Mencast

Carbon To Silicon

Annual Report 2024

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

The contact person for the Sponsor is Ms. Lim Qi Fang (Telephone: (65) 6232 3221) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

CORPORATE PROFILE

Mencast Holdings Ltd. and its subsidiaries ("**Mencast**" or the "**Group**") are a leading regional provider of integrated Engineering and Maintenance, Repair and Overhaul (**MRO**) solutions. Founded in 1981, Mencast has established a strong reputation in the manufacture and repair of marine propellers and sterngear equipment. Building upon these core competencies, the Group has strategically diversified into high-growth sectors such as waste remediation, recycling, and value-added manufacturing.

Guided by a commitment to innovation and sustainability, Mencast has continually evolved to meet the demands of a rapidly changing industrial landscape. In recent years, the Group has embarked on a bold digital transformation journey—shifting from a traditional, carbon-based operating model to one anchored in the silicon economy. This transition involves reimagining its core businesses through advanced technologies: replacing manual, specialist-led processes with generative artificial intelligence for design, additive manufacturing for propeller production, and robotic systems for precision post-processing.

By investing in next-generation capabilities, Mencast is unlocking new business models and scaling opportunities that position the Group for accelerated growth. As the marine industry transforms, Mencast stands at the forefront—leveraging its legacy of engineering excellence and digital innovation to shape a more efficient, intelligent, and sustainable future on a global stage.

VISION

Most admired MRO partner and employer in the world

MISSION & STRATEGY

STRATEGY

REVENUE
- Seek new revenue streams
- Cross-selling
- Leverage existing capabilities into new markets

MARGINS
- Productivity and processes
- Rightsizing assets and operating overheads
- Lean costs

CAPITAL SPREAD
- High ROCE & ROE
- Low WACC
- Fund growth business

ENABLERS

"PARTNER PERFECT"
- Culture of adding value
- Leverage teamwork
- Ownership culture
- Leverage existing platform and relationships

TALENT
- Passion for performance
- Leverage teamwork
- Ownership culture

SCALE
- Cost efficiency
- Market presence
- Able to invest in R&D

FOCUS
- Excellence of execution
- Speed
- Invest in the best

CHAIRMAN'S MESSAGE

Dear Shareholders,

This past year marked significant progress for Mencast as we continued our strategic shift from "Carbon to Silicon Civilisation", embracing digital transformation and sustainability amidst a complex global environment. While challenges remain, we steadfastly advanced our important journey toward innovation-driven growth.

Financial and Operational Progress

In 2024, Mencast delivered commendable financial results, achieving 10% growth in group revenue while maintaining disciplined cost management and improving operational efficiency. Operating cash flows remained robust, enabling us to reduce borrowings and further strengthen our balance sheet. While work remains, these improvements position us well for continued investment in our digital and sustainability initiatives.

Sustainability: Converting Carbon to Opportunity

Our sustainability initiatives align our business with the strong momentum toward circular economic practices. By innovatively recycling waste into useful products, such as recovered oils, waxes, and fertilisers, we have diversified our revenue sources and transformed our environmental commitments into business growth opportunities.

Digital Transformation Milestones

The year 2024 saw meaningful advancements in our Industry 4.0 ambitions. Mencast made significant strides in the productisation of an AI-driven additive manufacturing cell for marine propeller production, enhancing efficiency, precision, and real-time quality control. This milestone reinforces our shift toward digital operations, laying a solid foundation for the envisioned "lighthouse factory", a long-term strategic objective.

Navigating Market Challenges with Resilience

The year 2024 was marked by macroeconomic uncertainties, inflationary pressures, and supply chain disruptions. Mencast effectively navigated these challenges through proactive risk management, strategic cost control, and optimised inventory management. The resilience and adaptability of our management team and staff have been critical to our steady progress.

"Our sustainability initiatives align our business with the strong momentum toward circular economic practices."

Strategically Advancing Our Silicon Future

Looking forward, the global transition from carbon-intensive practices to digitally driven solutions is shaping up to be one of the defining events of our generation. Mencast aims to seize opportunities from this shift by strategically expanding into high-value segments like premium offshore vessels, aerospace, and precision engineering. Continued prudent investment in digital technologies, artificial intelligence, and sustainable practices will guide our growth path, balancing ambition with cautious optimism.

Appreciation

I extend my sincere appreciation to our shareholders for your continued confidence, to our customers and business partners for your valued collaboration, and to our dedicated team members, whose resilience and commitment continue to drive our achievements.

Thank you for your ongoing support. Together, we look forward to a sustainable and innovation-driven future.

SIM SOON NGEE GLENNDLE
Executive Chairman and Chief Executive Officer

主席致词

Advanced Analytical Laboratory for Enabling Safer and More Sustainable Hazardous Waste Management

尊敬的股东们

过去一年，Mencast 取得了显著的进展。我们持续推进从"碳基到硅基文明" 的战略转型，并在复杂多变的全球环境中积极拥抱数字化转型与可持续发展。尽管仍面临诸多挑战，我们依然坚定不移地迈步前行，致力于实现以创新驱动的增长之路。

财务与运营进展

在2024年，Mencast 实现了稳健的财务表现，集团收入同比增长10%。我们在保持严谨成本管控的同时，不断提升运营效率，推动整体经营成效持续改善。强劲的运营现金流使我们得以降低借款，进一步巩固资产负债表基础。尽管仍有待完善之处，但这些积极的进展为我们在数字化转型与可持续发展方面的持续投入奠定了坚实基础。

可持续发展：将碳转化为机遇

我们的可持续发展举措与当前向循环经济转型的强劲趋势高度契合。通过创新地将废弃物回收再利用，转化为具有商业价值的产品，如回收油，蜡及肥料，我们不仅拓展了收入来源，还将环保承诺转化为业务增长的机遇。

数字化转型的重要里程碑

2024年，Mencast在工业4.0领域取得进展。我们成功研发基于人工智能的增材制造单元，用于生产船舶螺旋桨，实现更高效、更精确的生产，并提升实时质量控制能力。这一里程碑进一步巩固了我们向数字化运营转型的步伐，为我们长期战略目标——“灯塔工厂”奠定了坚实基础。

Industrial Oxygen Generator for Cleaner, More Controlled Waste Remediation Processes

以韧性应对市场挑战

2024年，全球宏观经济不确定性上升，通胀压力加剧，供应链持续受扰。Mencast 通过前瞻性风险管理、战略性成本控制及优化库存管理，有效应对了这些挑战。我们管理团队及员工展现出的高度韧性与适应能力，是推动公司稳步前行的关键力量。

战略推进"硅"未来

展望未来，全球正加速从炭密集型实践向数字化驱动解决方案的转型，正逐步成为我们这一代最具标志性的变革之一。Mencast将把握这一历史性机遇，战略性地拓展至高价值领域，如高端近海船舶、航空航天及精密工程。我们将持续审慎投资于数字技术、人工智能及可持续发展实践，以稳健务实的态度推动公司迈向新一轮增长，在追求远大目标的同时，保持理性与乐观的平衡。

感恩与展望

我谨向全体股东致以最诚挚的感谢，感谢您们的信任与支持；感谢我们的客户与业务伙伴的携手合作与坚定信赖；同时，衷心感谢 Mencast 团队的每一位成员，你们的坚韧与奉献是公司持续发展的动力源泉。

感谢大家一路以来的支持，我们携手共进，迈向一个以可持续发展与创新为核心的未来。

沈询益
执行主席兼行政总裁

FINANCIAL HIGHLIGHTS

$'000	2020	2021	2022	2023	2024
Revenue	46,872	45,914*	42,341	48,417	53,490
Gross profit	12,617	13,486*	9,892	14,146	15,820
Profit before income tax	5,902	5,060*	101	2,748	2,787
Net profit/(loss)	5,196	6,626	(349)	2,504	2,307
Total assets	224,610	217,583	201,062	180,993	175,764
Property, plant and equipment	102,328	95,859	86,390	75,860	68,078
Cash and cash equivalents	15,604	14,307	9,026	10,470	10,163
Total liabilities	199,744	186,052	170,187	148,631	140,851
Total equity	24,866	31,531	30,875	32,362	34,913
Net asset value (in SGD cents)	5.23	6.67	6.45	6.75	7.23

* 2021 P&L figures were restated for discontinued operations.

Optimising Propeller Design with High-Precision Computational Simulations

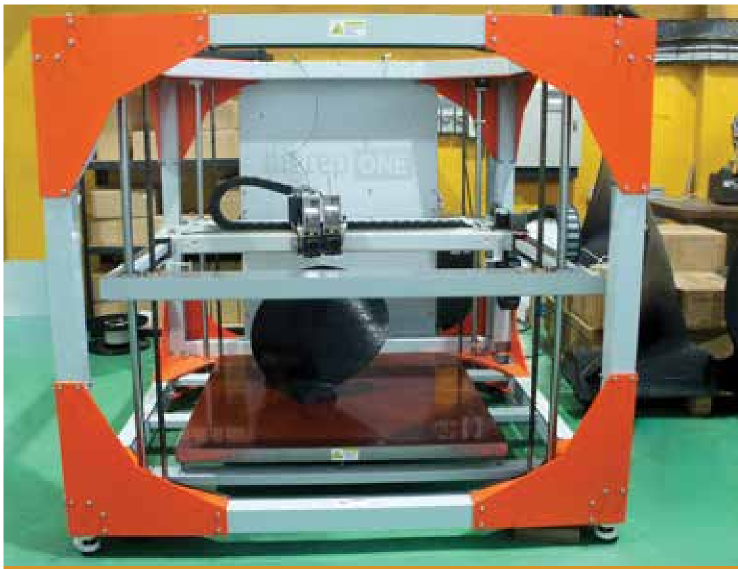
FINANCIAL REVIEW

Revenue Growth and Segmental Performance

Mencast achieved commendable revenue growth in FY2024, with total revenue increasing by 10% to $53.5 million from $48.4 million in FY2023. This growth was primarily driven by respectable performances in the Marine and Energy Services segments, which collectively contributed 90% of Group revenue.

