Grant for a novel method for transforming hazardous spent caustic into useful products;
c. impairment loss for under-utilised machinery for $0.80 million as explained in Part E Note 5.(4);
d. disposal of PPE with a net book value of approximately $230,000 which resulted in a loss on disposal of PPE for $83,000 as explained in Part E Note 5.(6);
e. loss on foreign currency translation of PPE from foreign subsidiaries, $5,000; offset with
f. addition in PPE of $1.92 million mainly for the purchase of machinery and equipment for the Energy Services segment of $1.04 million and Marine propulsion business of approximately $0.76 million.
g. addition of PPE following the reorganisation of Menji Shanghai, $0.29 million.

Also, the Group recognised deposits for the purchase of property, plant, and equipment of $1.44 million as at 31 December 2024 (FY2023: $0.88 million) mainly for the Marine segment.

Impairment testing

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating unit ("**CGU**") have been determined based on fair value less costs to sell and value-in-use ("**VIU**").

During the financial year ended 31 December 2024, impairment charges of $805,000 (FY2023: $38,000) were recognised for property, plant, and equipment as the estimated recoverable amounts are less than carrying value and/or fair value less costs to sell.

12. Property, plant and equipment ("PPE") (continued)

Capital commitment

As at 31 December 2024, the Group has a capital commitment of approximately $2,603,000 mainly for the new build propellers business (FY2023: $3,550,000).

13. Goodwill

	Group	
	FY2024	FY2023
	$'000	$'000
Cost		
Beginning and end of financial year	**27,523**	27,523
Accumulated impairment		
Beginning and end of financial year	**(22,742)**	(22,742)
Net book value	**4,781**	4,781

Impairment testing

For the purpose of annual impairment testing for goodwill, the Group determines the recoverable amount of the cash generating units based on value-in-use based on financial budgets approved by Management.

Key assumptions used for value-in-use calculations:

	FY2024		FY2023	
	Growth rate[1]	**Discount rate[2]**	Growth rate[1]	Discount rate[2]
Recon	**2%**	**9%**	3%	10%

1 Weighted average growth rate used to extrapolate cash flows beyond the budget period

2 Pre-tax discount rate applied to the pre-tax cash flow projections

14. Borrowings

Amount repayable in one year or less, or on demand

	FY2024		FY2023	
Borrowings	**Secured ($'000)**	**Unsecured ($'000)**	Secured ($'000)	Unsecured ($'000)
Bank borrowings	**6,166**	**559**	6,172	2,736
Lease liabilities -hire purchase	**137**	**-**	93	-
Current borrowings	**6,303**	**559**	6,265	2,736
Included in the disposal group classified as held-for-sale:				
- Bank borrowings	**62,717**	**-**	62,717	-
	62,717	**-**	62,717	-
	69,020	**559**	68,982	2,736

Amount repayable after one year

	FY2024		FY2023	
Borrowings	**Secured ($'000)**	**Unsecured ($'000)**	Secured ($'000)	Unsecured ($'000)
Bank borrowings	**38,773**	**-**	46,248	444
Lease liabilities -hire purchase	**308**	**-**	222	-
Non-current borrowings	**39,081**	**-**	46,470	444

14. Borrowings (continued)

The Group's borrowings disclosed above do not include the lease liabilities on leasehold land arising from SFRS(I)16, the details of which are as follows:

Lease liabilities – leasehold land:	**Group**	
	FY2024 ($'000)	FY2023 ($'000)
Current borrowings	**834**	704
Disposal group classified as held-for-sale	**4,028**	4,521
Non-current borrowings	**12,455**	13,148
Total	**17,317**	18,373

Details of any collaterals

The bank borrowings are secured by the Group's buildings on leasehold land, short-term bank deposits and corporate guarantees by the Company.

The lease liabilities - hire purchase of the Group is secured by leased motor vehicles, as the legal title is retained by the lessor and will be transferred to the Group upon full payment.

Financial covenants

The Group's bank borrowings are subjected to financial covenant clauses whereby the Group is required to meet certain key financial ratios. The Group did not fulfil the gearing ratio and minimum tangible net worth as required in some of the Group's loan agreements.