Key Segment Highlights:

- **Marine Segment**:
  Accounting for 50% of Group revenue, this segment grew 9% year-on-year to $26.7 million.
- **Energy Services Segment**:
  Contributing 40% of Group revenue, this segment recorded a 13% increase to $21.6 million.
- **Offshore & Engineering (O&E) Segment**:
  Representing 10% of Group revenue, the O&E segment posted a 7% year-on-year increase in revenue.


Transforming Propeller Manufacturing with 3D-Printed Patterns

Profitability and Margins

Gross profit increased by 12% to $15.8 million in FY2024, with gross profit margin improving to 30% from 29% in FY2023. This was driven by a favourable sales mix, including higher-margin marine MRO and propeller sales, alongside cost savings.

Operating expenses remained well-managed, with administrative expenses steady at approximately $10.0 million, reflecting disciplined cost management amid higher business activity. Finance expenses declined by 14% to $6.4 million, due to lower borrowings and interest rates. As a result, profit before tax was $2.8 million, consistent with FY2023 despite absence of one-off gains recorded in FY2023.

Earnings and Cash Flow

Net profit attributable to equity holders increased by 66% to $2.4 million, compared to $1.5 million in FY2023. This translated to an increase in earnings per share to 0.53 Singapore cents, up from 0.32 cents, reflecting improved operational performance. Group net profit, including non-controlling interests, stood at $2.3 million, consistent year-on-year despite the absence of prior-year disposal gains.

Net cash from operating activities in FY2024 was robust at $17.8 million, supported by higher profitability and effective working capital management.

Balance Sheet and Gearing

Shareholders' equity increased to $33.4 million from $30.8 million in FY2023 raising net asset value per share to 7.23 Singapore cents from 6.75 cents in the prior year. Total assets stood at $175.8 million as at 31 December 2024, with current assets stable at approximately $101.3 million.

Trade and other receivables grew slightly in tandem with increased sales, while cash and cash equivalents remained steady at $10.16 million.

Mencast further strengthened its balance sheet through debt reduction, repaying $10.9 million in borrowings during the year. This resulted in a 13% decline in non-current liabilities to $53.6 million and a reduction in total liabilities to $140.9 million. Bank loans and lease repayments, primarily funded by operating cash flows, contributed to lower finance costs and improved gearing.

Overall, Mencast delivered strong revenue growth, improved margins, and a healthier balance sheet, positioning the Group well for continued stability and growth.

BOARD OF DIRECTORS

SIM SOON NGEE GLENNDLE

Executive Chairman & Chief Executive Officer
Member, Nominating Committee

Mr. Glenndle Sim is the Executive Chairman & CEO of the Mencast Group. He is responsible for the strategic vision, overall management, operations and growth. In addition to serving as Executive Chairman of the Board, Glenndle is a member of the Nominating Committee.

Glenndle was awarded "Best CEO" in year 2014 at the Singapore Corporate Awards in the category of companies with under $300 million in market capitalisation and EY Entrepreneur of the Year 2013 in the Marine and Offshore Engineering Services category.

Glenndle graduated from the National University of Singapore with a Bachelor in Business Administration and later obtained a Master of Business Administration from the University of Delaware in the USA. He is also a graduate of Harvard Business School's Owner/President Management Program. He was appointed to our Board on 30 January 2008 and was appointed as the Executive Chairman of the Board on 9 October 2009.

WONG BOON HUAT

Executive Director

Mr. Wong Boon Huat is the Executive Director of Operations for Mencast Group. He is responsible for the operations across Mencast's Offshore & Engineering, Marine and Energy Services segments. He also oversees the formulation and implementation of the Group operation's plans and policies.

Boon Huat founded Top Great Engineering & Marine Pte Ltd, and has been involved in various vocations within the Marine industry. Armed with more than 30 years of experience in the industry, Boon Huat has contributed significantly to the development and growth of Mencast Group. He was appointed to our Board on 4 August 2011.

LIM YEOW HUA @ LIM YOU QIN KENNY
Lead Independent Director
Chairman, Audit Committee
Member, Remuneration and Nominating Committees

Mr. Lim Yeow Hua @ Lim You Qin was appointed to the Board as an Independent Director on 29 April 2024. Kenny is a chartered accountant and an accredited tax advisor (Income Tax and Goods and Services Tax) with over 30 years of experience in accounting, taxation, financial services and investment banking.

Kenny currently serves as an independent director on the boards of several companies listed on SGX-ST. He is a Fellow Member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor (Income Tax and Goods and Services Tax) with the Singapore Chartered Tax Professionals.

Kenny holds a Bachelor of Accountancy degree and Master of Business Administration from the National University of Singapore.

LEE KIM LIAN, JULIANA
Independent Director
Chairman, Nominating Committee
Member, Audit and Remuneration Committees

Ms. Juliana Lee was appointed as an Independent Director of the Company on 29 July 2024. She is a director of Aptus Law Corporation.

Juliana has more than 30 years of experience in legal practice and currently heads the corporate practice of Aptus Law Corporation. Her main areas of practice are corporate law, corporate finance, mergers and acquisitions and venture capital. She holds a Bachelor of Laws (Honours) degree from the National University of Singapore and is a member of the Singapore Institute of Directors.

Juliana also presently serves as an independent director on the board of Uni-Asia Group Limited and BH Global Corporation Limited.

MARINI MARTIN VINCENT
Independent Director
Chairman, Remuneration Committee
Member, Audit and Nominating Committees

Mr. Martin Vincent was appointed to the Board as an Independent Director on 29 April 2024. He concurrently serves as a consultant with the Singapore Organisation of Seamen, the Transport Safety Investigation Bureau, the MPA Academy and a private consulting group. He is also a senior volunteer and board member with four registered charities, a not-for-profit Singapore Premier League football club, and the Special Tripartite Committee of the International Labour Organisation's Maritime Labour Convention.

Martin was the General Counsel of the Maritime and Port Authority of Singapore ("**MPA**") for nearly 15 years, before retiring in January 2020. He holds a Bachelor of Laws (Honours) degree and a post-graduate diploma in business law from the National University of Singapore.

Before joining MPA in 2005, Martin served as a civil servant, worked in both the public and private sectors, and spent nearly 10 years in private legal practice. He is admitted to practise law in Singapore and as a solicitor in England & Wales.

KEY MANAGEMENT

1. WONG BOON HWEE
2. DR. CHIA BOON TAT
3. SUSAN TAN
4. CHRIS SAN
5. JAVEN KEE

CHRIS SAN

Chief Financial Officer

Mr. Chris San joined the Company as Chief Financial Officer in May 2017. He is responsible for managing the Group's finance and accounting operations, treasury, corporate governance, internal controls, risk management, as well as mergers and acquisitions.

With over 30 years of experience, Chris has held senior financial positions across various industries. From 2006 until early 2017, he served as CFO at two SGX-listed companies, being New Toyo International Holdings Ltd and Superior Multi-Packaging Limited.

He holds a Bachelor of Business degree in Accountancy from Edith Cowan University in Western Australia and is a Fellow of CPA Australia.

KEY MANAGEMENT

DR. CHIA BOON TAT

Chief Technology Officer, Mencast Marine Pte Ltd

Dr. Chia Boon Tat has over 20 years of experience in technology development and commercialisation. He has been the Head of Research and Development in Mencast since 2014 and currently holding a title of Chief Technology Officer in Mencast Marine Pte Ltd. From 1997 to 2002, he was Executive Vice President of Technology and Strategy at formerly SGX-listed Keppel Telecommunications & Transportation Ltd. From 2003 to 2006, he was Managing Director of Nexwave Technologies Pte Ltd, a fully owned subsidiary of SGX-listed Telechoice International Ltd. From 2007 to 2013, he was the Founder and CEO of Interactive Microorganisms Laboratories Pte. Ltd. Dr. Chia is also an adjunct lecturer teaching entrepreneurship courses at the Nanyang Technological University. Dr. Chia graduated with a Doctorate degree from the Institut National Polytechnique de Grenoble, France.

WONG BOON HWEE

Head, Marine Division of Mencast Offshore & Marine Pte. Ltd.

Mr. Wong Boon Hwee is the Head of the Marine Division in Mencast Offshore & Marine Pte. Ltd. His responsibilities include the planning of project processes and procedures, optimising resource management of project activities, overseeing the day-to-day operations of projects and leading a cross-functional team in the timely manner while maintaining a high quality in execution of projects. Boon Hwee has more than 20 years of experience in the Marine industry and is essential to the functionality of Mencast Offshore & Marine Pte. Ltd. Boon Hwee is the brother of our Executive Director, Mr. Wong Boon Huat.

SUSAN TAN SOCK KIANG

Head of Corporate HR & Administration Manager

Ms. Susan Tan has more than 30 years of experience in human resources and administration. She is responsible for the HR, payroll and administration of Mencast Group. She oversees the talent management programs of the Group including recruitment, performance management, training and professional development, benefits and compensation package. She manages the Group's insurance policies.

Susan ensures compliance with the Group's policies and procedures. She is always in close contact with different government authorities on the latest developments and guidelines to ensure all the Group's HR policies are aligned to legal requirements and best practices.

JAVEN KEE

Assistant General Manager of Mencast Marine Pte Ltd

Mr. Javen Kee is the Assistant General Manager of Mencast Marine Pte Ltd.

He is responsible for the operation of marine activities, overseeing the day-to-day operations that include sterngear and propulsion manufacturing services.

Javen joined the Group in 1992 as a Machinist and progressed to become a Workshop Manager in 2012. In June 2020, he rose to the rank of Senior Operations Manager and was later promoted to Assistant General Manager in October 2023.

CORPORATE SOCIAL RESPONSIBILITY

At Mencast, we strive to make a positive impact in the communities we serve. Our dedication to Corporate Social Responsibility ("**CSR**") is grounded in creating meaningful and positive outcomes for those around us.

On 12 October 2024, Saturday, we had the honour of visiting Banyan Home @ Pelangi Village, a care facility for the elderly. Our volunteers spent a fulfilling day connecting with the residents and contributing to their well-being.

Our day began by serving a wholesome lunch to the residents, ensuring they felt appreciated and cared for. We also added an extra touch of joy with a lively karaoke session. Music and laughter filled the air, creating a warm and cheerful atmosphere. The residents happily joined in, enjoying moments of fun and relaxation. Some of our volunteers stepped forward to share their musical talents, adding to the joyous spirit of the event.

In addition to these interactive activities, Mencast donated 200 bedsheets to improve the comfort of the residents' living spaces. These bedsheets were selected to make their living conditions more pleasant and support their well-being in daily life.

This initiative reflects more than just volunteering and donations—it embodies our commitment to social responsibility, volunteerism, and community engagement. At Mencast, we nurture compassion and kindness, extending beyond the workplace into the communities we serve. By bringing joy and comfort to the elderly residents of Banyan Home, we created beautiful memories and strengthened our community spirit.

We are proud to make a difference through initiatives like this, inspiring change, supporting those in need, and promoting volunteerism among our employees. Small acts of kindness, after all, can create meaningful and lasting impacts.

SUSTAINABLE WASTE MANAGEMENT

Advanced treatment plant recovers useful byproducts from sodium hydrosulfide (spent caustic), enabling circular sustainability

GROUP STRUCTURE

MENCAST HOLDINGS LTD.[a]

MARINE

- 100% **MENCAST MARINE PTE LTD** (Singapore)[a]
  - 100% **MENCAST LOGISTICS PTE. LTD.** (Singapore)[a]
- 100% **RECON PROPELLER & ENGINEERING PTE LTD** (Singapore)[a]

OFFSHORE & ENGINEERING ("O&E")

- 100% **MENCAST OFFSHORE & MARINE PTE. LTD.** (Singapore)[a]
  - 100% **MENCAST ENVIRONMENT PTE. LTD.** (Singapore)[j]
  - 100% **TOP GREAT HOLDINGS PTE. LTD.** (Singapore)[a]
    - 100% **TOP GREAT ENGINEERING SERVICES LLC** (Oman)[d]
- 100% **TOP GREAT ENGINEERING & MARINE PTE LTD** (Singapore)[a]
  - 100% **PT. MENCAST OFFSHORE & MARINE** (Indonesia)[b]
- 100% **MENCAST ENGINEERING PTE LTD** (Singapore)[a]
  - 100% **CHINYEE ENGINEERING & MACHINERY PTE LTD** (Singapore)[a]
- 100% **S & W PTE. LTD.** (Singapore)[h]

ENERGY SERVICES

- 70% **MENCAST ENERGY PTE. LTD.** (Singapore)[a]
  - 100% **MENCAST ENERGEERS PTE. LTD.** (Singapore)[g]
- 100% **MENCAST PROCUREMENT (SINGAPORE) PTE. LTD.** (Singapore)[a]
- 100% **MENCAST INNOVATION CENTRE PTE. LTD.** (Singapore)[a]
- 100% **MENCAST INVESTMENT HOLDINGS PTE. LTD.** (Singapore)[a]
  - 50% **VIRESTORM PTE. LTD.** (Singapore)[i]
  - 60% **MENJI INTERNATIONAL PTE. LTD.** (Singapore)[a]
    - 100% **MENJI AM TECH PTE. LTD.** (Singapore)[a]
  - 60% **MENJI DEVELOPMENT PTE. LTD.** (Singapore)[a][e]
    - 100% **MENJI TECHNOLOGY DEVELOPMENT (SHANGHAI) CO., LTD.** (China)[c][f]
- 49.73% **MENJI PTE. LTD.** (Singapore)[a]

NOTE:

- (a) Audited by CLA Global TS Public Accounting Corporation, Singapore
- (b) Audited by Riyanto, SE, AK, Indonesia
- (c) Audited by Shanghai CLA Global TS Certified Public Accountants
- (d) In the process of Member's Voluntary liquidation. The commercial registration expired on 21 April 2024
- (e) Incorporated on 23 January 2024
- (f) The Group's effective equity interests in Menji Shanghai increased from 49.7% to 60.0% (i.e. by 10.3%) as a result of the internal reorganisation and accounted as an indirect subsidiary corporation of the Company
- (g) Officially struck off on 5 February 2024
- (h) Officially struck off on 19 February 2025
- (i) Officially struck off on 20 February 2025
- (j) Incorporated on 25 February 2025

LEGEND

- Holding Company
- Subsidiary corporation (Marine segment)
- Subsidiary corporation (O&E segment)
- Subsidiary corporation (Energy Services segment)
- Subsidiary corporation (Energy Services & Marine segment)
- Subsidiary corporation (Others)
- Associated company

SUSTAINABILITY REPORT CONTENTS

ABOUT THE REPORT

Reporting Boundary
This report seeks to provide an overview of our sustainability practices, commitment, and performance of the Group's material Environmental, Social and Governance ("**ESG**") topics.

As a guide, this report covers operations and all subsidiaries for which Mencast Holdings Ltd. ("**Mencast**" or together with its subsidiary corporations, the "**Group**") has operational control unless otherwise stated.

No restatements were made from the previous report except for total fuel consumption on page 32, which now includes energy use for stationary combustion that was previously not reported under Energy in FY2023.

Reporting Period & Standard
The reporting period is the same as the financial year of the Group - 1 January 2024 to 31 December 2024. This report was prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021 and Listing Manual Section B: Rules of Catalist of the SGX-ST Rules 711(A) and (B).

GRI Standards is the most widely used and internationally accepted sustainability reporting framework. The GRI Content Index at the end of the report specifies the location of the relevant disclosures.

All monetary values are presented in Singapore Dollar ("**SGD**" or "**$**"), which is the functional currency of the Company.

Independent Assurance
The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

FEEDBACK

We are fully committed to our stakeholders, and we welcome feedback on any aspect of our sustainability policies, processes, and performance. Kindly address all feedback to ir@mencast.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

BOARD STATEMENT ON SUSTAINABILITY

Mencast Holdings Ltd. ("**Mencast**" or together with its subsidiary corporations, the "**Group**") is pleased to issue its eighth sustainability report, prepared with reference to the GRI Standards and in line with the SGX-ST guidelines on sustainability reporting.

The Group endeavours and is committed to continually consider material environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate account of our practices and performances in our mission to be a sustainable, responsible corporate citizen.

The Board of Directors ("**Board**") and senior management ("**Management**") remain committed to establish and maintain an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability, and reporting process. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives, and performance measurements. The Sustainability Reporting ("**SR**") Committee supports the Management in identifying the type of relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, influence on stakeholder values, and the achievement of the Group's strategic objectives. The Board provides oversight on sustainability matters and the formulation, implementation, and review of the Group's sustainable policies and practices, sustainability development programs, and initiatives to the SR Committee. In FY2024, the Group reviewed its material topics and included two new topics namely Diversity and Equal Opportunity, and Non-discrimination to reflect their growing relevance to the business and the Group's existing disclosures for these topics.

Aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), the Group reports its Scope 1, 2 and selected Scope 3 greenhouse gas ("**GHG**") emissions in FY2024. The Group also established a short-term target to maintain emissions intensity while committing to monitor its emissions performance and enhance its understanding of its emissions profile to develop more practical and achievable long-term targets for reducing the Group's carbon footprint. Additionally, the Group conducted a qualitative scenario analysis for FY2024 to further assess the resilience of its strategy to effectively manage climate-related risks. In recognition of its ongoing carbon management efforts, the Group has been awarded the LowCarbonSG logo, for the third consecutive year. This initiative by the Carbon Pricing Leadership Coalition ("**CPLC**") Singapore encourages local businesses to monitor and reduce their carbon emissions, reinforcing the Group's commitment to emissions tracking and reduction.

The Group will continue to evaluate its climate-related risks and opportunities comprehensively with a focus on developing practical targets and using a quantitative financial impact analysis to guide decision-making, ensuring sustained progress in reducing our environmental footprint while enhancing sustainability performance.

The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continuous improvement.

Awards & Certifications

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, the Group upholds a reputation for quality and high standards in our operations, as well as excellence in our operations management and continues to maintain various awards and certifications, such as the following:

- BizSafe Level 3, 4 & Star
- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 Certification – Environmental Management System
- ISO 45001:2018 Certification – Occupational Health & Safety Management System

GOVERNANCE STRUCTURE

Board of Directors

The Board maintains overall responsibility and ensures that sustainability matters (including material ESG factors, and climate-related disclosures) are considered as part of our business strategy. The Board provides oversight on sustainability matters and delegates the formulation, implementation, and review of the Group's sustainable policies and practices, sustainability development programs, and initiatives to the SR Committee.

Sustainability Reporting Committee

Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by Mr. Sim Soon Ngee Glenndle, our Executive Chairman and Chief Executive Officer ("**CEO**"), comprises senior management from all business units to provide oversight over the integration of sustainability practices into all aspects of the business. There have been no changes in the composition of the Committee since the first year of reporting.