On 13 February 2024, the Group entered into a letter agreement dated 6 February 2024 to amend certain terms of the Amended DRA ("**Further Amended DRA**") which amongst others, state that all financial covenants have been waived by the Lenders till 31 March 2026.

15. Share capital

	← No. of ordinary shares →			**← Amount →**		
	Issued share capital	**Treasury shares**	**Total**	**Share capital**	**Treasury shares**	**Total**
	'000	**'000**	**'000**	**$'000**	**$'000**	**$'000**
Group and Company						
FY2024						
Beginning of financial year	**456,541**	**(455)**	**456,086**	**93,470**	**(203)**	**93,267**
Share issue pursuant to:						
- Share Awards under the PSAS 2021	**5,099**	**-**	**5,099**	**153**	**-**	**153**
End of financial year	**461,640**	**(455)**	**461,185**	**93,623**	**(203)**	**93,420**

	← No. of ordinary shares →			← Amount →		
	Issued share capital	Treasury shares	Total	Share capital	Treasury shares	Total
	'000	'000	'000	$'000	$'000	$'000
FY2023						
Beginning of financial year	452,405	(455)	451,950	93,285	(203)	93,082
Share issue pursuant to:						
- Share-based payment	727	-	727	35	-	35
- Share Awards under the PSAS 2021	3,409	-	3,409	150	-	150
End of financial year	456,541	(455)	456,086	93,470	(203)	93,267

15. Share capital (continued)

The Group and the Company have a total issued and outstanding shares of 461,185,000 as at 31 December 2024 (31 December 2023: 456,086,000 shares).

The Company has no outstanding options or convertibles as at 31 December 2024 and 31 December 2023.

The Company's subsidiary corporations do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

As at 31 December 2024, the total number of treasury shares held was 455,000 (31 December 2023: 455,000).

There were no sales, transfers, disposal, cancellations and/or use of treasury shares as at the end of 31 December 2024.

The Mencast Performance Share Award Scheme 2021 (the "**PSAS 2021**", replacement of the expired PSAS 2010) was approved by members of the Company at an Extraordinary General Meeting held on 30 April 2021 which provides for the award of fully paid-up ordinary shares in the share capital of the Company, free of charge to Group employees (which includes Group Executive Directors) and Group Non-Executive Directors. For more details and information on PSAS 2021, please see the Circular to Shareholders in relation to the Proposed Adoption of Mencast Performance Share Award Scheme 2021 disclosed on the Mencast website.

FY2024

On 28 May 2024, the Company allotted and issued a total of 5,099,000 ordinary shares of the Company to eligible employees of the Group under PSAS 2021.

FY2023

On 12 June 2023, the Company allotted and issued a total of 3,409,000 ordinary shares of the Company to eligible employees of the Group under PSAS 2021.

Also, on the same date, pursuant to the PSAS 2021, the Company granted (and automatically vests on same date of grant) 727,000 shares to the Independent Directors of the Company in accordance with Independent Directors' fee arrangement for the financial year ended 31 December 2022 (as approved by Shareholders of the Company at the annual general meeting held on 26 April 2023), whereby the Independent Directors received $139,000 in cash and the remaining $35,000 in shares.

16. Net asset value and Earnings/(loss) per share

Net asset value ("NAV")

	Group		Company	
	FY2024	FY2023	**FY2024**	FY2023
NAV per ordinary share (SGD cents)	**7.23**	6.75	**5.41**	6.32
Number of shares used in the computation of NAV per share ('000)	**461,185**	456,086	**461,185**	456,086

Earnings/(loss) per share ("EPS/(LPS)")

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during 2HY2024 of 461,185,000 shares (2HY2023: 456,086,000 shares) and during FY2024 of 459,067,000 shares (FY2023: 454,205,000 shares).

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, net profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential ordinary shares.

The Company has no dilutive potential ordinary shares for 2HY2024 (2HY2023: Nil) and FY2024 (FY2023: Nil).

17. Contingencies

Group

During the financial year ended 31 December 2019, a wholly owned subsidiary corporation of the Company provided a corporate guarantee to a major customer for a five-year contract secured. The guarantee expired on 30 November 2024.

Company

The Company has undertaken to provide ongoing financial support to certain subsidiary corporations in the normal course of business.