Periodic reviews are carried out at both the SR Committee and business unit levels to ensure effective implementation, and these initiatives remain in line with the Group's strategic development.

For FY2024, the Board and Management have:

- Reviewed the material ESG factors relevant to stakeholders of the Group and considered these as part of the overall business strategy.
- Reviewed climate-related risks and conducted a qualitative scenario analysis to assess the resilience of the Group's strategy and determine their impacts from the short-, medium- and long-term perspectives as part of the overall risk management process.
- Reviewed the Group's GHG emission footprint across Scope 1, Scope 2, and selected Scope 3 emissions.
- Evaluated opportunities and action plans associated with climate-related risks.

STRATEGIC APPROACH FOR SUSTAINABILITY

Mencast firmly believes that while our businesses are driven by earnings, we must also have a positive impact on environment, employees and all other stakeholders in our value chain. In FY2024, with the help of an Independent External Consultant ("**Consultant**"), the Group reviewed and defined our approach to sustainability management. We have reviewed the main aspects and existing non-financial topics for FY2024 reporting disclosure and performed a peer analysis on the topics of interest of the industry. Diversity and Equal Opportunity, and Non-discrimination were identified as additional material topics that are important to the business and stakeholders and hence were included in the FY2024 sustainability report.

Exhibit 1. An Overview of Our Approach to Sustainability Management

Three main aspects toward sustainability of our economic performance and business operations

Economic Performance[1]

Compliance with Law and Regulations

Procurement Practices

Environmental Management	**Organisational & Relationship Management**	**Corporate Governance & Risk Management**[2]
Emissions Energy Waste Water & Effluents	Employment Training & Development Occupational Health & Safety Diversity and Equal Opportunity Non-discrimination	Anti-Corruption

Our Materiality Assessment Process

Supported by a systematic & interactive process to identify, categorise and prioritise material ESG topics

Identify	**Categorise**	**Prioritise**
Define a list of potential material ESG topics	Refine the list of topics by clustering them into categories	Engage SR Committee for feedback and validation of each topic & prioritise based on importance to internal and external stakeholders

[1] Please refer to Financial Statements of the Annual Report 2024 ("**AR2024**").
[2] Please refer to the Corporate Governance section of AR2024.

STAKEHOLDER ENGAGEMENT

Mencast recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth and that regular engagement with stakeholders helps us to understand and establish material areas of focus. The Group operates and maintains multiple communication channels and platforms to obtain stakeholders' feedback and opinions.

Our stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on. In FY2024, the SR Committee reassessed the relevant stakeholders and ascertained that our key stakeholder groups remained as follows: employees, customers, shareholders, bankers, investors, business partners, and community (See Exhibit 2).

Exhibit 2. Our Key Stakeholder Groups

Employees
We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.

Customers
We aim to maximise customer satisfaction, which positively impacts our sales and revenue. By understanding our customers' needs and expectations, we strive to build long-lasting relationships that encourage them to engage our services again.

Shareholders, Bankers and Investors
We aim to maintain profitability in our Group and maximise shareholders' returns. We also strive to maintain corporate governance and improve the level of transparency through reporting and communication.

Business Partners
We work closely with our business partners/ subcontractors to ensure that all our operations are aligned with our sustainability efforts and industry practices.

Community
We work closely with our community and remain fully committed to continuing responsibly while generating positive economic and social benefits for the local communities we operate in.

Membership of Associations
Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, Mencast and its subsidiary corporations have joined and actively participated in the following industry associations:

- Association of Process Industry
- Association of Singapore Marine & Offshore Energy Industries
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce & Industry
- Singapore National Employers Federation
- Singapore Shipping Association
- Waste Management & Recycling Association of Singapore

MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts, and would substantively influence the assessments and decisions of stakeholders.

Guided by our Consultant and having considered the topics of concern and expectations of identified key stakeholders, the SR Committee together with the Management have assessed and prioritised the material topics, targets, and commitments to focus on for the Group. As part of this review, the Group identified two new topics – Diversity and Equal Opportunity, and Non-discrimination – to be included for disclosure in FY2024.

OUR TARGETS AND COMMITMENTS

ECONOMIC	
Financial Performance	• To achieve strong financial performance while becoming a more sustainable company
Procurement Practices	• To actively seek and collaborate with additional local suppliers who meet our quality standards and offer competitive pricing to achieve a sustainable balance between quality, cost efficiency, and local purchasing objectives
Compliance with Law & Regulations	• Zero incidents of non-compliance
ENVIRONMENTAL MANAGEMENT	
Emissions	• Maintain carbon emission intensity for FY2025
Energy	• Maintain energy intensity for FY2025
Waste	• Ensure waste treatment and disposal methods comply with regulatory requirements
Water & Effluents	• Continue to track and monitor our water usage to identify opportunities for improvement
ORGANISATIONAL & RELATIONSHIP MANAGEMENT	
Employment	• Reduce turnover rate by enhancing retention efforts through policies and staff engagement programmes that support long-term career development
Training and Education	• Achieve an average of 4 hours of training per employee annually • Maintain annual performance appraisal completion rate
Occupational Health and Safety	• Zero fatalities in FY2025 • Reduction of man-days lost to injury in FY2025
Diversity and Equal Opportunity **Non-discrimination**	• Continue striving to promote diversity, foster creativity and innovation, and enhance the overall organisational culture
CORPORATE GOVERNANCE	
Anti-Corruption	• Zero incidents of bribery and corruption

ESG PERFORMANCE OVERVIEW

Material Topics and Indicators	Reporting Period FY2024	FY2023
Environmental		
Scope 1 Emissions (tonnes CO_2)[1]		
Stationary fuel combustion	**2,237**	1,512
Mobile fuel combustion	**444**	575
Fugitive emissions (refrigerants)	**207**	311
Scope 2 Emissions (tonnes CO_2)[1]		
Electricity (location-based)	**2,641**	2,999
Scope 3 Emissions (tonnes CO_2)[1]		
Employee commute	**86**	111
Business travel	**67**	71
GHG Emission Intensity (Scopes 1 to 3) (tonnes CO_2 / Revenue $)	**0.0001**	0.0001
Fuel Consumption (Litres)	**1,322,033**	732,372[2]
Electricity Consumption ('000 kWh)	**7,370**	7,113
Energy Intensity (kWh / Revenue $'000)	**0.14**	0.15
Total Hazardous Waste Diverted from Disposal (Tons)	**15,669**	11,578
Total Non-Hazardous Waste Diverted from Disposal (Tons)	**1,724**	-
Total Hazardous Waste Directed to Disposal		
Landfill Ash After Treatment (Tons)	**4,206**	6,173
Discharge to PUB (Cu M)	**27,277**	20,702
Total Non-Hazardous Waste Directed to Disposal (Tons)	**307**	-
Total Water Consumption (Megalitres)	**62.24**[3]	103.36[3]
Social		
Employees (number)		
Male	**260**	253
Female	**43**	39
Full-time employees	**303**	291
Part-time employees	**-**	1
New hires	**73**	73
Reportable injuries	**10**	12
Man-days lost due to injury	**433**	399
Fatal accidents	**-**	-
Total Employees Turnover (number)	**66**	130
Average Training Hours Per Employee	**11.05**	6.82
Annual Performance Appraisal Completion Rate (%)	**100.00**	98.92
Governance		
Confirmed Incidents of Corruption or Bribery	**-**	-
Incidents of Non-Compliance with Regulations	**-**	-
Major Safety Issues and Negative Feedback	**-**	-

[1] *GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 Intergovernmental Panel on Climate Change ("**IPCC**") Fifth Assessment Report.*

[2] *Restated to include energy use from fuel consumption data for stationary combustion that was not included in FY2023 Sustainability Report.*

[3] *SP Services refunded 14.61 megalitres in July 2024 for water leakage reading from June 2023 – February 2024.*

ECONOMIC

ECONOMIC PERFORMANCE

Why is it important?

The Group strives to achieve strong financial performance and aims to become a more sustainable company, particularly in terms of ESG considerations. Our focus is on delivering value to shareholders, contributing to local authorities through taxes and other payments, and creating employment opportunities and additional benefits in the local economy and communities where our operations are based.

Our Performance

Further details about our financial performance can be found in the annual report on pages 87 to 162.

PROCUREMENT PRACTICES

Why is it important?

Effective procurement practices are essential for ensuring the long-term success of our business by maintaining reliable, high-quality, and cost-efficient supply chains. A well-structured and transparent vendor selection process enables us to meet business objectives while managing risks, ensuring regulatory compliance, and optimizing operational efficiency. Furthermore, robust procurement strategies enhance supply chain resilience, ensuring adaptability to external challenges and alignment with the company's strategic goals, including sustainability.

How is this topic managed?

The Group follows a standardised vendor selection and evaluation process to ensure suppliers comply with internal policies and industry standards. Our procurement practices are designed to adapt to evolving business and environmental needs. We actively seek opportunities to integrate responsible sourcing and consider broader social and environmental impacts in our procurement approach. Moving forward, we will continue refining our practices to align with the evolving expectations of both our business and the wider community, driving positive long-term outcomes for all stakeholders.