The Company has issued corporate guarantees to banks for borrowings of certain subsidiary corporations which are not secured over the assets of the subsidiary corporations. These bank borrowings amount to $559,000 (FY2023: $3,180,000) at the balance sheet date.

The Board of Directors estimated that the fair value of the corporate guarantees is negligible with the view that consequential liabilities to be derived from the guarantees to the banks and financial support provided to certain subsidiary corporations are not material and therefore not recognised.

18. Business combination

As disclosed in Part E, Note 6 and 11, on 23 January 2024, the Group has undertaken an internal reorganisation exercise involving Menji Singapore, transferring its entire equity interests in Menji Shanghai for $91,000 to Menji Development.

The Group's effective interest in Menji Shanghai increased from 49.73% to 60.0% (i.e. by 10.27%) as a result of the internal reorganisation and accounted as an indirect subsidiary corporation of the Company.

Menji Shanghai is presently engaged in the provision of engineering and construction services, and the wholesale of building and construction materials in the People's Republic of China ("**PRC**").

Details of the consideration and the assets acquired, the liabilities assumed, the non-controlling interest recognised and the effects on the cash flow of the Group, at the date of internal reorganisation:

	$'000
(a) Purchase consideration:	
Cash to be paid	**91**
(b) Effect on cash flows of the Group	
Cash paid	-
Less: cash and bank balances in the subsidiary corporation	(191)
Cash inflow on acquisition	**(191)**
(c) Identifiable assets acquired, and liabilities assumed	
Cash and bank balances	191
Trade and other receivables	91
Property, plant, and equipment	295
Total assets	577
Trade and other payables	248
Borrowings - lease liabilities	238
Total liabilities	486
Total identifiable net assets	**91**
Less: Non-controlling interest	(37)
Consideration transferred for the business	**54**

Revenue and profit contribution

During the financial period from 23 January 2024 to 31 December 2024, Menji Shanghai contributed revenue of $978,000 and a net loss of $72,000 to the Group.

Had Menji Shanghai been acquired by Menji Development on 1 January 2024, the consolidated revenue and the consolidated profit after tax for the Group remain the same at $53.49 million and $2.31 million for the financial year ended 31 December 2024.

19. Events occurring after the balance sheet date

On 25 February 2025, the Company's wholly-owned subsidiary, Mencast Offshore & Marine Pte. Ltd., incorporated a new wholly-owned subsidiary in Singapore, Mencast Environment Pte. Ltd. ("**Mencast Environment**"), with an issued capital of $100,000 for 100,000 ordinary shares. Its principal activity will be the collection of waste.

The incorporation of Mencast Environment is not expected to have a material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2025.

F. OTHER INFORMATION REQUIRED BY LISTING MANUAL SECTION B: RULES OF CATALIST ("CATALIST RULES") APPENDIX 7C

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial position of Mencast Holdings Ltd. and its subsidiaries as at 31 December 2024 and the related consolidated statement of profit or loss and other comprehensive income, statements of changes in equity and consolidated statement of cash flows for 2HY2024 and FY2024 and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Comprehensive Income

Revenue

The Group's total revenue increased by $5.1 million or 10% in FY2024 compared to FY2023, with the increases coming from 2HY2024, where there was a 13% increase compared to 2HY2023. The increase in revenue is largely contributed by the Marine and Energy Services segments as indicated below:
- The Energy Services segment contributed an increase of $2.41 million in FY2024.
- The Marine segment increased by $2.31 million.
- The Offshore & Engineering ("**O&E**") segment is up by $350,000.

<u>Offshore & Engineering segment</u>

Revenue from the O&E segment represents 10% of total revenue for FY2024.
The O&E segment's revenue reported an increase of 7% and 4% in FY2024 and 2HY2024, respectively, in comparison to the same periods in FY2023/2HY2023. This was mainly due to:
- Revenue of $0.98 million was recognised in FY2024 from a China subsidiary as a result of the internal restructuring (FY2023/2HY2023: $Nil).

Offset by:
- The precision engineering business showed a decline of 21% year-on-year, from $2.32 million in FY2023 to $1.83 million in FY2024, due to weaker customer demands.
- The offshore structure and steel fabrication business in FY2024 of $2.35 million, showed an 8% decrease in revenue from $2.54 million in FY2023, mainly due to reduced activities.