Our Performance

Location	**FY2024**			FY2023		
	Singapore	**Indonesia**	**China**	Singapore	Indonesia	China
Percentage of materials and supplies purchased locally	**67%**	**66%**	**100%**	78%	100%	Note
Percentage of materials and supplies imported	**33%**	**34%**	**0%**	22%	0%	
Percentage of local subcontractors appointed	**98%**	**100%**	**100%**	94%	100%	
Percentage of foreign subcontractors appointed	**2%**	**0%**	**0%**	6%	0%	

Note: *There is no comparative data for China as the entity had only transitioned into a subsidiary corporation in FY2024, hence this is the first year of reporting.*

For China operations, all materials, supplies, and subcontractors were sourced locally[1]. In Singapore and Indonesia, the proportion of locally sourced materials and supplies decreased from 78% to 67% and 100% to 66% respectively. This shift was driven by a strategic move towards overseas sourcing, which provides better quality and lower costs compared to local alternatives. Meanwhile, the use of local subcontractors in Singapore increased from 94% to 98%, while it remained stable in Indonesia at 100% in FY2024.

[1] Locally refers to the specific country where each entity operates within the group.

Approaching Our Target

We will actively identify and collaborate with additional local suppliers who meet our quality standards and offer competitive pricing where commercially viable and stable. Our goal is to achieve a sustainable balance between quality, cost efficiency, and local procurement objectives. The FY2023 target of 80% local procurement was reviewed in line with the strategic shift.

COMPLIANCE WITH LAW AND REGULATIONS

The Group has established a governance structure[1] to manage non-compliance with laws and regulations. Over the years, our operations have remained in full compliance with applicable laws and regulations. We maintain a zero-tolerance policy for non-compliance and encourage stakeholders to report any incidents through our established whistleblowing channels. Additionally, all Mencast employees are encouraged to be proactive and transparent in identifying and reporting compliance-related issues and concerns.

In line with our compliance targets, there were no incidents of non-compliance or fines incurred during the current and previous reporting periods.

The Board and Management remain committed to continuously reviewing and enhancing our management systems and practices to ensure full adherence to regulatory requirements.

[1] Please refer to the Corporate Governance Statement for details of our board composition, risk management, and internal controls activities.

ENVIRONMENTAL MANAGEMENT

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group's business decisions. We are committed to understanding, managing, and minimising our environmental footprint across our value chain, including our business operations, suppliers, and customers.

Our environmental efforts are largely focused on maximising material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

Since FY2022, the Group has adopted a phased approach for climate-related disclosures in accordance with the recommendations of the TCFD:

Governance

- The Board of Directors maintains overall responsibility and provides oversight on sustainability matters (including material ESG factors, climate-related risks and opportunities). Sustainability topics, climate risks, and opportunities are considered as part of the overall business strategy.

- The SR Committee led by the Chief Executive Officer and senior management from all business units is responsible for the formulation, implementation, and review of the Group's sustainable policies and practices, sustainability development programs, and initiatives.

Risk Management

- Climate-related risks and opportunities have been integrated into the overall risk management process.

- The Group's risks, impacts, and action plans are reviewed at least annually.

Strategy	Metrics
• Climate-related risks have been embedded into the Group's risks assessment, identifying the relevant physical and transition risks applicable to the business. • Risks identified are reviewed by the Board of Directors and SR Committee and the impact on the Group was assessed from a short-, medium-, and long-term basis. • A qualitative scenario analysis has been conducted to assess the Group's climate resilience across the short-, medium- and long-terms.	• The Group currently discloses its Scope 1, 2 and selected Scope 3[1] emissions, including short-term targets, as well as its climate-related risks and opportunities. • The Group will analyse the gaps between its current disclosures and the S2 climate-related disclosure[2] requirements of the International Sustainability Standards Board ("**ISSB**") to further enhance our climate-related reporting.

[1] Scope 3 emissions analysis for FY2024 encompasses only Category 6 (Business Travel) and 7 (Employee Commuting).
[2] IFRS S2: *Climate-related Disclosures* is a standard issued by the ISSB that sets out requirements for entities to disclose climate-related risks and opportunities.

Aligned with the global focus on climate change and its impacts on businesses, the Group evaluated the effects of its climate risks under varying climate conditions and across different time horizons through a qualitative scenario analysis, in line with the recommendations of TCFD.

As part of this process, the Group refreshed its climate risks assessment to ensure alignment with evolving regulatory and market expectations. For this analysis, Representative Concentration Pathway ("**RCP**") 2.6 and RCP 8.5 were selected to align with the IPCC frameworks and meet international best practices. These scenarios help assess physical and transition risks under low and high emission pathways, supporting risk management, regulatory preparedness, and strategic resilience. A summary of the parameters of the scenario analysis is as follows:

Scenarios	**RCP 2.6** scenario assumes rapid and sustained reductions in greenhouse gas emissions, which are necessary to limit global warming to 1.5°C or below	
	RCP 8.5 represents the "business-as-usual" scenario which assumes that greenhouse gas emissions will continue to increase throughout the century. This is primarily due to the burning of fossil fuels and the ongoing use of energy-intensive industries with limited climate policies enforced	
Time Horizons	**Short-term**	2030
	Medium-term	2040
	Long-term	2050

Each climate-related risk was assessed under the selected RCP scenarios based on two key factors: likelihood and impact, where likelihood refers to the probability of the risk occurring and impact refers to the severity of consequences should the risk occur.

The table below summarises the analysis results, highlighting the time horizon in which each risk is most likely to have a significant impact.

Physical Risks

<table>
<tr><th colspan="2" rowspan="2">Risk</th><th colspan="2">Scenario/Time Horizon of Impact</th><th rowspan="2">Key Considerations</th></tr>
<tr><th>RCP 2.6</th><th>RCP 8.5</th></tr>
<tr><td>Acute</td><td>Increased severity of extreme weather events</td><td rowspan="2">N.A.[1]</td><td rowspan="2">Long-term</td><td rowspan="2">Under the RCP 2.6 scenario, Mencast considers both acute and chronic physical risks to be insignificant, as its facilities are not located in high-risk areas and existing mitigation measures, such as ensuring sufficient storage of raw materials, diversified sourcing and water management strategies, are in place.

However, under the RCP 8.5 scenario, the impacts are expected to materialise in the long term, potentially leading to increased costs for asset repairs, operational disruptions, and infrastructure upgrades to adapt to worsening climate conditions. Without further investment in cooling systems, enhanced safety protocols, and climate-adaptive infrastructure, the Group may face heightened supply chain and operational challenges over time.</td></tr>
<tr><td>Chronic</td><td>Longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves or changes in precipitation patterns and extreme variability in weather patterns</td></tr>
</table>

[1] N.A. – Impact is deemed to be insignificant to Mencast in that scenario.

Transition Risks

<table>
<tr><th colspan="2" rowspan="2">Risk</th><th colspan="2">Scenario/Time Horizon of Impact</th><th rowspan="2">Key Considerations</th></tr>
<tr><th>RCP 2.6</th><th>RCP 8.5</th></tr>
<tr><td rowspan="4">Policy & Legal</td><td>Increase pricing of GHG emissions</td><td rowspan="4">Short- to medium-term</td><td rowspan="4">N.A.[1]</td><td rowspan="4">The Group anticipates increased regulatory pressures under the RCP 2.6 scenario, particularly in the form of stricter environmental policies and carbon pricing mechanisms. While its current emissions remain below the 25,000 tonne of carbon dioxide equivalent ("tCO_2e") threshold for direct carbon tax obligations, suppliers of key fuels such as diesel and liquefied petroleum gas ("LPG") are likely to face carbon-related costs, which may be passed down to the Group.

To enhance its preparedness for evolving regulations, the Group has developed a sustainability roadmap to ensure compliance with emerging environmental standards while positioning itself to capitalise on sustainability-driven market opportunities.</td></tr>
<tr><td>Enhanced emissions-reporting obligations</td></tr>
<tr><td>Mandates on and regulation of existing products and services</td></tr>
<tr><td>Exposure to litigation</td></tr>
</table>

[1] N.A. – Impact is deemed to be insignificant to Mencast in that scenario.

Risk		Scenario/Time Horizon of Impact		Key Considerations
		RCP 2.6	RCP 8.5	
Technology	Substitution of existing products and services with lower emissions options	Short- to medium-term	Long-term	Under both scenarios, Mencast recognises that the impact of technology-related transition risks are significant, given the immediate impact of technological advancements in the industry. To maintain competitiveness, Mencast acknowledges the necessity of transitioning to cleaner fuels and collaborating with technology partners to enhance its manufacturing capabilities through the adoption of emerging technologies. To address this, the Group's strategy involves identifying high-impact technologies through research and development, partnerships, piloting innovations, and scaling successful solutions. Integration timelines will vary based on technology complexity, infrastructure readiness, and supplier collaboration, with a phased adoption approach to ensure operational continuity. The Group plans to leverage available government grants opportunities to defray certain qualifying investment costs.
	Costs to transition to lower emissions technology			
Market	Changing customer behavior and uncertainty in market signals	Short- to medium-term	Long-term	In both scenarios, Mencast acknowledges the increased scrutiny from both external and internal stakeholders concerning sustainability issues. For instance, customers are placing greater emphasis on sustainability considerations when selecting products and services, while investors are increasingly scrutinising companies' environmental performance. Internally, employees are showing stronger engagement and support for the Group's climate-related commitments. In response to these trends, Mencast has developed a sustainability reporting roadmap to improve transparency, regularly update stakeholders on the Group's climate-related initiatives through its announcement system and collaborate with A*STAR to pilot sustainability innovations to enhance their manufacturing capabilities.
	Increased cost of raw materials			

Through this process, the Group has identified potential impacts of both physical and transition-related climate risks on its business operations, strategy, and financial planning. The Group continues to monitor and manage these risks through its Enterprise Risk Management ("**ERM**") framework, ensuring that prioritised risks are regularly reported and mitigated with action plans.

Climate-Related Opportunity

In addressing climate-related risks for FY2024, the Group has identified and implemented the following opportunities to mitigate these risks.

Opportunity Category	Initiatives undertaken by Mencast
Resource Efficiency	• Implementing low-carbon technologies, including solar panels, electric vehicles ("**EVs**"), EV forklifts, and energy-efficient light-emitting diode ("**LED**") lighting, to reduce carbon emissions and enhance operational efficiency • Integrating water recycling and waste recovery processes to minimise waste disposal and maximise resource recovery
Products & Services	• Exploring the used cooking oil market for processing into biofuel feedstock to reduce carbon emissions by replacing traditional raw materials; currently in the planning phase and obtaining licensing
Markets	• Investing in new waste treatment and reduction technologies, as well as upgrading existing facilities, to capture low-carbon market opportunities in the waste management sector
Energy Source	• Transitioned to the use of renewable energy sources via the adoption of solar panels since 2016 and will continue exploring additional renewable sources
Resilience	• By identifying specific vulnerabilities, such as reliance on non-sustainable raw materials and single-source suppliers, we are diversifying suppliers, adopting sustainable sourcing practices, and forming strategic partnerships with resilient, eco-conscious suppliers to ensure long-term supply chain stability

EMISSION

Our Performance

GRI305 Emissions are identified as the metrics used to assess climate-related risks & opportunities. The operational control approach is used for the consolidation of data based on the GHG protocol. Our Scope 1, Scope 2, and selected Scope 3 emissions are detailed below:

	FY2024	FY2023
Total carbon emission (tonnes CO_2 equivalent)[1]	**5,682**	5,579
Scope 1 Emissions		
Stationary fuel combustion[2]	**2,237**	1,512
Mobile fuel combustion[3]	**444**	575
Fugitive emissions (refrigerants)[4]	**207**	311
Scope 2 Emissions		
Electricity (location-based)[5]	**2,641**	2,999
Scope 3 Emissions		
Employee commute	**86**	111
Business travel[6]	**67**	71
GHG Emission Intensity Scope 1, 2 & 3 (tonnes CO_2 / Revenue $)	**0.0001**	0.0001

1 *GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report and equivalent CO_2 emission for electricity based on the operating margin factors from the Energy Market Authority of Singapore.*

2 *Stationary fuel combustion primarily consists of LPG, used in the Anaerobic Thermal Desorption Unit ("**ATDU**") Plant, and diesel fuel, which powers the boiler systems for the Fertiliser and Sodium Hydrosulfide (Spent Caustic) Plants.*

3 *Mobile fuel combustion is primarily diesel fuel and motor gasoline for the group's vehicles.*

4 *Fugitive emissions refer to CO_2 used in waste treatment and welding, as well as refrigerant losses from the air-conditioning system.*

5 *Electricity is location-based with data-derived consumption of electricity from the national grid and excludes electricity derived from solar generation.*

6 *Business travel emissions are only inclusive of air travel data.*

In FY2024, our total carbon emissions increased slightly by approximately 2% compared to FY2023 while our GHG emissions intensity remained unchanged. The increase in emissions was primarily due to higher energy consumption driven by expanded business activities.

Approaching Our Target

The Group's goal is to maintain carbon emissions intensity in FY2025 and in the long run, to continuously monitor and enhance our understanding of our emissions profile. This thorough comprehension will form the basis for establishing practical and relevant objectives to reduce carbon emissions wherever feasible and appropriate.

As part of its ongoing efforts to strengthen carbon emissions monitoring and management, the Group has continued its participation in the LowCarbonSG Programme, an initiative by the CPLC Singapore to guide and encourage local businesses in Singapore to monitor and reduce their carbon emissions. For the third consecutive year, Mencast Marine Pte Ltd, a wholly-owned subsidiary corporation, has been awarded the LowCarbonSG logo, given to companies that demonstrate progress in measuring and monitoring their carbon emissions.

ENERGY

Why is it important?

Energy is critical for organisations as it addresses environmental concerns, facilitates efficient resource management, meets stakeholder expectations for transparency, ensures legal compliance, and enhances business performance.

How is this topic managed?

The Group prioritises energy efficiency and sustainability by closely monitoring energy usage, reducing dependence on fossil fuels, and integrating renewable energy sources. The Group's long-term goal is to lower energy intensity and demonstrate its commitment to a sustainable future and environmental stewardship.

Our Performance

The Group monitors its energy consumption across fuel and electricity usage. As the China subsidiary corporation was not included in the reporting boundary for FY2023, there is no comparative fuel and electricity consumption data.

Fuel consumption refers to primary sources of energy from Diesel Fuel, Motor Gasoline, and LPG. The breakdown of fuel consumption by respective business segments are as follows:

Business (Location)	Fuel Consumption (Litres "L")	
	FY2024	(Restated)# FY2023
Singapore		
Offshore & Engineering	**1,609**	7,289
Marine	**73,336**	164,332
Energy Services	**1,231,024**	559,504
Indonesia		
Offshore & Engineering	**14,368**	1,247
China		
Offshore & Engineering	**1,696**	-
Total	**1,322,033**	732,372

Total fuel consumption restated to include energy use for stationary combustion previously not reported under Energy.

The breakdown of electricity consumption by respective business segments is as follows:

Business (Location)	**Electricity Consumption ('000 kWh)**	
	FY2024	FY2023
Singapore		
Offshore & Engineering	**436**	227
Marine	**3,863**	3,742
Energy Services	**3,070**	3,080
Indonesia		
Offshore & Engineering	**Note**	64
China		
Offshore & Engineering	**0.53**	-
Total	**7,370**	7,113
Energy Intensity (kWh/Revenue $'000)	**0.14**	0.15

Note: No data is available for Indonesia in FY2024 because the Group does not have operational control over electricity consumption. The facility is leased from the owner with fixed monthly electricity charges, and electricity usage readings are not provided.

In FY2024, the Group's overall energy consumption increased, with fuel consumption rising to 1,322,033 L (FY2023: 732,372 L) and electricity consumption reaching 7.370 million kWh (FY2023: 7.113 million kWh). Electricity consumption includes a mix of direct and indirect energy sources. Direct energy refers to primary energy generated on-site through our solar power system, while indirect energy refers to electricity purchased from external suppliers via the grid. In FY2024, 13% of the electricity consumed was generated via solar power while the remaining 87% was sourced from the grid. The increase in energy consumption in FY2024 aligns with our revenue growth and business expansion. In particular, the expansion of our Energy Services and Marine segments to meet rising demand naturally led to higher energy requirements across various aspects of our operations. Additionally, the increase in fuel consumption was driven by LPG usage in the Anaerobic Thermal Desorption Unit ("**ATDU**") Plant for the recovery of fuel oil, as well as diesel consumption for the boilers supporting the Fertiliser and Sodium Hydrosulfide (Spent Caustic) Plants, which were completed in FY2024. The Fertiliser and Sodium Hydrosulfide (Spent Caustic) Plants operationally began in the last quarter of FY2024, leading to a rise in diesel usage.

Approaching Our Target

In FY2025, we aim to maintain our energy intensity. Over the long term, the Group's goal is to enhance energy efficiency by mitigating the impact of revenue growth on overall energy consumption. Having already begun investing in solar energy, we will continue our efforts to transition to renewable energy sources wherever feasible.

WASTE

Why is it important?

Waste management is critical for sustainable global development. The Group conscientiously monitors our waste discharge into the environment and seeks to reduce any ecological impact. It is thus vital to prioritise waste disposal methods such as recovery that minimise the corresponding residual effects on the environment.

As part of the Group's waste management business, the Group holds a valid Toxic Industrial Waste Collector's License. The Group also ensures that all collected hazardous waste is processed and disposed of in accordance with relevant rules and regulations:

- Sewerage and Drainage Act 1999 (2020 Revised Edition), Chapter 294: 1999 (2001 Revised Edition), and the Sewerage and Drainage (Trade Effluent) Regulations 1999 (2007 Revised Edition)
- Singapore Standard SS 586, Part 1: 2021 Specification for Hazard Communication for Hazardous Chemicals and Dangerous Goods
- Singapore Standard SS 603: 2021 Code of Practice for Hazardous Waste Management
- The Environmental Public Health (Toxic Industrial Waste) Regulations 1988 (2000 Revised Edition)

How is this topic managed?

At Mencast, waste management is conducted through a comprehensive process that ensures all collected wastes are treated effectively and responsibly. This begins with the meticulous recording and cataloguing of wastes, where each item's details, alongside customer and collection information, are scanned and filed according to its weighing ticket number. This facilitates a detailed tracking process, allowing for a daily summary of wastes collected, which is then compiled into a monthly report for internal review and action.

Laboratory analysis plays a crucial role in this process, where waste samples undergo rigorous quality control to determine the precise treatment required, ensuring that each type of waste is addressed with the most appropriate and effective methods.

The treatment phase encompasses a variety of specialised processes, tailored to handle different waste forms. Sludge and solid waste are processed using advanced techniques like Anaerobic Thermal Desorption, while oily water and wastewater are treated in dedicated facilities designed to recover and repurpose these materials. The outcome of these processes not only mitigates environmental impact but also generates by-products, contributing to the circular economy. Further steps include the responsible disposal of treated water into the sewerage system and the safe landfilling of solid residues, ensuring compliance with environmental standards and reducing the potential for pollution.

In addition, Mencast holds a General Waste Disposal Facility ("**GWDF**") license for greasy water, which is processed to recover grease oil. This oil is then repurposed as a raw material for biodiesel production.

Mencast ensures compliance with government regulations by implementing e-tracking systems to monitor the journey of toxic industrial waste, from collection to its final disposal at landfill sites. This initiative enhances transparency and accountability in our waste management procedures.