This also explains the variation in Offshore & Engineering segment revenue in 2HY2024 compared to 2HY2023.

2. **A review of the performance of the group** (continued)

Review of Statement of Comprehensive Income (continued)

Revenue (continued)

Marine segment

Revenue from the Marine segment represents 50% of total revenue for FY2024.
The Marine segment's revenue in FY2024 increased by 9%, up from $24.37 million in FY2023 to $26.69 million in FY2024. This increase was attributable to:

- An increase in the segment's MRO (maintenance, repairs and overhaul) services, which grew from $11.05 million in FY2023 to $12.17 million in FY2024.
  - Revenue from propulsion system MRO services increased by $1.53 million, or 19%, reaching $9.69 million in FY2024.
  - Ship repair works showed reduced activity in FY2024, declining by $0.41 million, or 14%, from $2.89 million in FY2023.
- Revenue from new build propellers in FY2024 totalling $14.52 million was up by 9%, from $13.32 million in FY2023.

This also explains the variation in Marine segment revenue in 2HY2024 compared to 2HY2023.

Energy Services segment

Revenue from the Energy Services segment represents 40% of total revenue for FY2024.
Overall, the Energy Services Segment increased by 13%, from $19.18 million in FY2023 to $21.59 million in FY2024. The increase was mainly due to a fast-track trading contract of $4.46 million and new revenue streams generated through the conversion of waste to the by-product for sale, totalling $2.95 million. This was however offset by a weaker revenue from the collection of toxic waste of $5.00 million due to lower work orders during FY2024.

This also explains the variation in Energy Services segment revenue in 2HY2024 compared to 2HY2023.

Cost of sales, gross profit ("GP") and gross profit margin

The Group's cost of sales increased by $3.40 million, or 10%, from $34.27 million in FY2023 to $37.67 million in FY2024, in line with the increase in the Group's revenue.

The Group's gross profit increased by $1.67 million, from $14.15 million in FY2023 to $15.82 million in FY2024. As a result, the Group's gross profit margin, as a percentage of revenue, improved from 29% in FY2023 to 30% in FY2024.

The following factors contributed to the increase in gross profit:

Marine segment: An increase of approximately $2.90 million, or 31%, in gross profit from MRO services and new-build propellers. This also explains the variation in the Marine segment's gross profit between 2HY2024 and 2HY2023.

Offshore & Engineering segment: A reduction in gross losses of approximately $2.49 million from the offshore structure & steel fabrication and precision engineering businesses which was mainly due to cost savings arising from asset divestments in the prior year. This also accounts for the variation in the O&E segment's gross loss between 2HY2024 and 2HY2023. Additionally, Menji Shanghai contributed a positive gross profit of $0.30 million.

The above increases in gross profit were offset by:

Energy Services segment: Despite an overall increase in revenue, gross profit decreased by $3.7 million primarily due to a reduction in the volume of work orders for toxic waste collections which command a higher margin. This decline was, however, partially offset by low gross profit contribution from a fast-track oil trading contract and by-products sale.

Gross profit from the Energy Services segment increased by $0.89 million, from $1.95 million in 2HY2023 to $2.84 million in 2HY2024. This increase was in line with the higher revenue contribution from by-product sales in 2HY2024.

2. **A review of the performance of the group** (continued)

Review of Statement of Comprehensive Income (continued)

Other gains/(losses) - net

Detailed explanations of these gains/(losses) were highlighted in Part E, Note 5.

Administrative expenses

Administrative expenses remained relatively the same for the reporting periods FY2024/FY2023 at $9.9 million and the reporting periods 2HY2024/2HY2023 at $4.9 million.

Finance expenses

The Group's finance expenses for FY2024 amounted to $6.41 million, showing a 14% decrease, or approximately $1.02 million, from $7.43 million in FY2023. This reduction was primarily due to a decline in the Group's borrowings through monthly principal repayments as well as the early settlement of borrowings from the proceeds of asset divestment in prior years.

This also explains the fluctuation in finance expenses in 2HY2024 compared to 2HY2023.

Share of loss of associated companies

In FY2023, the Group recorded a share of loss of $37,000 from its remaining associated company, compared to $Nil in FY2024. As of FY2023, the Group and the Company's share of losses in its associated company had already exceeded their interest, therefore, no further losses were recognised in FY2024.