Monthly reporting to the National Environment Agency ("**NEA**") encapsulates the Group's commitment to sustainability, showcasing a proactive approach to minimising waste and its environmental footprint. This detailed and responsible waste management process not only aligns with regulatory requirements but also demonstrates Mencast's dedication to environmental stewardship and operational excellence.

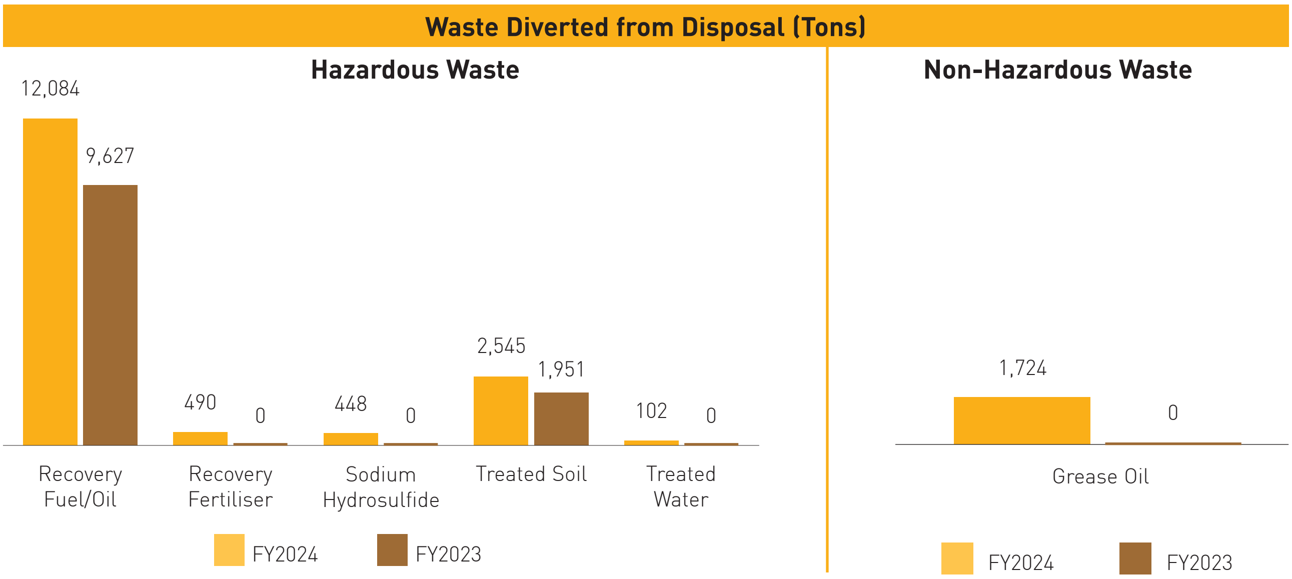
Our Performance

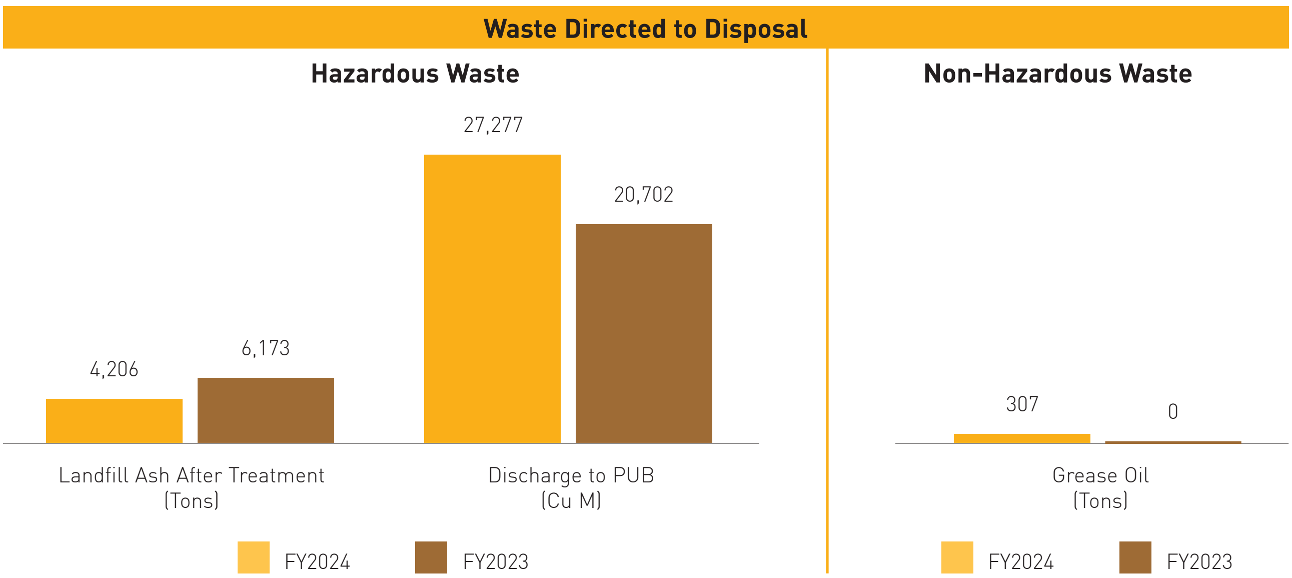
In FY2024, the total weight of hazardous waste diverted from disposal was 15,669 tons, an increase from 11,578 tons in FY2023. This increase aligns with the growth in our business activities, which also led to the generation of new waste byproducts such as treated water. The composition of hazardous waste includes recovery fuel/oil, recovery fertiliser, sodium hydrosulfide, treated soil, and treated water. The rise also corresponds with the completion of the Fertiliser and Sodium Hydrosulfide (Spent Caustic) Plants and the wastewater treatment plant upgrade in FY2024.

Concurrently, we obtained the GWDF license for greasy water disposal, facilitating the processing of grease oil—a non-hazardous byproduct from our new business line in FY2024. In FY2024, non-hazardous waste (grease oil) generated totaled 2,031 tons, of which 1,724 tons were diverted from disposal and 307 tons were directed to disposal. There is no comparative data for FY2023, as FY2024 marks the first year of our operations in this area.

For waste directed to disposal in FY2024, 4,206 tons of waste were sent to landfill, marking a decrease from 6,173 tons in FY2023. Conversely, the volume of waste discharged to the Public Utilities Board ("**PUB**") increased to 27,277 m^3, up from 20,702 m^3 in FY2023. This decrease in waste sent to landfill and increase in discharge to PUB is attributed to the composition of the recovered material and the waste treatment process.

The graphics below illustrate the breakdown of waste by composition, categorising waste that was either diverted from disposal or directed to disposal:





Approaching Our Target

The Group's target is to ensure waste treatment and disposal methods comply with regulatory requirements, thereby promoting environmental responsibility and fostering a commitment to sustainable waste management practices.

To further manage significant waste impacts, the Group has implemented several circularity measures, including the operation of multiple Toxic Industrial Waste ("**TIW**") treatment facilities. These facilities support waste reduction, resource recovery, and the responsible management of industrial by-products. These facilities are outlined in the table below.

Plant	Description	Type of Facility
Wastewater Treatment Plant	Treats wastewater with high Chemical Oxygen Demand ("**COD**") and Total Dissolved Solids ("**TDS**"). Treatment processes include Advanced Oxidation Processes ("**AOPs**") and biological treatment for high-COD wastewater, and Ultrafiltration ("**UF**"), Nanofiltration ("**NF**"), Reverse Osmosis ("**RO**"), and Mechanical Vapor Recompression ("**MVR**") distillation for high-TDS wastewater.	TIW Treatment Facility
Anaerobic Thermal Desorption Unit ("**ATDU**") Plant	Treats various solid and sludge wastes. The process recovers fuel oil and generates ash.	
Slop Oil Treatment Plant	Includes automated storage tanks, a 3-phase centrifuge separator, and a falling film distillation unit. Oily water is treated to recover fuel oil.	
Fertiliser Plant	Produces potassium fertiliser from industrial waste materials using a reactor and distillation facility.	
Sodium Hydrosulfide (Spent Caustic) Plant	Produces sodium hydrosulfide flakes, which are sold to the mining industry.	
Water Treatment Plant	Uses a centrifuge to recover grease oil from greasy waste.	General Waste Disposal Facility

WATER

Why is it important?

The Group recognises the importance of water as it is reliant on water for the effective dilution and treatment of waste materials.

Water assumes a critical function for hygiene and sanitation standards. Its contribution extends to cleaning equipment surfaces and other essential areas, further underscoring the Group's dedication to responsible water usage and sustainable practices.

How is this topic managed?

The Group relies on SP Services' municipal water supply as a key water source. Water is primarily used in the waste management treatment process and for general purposes such as drinking, hygiene and sanitation. The water discharged from waste management treatment process is stored in tanks for reuse, primarily in floor cleaning and vehicle washing. Rainwater is collected for non-potable applications, including equipment washing and landscape irrigation. Efforts are also underway to identify high water usage points, improve efficiency, expand rainwater collection systems at operational sites, and enhance the quality of effluent discharge.

Additionally, the Group has installed submeters to track and monitor water consumption on a daily basis. This allows us to identify high-consumption zones and areas with the greatest potential for efficiency improvements, enabling the development of targeted strategies to reduce water usage in those areas.

The Group ensures that effluent discharge complies with regulatory and environmental standards. To meet PUB requirements, we have installed online monitoring systems to provide real-time alerts if discharge levels exceed permitted limits. Moreover, daily internal lab tests are conducted to continuously monitor water quality and ensure compliance. The standards for effluent discharge are based on national regulations, internal guidelines, and best industry practices, taking into account the environmental profile of the receiving water bodies.