Income tax expense

Detailed explanations of income tax expense were highlighted in Part E, Note 7.

Profit before income tax

The Group's profit before tax (PBT) remained relatively the same for both reporting periods FY2024/FY2023, at approximately $2.8 million.

FY2024 PBT is primarily due to:
- increased in gross profit contributions of $1.67 million as explained above; and
- reduction in finance expenses of $1.02 million; whereas

In FY2023, the PBT of the Group was mainly related to an exceptional gain of $3.79 million from the disposal of an associated company.

Review of Balance Sheet

Current assets

The Group's current assets remained stable at $101.35 million and $99.38 million for FY2024 and FY2023 respectively. The details are explained below:
- Trade and other receivables and contract assets increased by $0.37 million and $0.97 million respectively, primarily due to the following:
  - the net increase in trade receivables of $1.91 million, mainly from December 2024 deliveries of new build propellers to customers. This was offset by a decrease in other receivables, primarily due to a reduction of $0.57 million in advances to suppliers from the Marine segment for securing its raw material, and the receipt of the third and final payment tranche of $1.03 million in relation to the disposal of Vac-Tech. A shortfall of $0.06 million was accounted for from the $1.09 million receivables recognised in FY2023 after adjusting the net cash and net working capital changes pursuant to the SPA.
  - the increase in contract assets was mainly due to work completion before the year closes but was billed and collected in January 2025 amounting to approximately $0.78 million.
- Inventories increased by $0.94 million from $4.08 million in FY2023, mainly due to increases in the usage of raw materials and ongoing orders for new build propellers in the Marine segment.

Offset by
- a net decrease in cash and cash equivalents of $0.32 million, as explained in the Review of Condensed Interim Consolidated Statement of Cash Flows section below.

2. **A review of the performance of the group** (continued)

Review of Balance Sheet (continued)

Non-current assets

The Group's non-current assets as at 31 December 2024 amounted to $74.42 million, a decrease of $7.19 million from $81.61 million in FY2023. The decline was attributable to:
- a $7.78 million decrease in property, plant and equipment, as explained in Part E, Note 12;

partially offset with
- an increase in deposits for capital expenditures of $0.56 million, predominantly for the Marine segment; and
- a fair value gain of $0.03 million from financial assets, at FVOCI.

Current liabilities

The Group's current liabilities decreased by $0.42 million, from $86.82 million as at 31 December 2023 to $87.24 million as at 31 December 2024. The decrease resulted from the following:
- Decrease in current borrowings by $2.01 million, mainly attributed to:
  - repayment of term loans of $2.36 million,

  partially offset by:
  - an increase in lease liabilities for the hire purchase of motor vehicles of $0.04 million, mainly for the Energy segment; and
  - an increase of $0.13 million in lease liability under leasehold land following the reorganisation of Menji Shanghai.
- Decrease in liabilities directly associated with disposal group classified as held-for-sale by $0.49 million, primarily due to the payment of leasehold rental.

Offset by
- Net increase in trade and other payables and contract liabilities of $2.77 million, mainly due to the following:
  - an increase in contract liabilities of $1.48 million, primarily due to an increase in advances from customers for ongoing new build projects in FY2024 compared to FY2023.
  - a net increase in trade and other payables of $1.28 million, mainly due to:
    (a) accrual of costs amounting to $0.58 million in relation to a completed project,
    (b) GST payables increased by $0.24 million as a result of higher revenue in 4Q2024 compared to 4Q2023, and
    (c) deposit of $0.20 million for the sale of a certain vessel.
- An increase in current income tax liabilities of $0.15 million, mainly due to under-provision of current income tax in prior years from the Marine segment.

Non-current liabilities

As at 31 December 2024, the Group's non-current liabilities stood at $53.61 million, representing a decrease of $8.20 million, or 13%, compared to $61.81 million as at 31 December 2023. This reduction is primarily due to:
- repayment of bank loans and lease liabilities, reflecting the Group's continued efforts to manage and reduce its long-term obligations;

offset by
- The under-provision of deferred income tax liabilities in prior years, as explained in Part E, Note 7.ii.

Review of Full Year Consolidated Statement of Cash Flows

The Group recorded a net cash inflow from operating activities of $17.78 million primarily due to:
- Higher operating income before changes in working capital amounted to $18.12 million.
- A net decrease in working capital of $0.34 million.

The Group also generated a net cash inflow from investing activities of $0.17 million, mainly due to:
- A cash receipt of $1.05 million from an asset-related government grant.
- Proceeds of $1.03 million from the third and final tranche payment related to the disposal of Vac-Tech.
- Additional cash inflow of $0.19 million resulting from the business combination of Menji Shanghai;
- Proceeds of $0.15 million from the disposal of PPE.

2. **A review of the performance of the group** (continued)

Review of Full Year Consolidated Statement of Cash Flows (continued)

These inflows were partially offset by:
- A cash outlay of $2.24 million for the purchase of PPE, mainly for the operational needs in the Energy Services and Marine segments.

The net cash used in financing activities amounted to $18.27 million, mainly due to the following:
- Repayment of bank borrowings totalling $10.90 million.
- Interest payments of $6.47 million.
- Repayment of lease liabilities of $1.40 million.
- A partial dividend payment of $0.30 million to minority interest.

This outflow was partially offset by:
- Net usage of trade financing amounting to $0.80 million.

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group is navigating through a challenging landscape marked by high-interest costs and inflationary pressures. As we forge ahead, we remain vigilant against possible obstacles, including sustained elevated interest rates and rising operating costs exacerbated by a tight labour market. Additionally, we closely monitor geopolitical tensions and supply chain disruptions that could impact material costs and potentially squeeze our margins.

Despite these challenges, our outlook on market demand for our core businesses is cautiously optimistic. We make concerted efforts towards effective execution of our projects and continue to focus on improving our processes and strengthening our support to our customers across various sectors—including marine, offshore, oil and gas, petrochemical, infrastructure, chemical and manufacturing.

We are actively seeking new business opportunities and innovations while maintaining a prudent focus on operational cost management. We believe this strategy to be essential for building resilience in our operations and pivotal to securing sustained demand for our offerings in the foreseeable future.

5. **Dividend**

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current reporting year ended 31 December 2024 as the Company has no distributable reserves.

7. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Nil.

8. Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on an arm's length basis.

Transactions entered into with interested persons during FY2024 were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
McLink Asia Pte Ltd	Associates	**$36,000***	Nil***
MPS Solutions Pte Ltd		**$71,000***	
Sigi Beauty Pte Ltd		**-**	
Ole Investment Pte Ltd		**-**	
Ole Motorsports Pte Ltd		**Nil****	

* McLink Asia Pte Ltd and MPS Solutions Pte Ltd are owned by the brother of Mr. Wong Boon Huat, director and substantial shareholder of Mencast Holdings Ltd.
** Amount is less than $100,000
*** There is no subsisting shareholders mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Listing Rules.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules of the SGX-ST.

Mencast

10. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	**Age**	**Family relationship with any director and/or substantial shareholder**	**Current position and duties, and the year position was first held**	**Details of changes in duties and position held, if any, during the year**
Wong Boon Hwee	53	Brother of the Executive Director of the Company, Wong Boon Huat	Head of Marine division of Top Great Engineering & Marine Pte Ltd ("TGEM") and Mencast Offshore & Marine Pte Ltd since 2000 and 2012 respectively. Overseeing the day-to-day operation of projects in the marine repairs work and new fabrications.	No change.
Wong Boon Tian	58	Brother of the Executive Director of the Company, Wong Boon Huat	Facilities Manager since November 2018. He supports the Plant/Machinery Maintenance Manager in overseeing the building's mechanical and electrical systems and facilities, with a primary focus on preventive maintenance to minimise downtime and ensure optimal functionality.	No changes

11. **Disclosure pursuant to Rule 706A of the Catalist Rules**

Save as disclosed in the Company's announcement dated 23 January 2024 in relation to the incorporation of Menji Development and the internal reorganisation exercise involving Menji Singapore transferring its entire equity interests in Menji Shanghai, there was no acquisition or sale of shares by the Company in FY2024 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Sim Soon Ngee Glenndle
Executive Chairman and Chief Executive Officer

27 February 2025