Our Performance

The Group's water consumption for FY2024 amounted to a total of 62.24 megalitres as compared to 103.36 megalitres in FY2023. The decrease is due to the recycling of water generated from the waste treatment process. As business activities in waste treatment increased, more recycled water became available for reuse. Water consumption data for the China subsidiary corporation has not been collated, as it is an office rather than a plant, and its water usage is considered insignificant.

Our water consumption is detailed below:

Location	**Water Consumption (Megalitres)**	
	FY2024	FY2023
Singapore		
Offshore & Engineering	**15.98**	18.83
Marine	**19.32**	14.47
Energy Services	**26.94**	69.47
Indonesia		
Offshore & Engineering	**Note**	0.59
China		
Offshore & Engineering	**-**	-
Total	**62.24**[1]	103.36[1]

*Note: There is no water usage data available for the Indonesia subsidiary corporation in FY2024, therefore, no comparison can be made with FY2023. The water consumption was minimal and used for general purposes, with no charges incurred from the Perusahaan Daerah Air Minum ("**PDAM**").*

[1] SP Services refunded 14.61 megalitres in July 2024 for water leakage reading from June 2023 – February 2024.

Our Target

The Group will continue to track and monitor our water usage to identify opportunities for improvement and ensure sustainable water management practices.

ORGANISATIONAL & RELATIONSHIP MANAGEMENT

EMPLOYMENT

Why is it important?

Our workforce constitutes one of our most valuable assets, and the Group is dedicated to fair employment practices, upholding human rights principles, and investing in the development and training of our personnel. We ensure equal opportunities for all employees without any form of discrimination.

Our Performance

As of 31 December 2024, we have a total of 303 full-time employees, comprising 285 permanent employees and 18 temporary employees[1]. There were no part-time employees during the reporting period.

There is no comparative data for FY2023 for the China subsidiary corporation as it was not included in the FY2023 reporting boundary.

Location	FY2024			FY2023		
	Singapore	**Indonesia**	**China**	Singapore	Indonesia	China
Full-Time						
Permanent Employee	**281**	**1**	**3**	278	1	-
Temporary Employee	**1**	**16**	**1**	-	12	-
Part-Time	**-**	**-**	**-**	1	-	-
Total Number of Employees	**282**	**17**	**4**	279	13	-

[1] *Temporary employees are contract-based with a fixed tenure.*

	FY2024	FY2023
Total No. of Employees	**303**	292

Distribution by Gender (%)

	FY2024 Male	FY2024 Female	FY2023 Male	FY2023 Female
	86%	**14%**	87%	13%

Age Group

	FY2024			FY2023		
	< 30	**30 - 50**	**> 50**	< 30	30 - 50	> 50
Total No. of Employees by Age Group	**62**	**161**	**80**	48	163	81
% of Employees by Age Group	**21%**	**53%**	**26%**	16%	56%	28%

	FY2024	FY2023
	Total No.	Total No.
New Hires	**73**	73

86% of new hires in FY2024 (FY2023: 79%) were male due to the nature of the industry.

Age Group

	FY2024			FY2023		
	< 30	**30 - 50**	**> 50**	< 30	30 - 50	> 50
Total No. of New Hire by Age Group	**26**	**39**	**8**	23	42	8
% of New Hire by Age Group	**36%**	**53%**	**11%**	31%	58%	11%

Employee Turnover

	FY2024			FY2023		
	Total No.			Total No.		
	66			130		
	< 30	**30 - 50**	**> 50**	< 30	30 - 50	> 50
Total No. of Employee Turnover by Age Group	**8**	**39**	**19**	27	91	12
% of Employee Turnover by Age Group	**12%**	**59%**	**29%**	21%	70%	9%

The total number of employees remained relatively consistent in FY2024, while employee turnover decreased by 49% compared to FY2023, largely due to the restructuring of our Indonesian entity in FY2023. The Group will continue its retention efforts through policies and staff engagement programmes that support long-term career development in order to reduce turnover rate.

The Group actively promotes an open-door policy, encouraging employees to voice concerns or report grievances directly to their immediate supervisors, department heads, the human resource department, chief executive officer, and/or independent directors. This reflects our unwavering commitment to providing employees with a workplace that prioritises health, safety, and security. In FY2024 and FY2023, no workplace grievance cases were reported across our various business segments.

Employee Remuneration and Benefit

The Group recognises and values the substantial contributions of each employee. Mencast underscores the significance of fair compensation and establishes packages that are not only competitive but also satisfactory, to attract, retain, and motivate personnel possessing the necessary experience and expertise to effectively manage the Group's business and operations. When formulating remuneration packages, the Group considers regulatory requirements as well as salary and employment conditions prevalent in the industry and comparable companies. In FY2024, in addition to offering competitive compensation, Mencast also provided a variety of benefits to employees, including but not limited to the following for employees in Singapore and Indonesia[1]:

Employment Benefits	Descriptions
Life Insurance	If our employee becomes critically ill or permanently disabled, their family will receive a sum of money to provide them with financial protection and coverage against risks.
Medical Insurance	Employees are reimbursed for outpatient treatments, surgery, or hospitalisation expenses covered under medical insurance.
Death Insurance	Death insurance for our Indonesian employees is covered and managed by the Indonesian insurer Badan Penyelenggara Jaminan Sosial ("**BPJS**") Kesehatan.
Disability Insurance	Our employees are covered in personal accident insurance and work-related injury. For instance, the organisation will reimburse any rehabilitation costs or monthly payouts for each case of disability.
Parental leave	Both female and male employees are entitled to maternity leave and paternity leave when applicable. We provide other leave benefits catering to our employees' children during the stages of infant care and childcare. While there were no employees that took parental leave in FY2024, the Group will continually work toward building a pro-parent workplace through enhancing our Group welfare practices and culture.
Performance Bonus	Performance bonus in line with company performance, is given as a reward for employees meeting performance goals or agreed-upon objectives, enhancing employee motivation and engagement through results-based rewards.
Retirement Provision	For employees who are qualified for pensions and are approaching the retirement age, the government will provide them with monthly cash payouts.
Workers' Dormitory and Canteen	Workers are granted dormitory accommodation, coupled with necessities such as proper sanitation and water.
Salary Revision	Yearly reviews in line with statutory requirements help cushion the impacts of inflation and are opportunities to progressively raise employees' salary in line with employee and company performance, keeping employees motivated and engaged.

[1] Currently, no information is available on the benefits provided to employees in China.

The Group adheres fully to local labour regulations in all our operations, including compliance with minimum wage laws where applicable. Given the predominantly labour-intensive nature of our industry, we are committed to continually reviewing our employment policies, benefits, and remuneration practices. This commitment ensures alignment with updated employment laws and keeps us in step with the best industry practices, with the overarching goal of providing optimal working conditions for our workforce.

In FY2024, the Group has organised several welfare activities including:

- Bowling activity
- Chinese New Year lucky draw, lion dance and lunch buffet
- Fruit Day for dormitory workers
- International Migrants Day 2024 – distributed packets of varieties of fresh fruits, biscuits, and soft drinks for all residents/dormitory workers
- Provided lunch for 7th Month Festival

The Group consistently fosters a transparent and inclusive environment for all employees, emphasising a top-down approach to promote fair and ethical business dealings. Mencast maintains a zero-tolerance stance toward unethical labour practices, including but not limited to child labour, forced labour, slavery, and human trafficking throughout all our operations.

DIVERSITY AND EQUAL OPPORTUNITY, AND NON-DISCRIMINATION

Why is it important?

Diversity and equal opportunity are important for the Group's growth and reputation as they foster a broader talent pool, driving innovation and creativity by incorporating different perspectives and experiences. These values enhance decision-making by challenging assumptions and promoting effective problem-solving. A diverse and inclusive work environment would also improve employee engagement, satisfaction, and productivity, as individuals feel valued and respected.

How is this topic managed?

The Group has implemented a fair system to ensure that all employees are treated equitably, without preferential treatment. There are no preferences or prejudice towards religion, age, ethnicity, any physical disability, or gender. Due to the labour-intensive nature and physically demanding conditions of the work, majority of our workforce is male. Mencast continues to promote diversity, foster creativity and innovation, and enhance the overall organisational culture. There were no instances of discrimination reported by our employees during FY2024 and FY2023.

Our Performance

The gender diversity ratio of our employees has remained relatively consistent in FY2024.

	FY2024	FY2023
Numbers		
Male	**260**	253
Female	**43**	39
Percentage		
Male	**86%**	87%
Female	**14%**	13%

The following table shows the ratio of basic salary and remuneration of women to men[1] for each employee category in FY2024.

	FY2024		
	Singapore	**Indonesia**	**China**
For Staff & Non-executive Employees	**1.00**	**-**	**-**
For Supervisor & Executive Employees	**1.13**	**1.08**	**1.87**
For Middle Management Employees	**1.03**	**-**	**-**
For Senior Management Employees and Above	**0.43**	**1.20**	**0.43**

Our Target

The Group remains committed to promoting diversity and equal opportunities in the workplace, regardless of religion, age, gender, or ethnicity, while fully complying with local regulations across all operations.

[1] *The salary ratio is calculated as the average basic salary and remuneration of women divided by the average basic salary and remuneration of men for each employee category.*

TRAINING & DEVELOPMENT

Why is it important?

The Group acknowledges the importance of keeping employees informed and updated in the dynamic work environment. To foster the development of their potential and ensure a fulfilling career, we provide on-the-job and ad-hoc training opportunities for our employees. We actively encourage employees to participate in courses relevant to their specific industries.

How is this topic managed?

Mencast initiates a thorough assessment of training needs, ensuring that employees receive training directly aligned with their current scope of work. Aligned with forecasted business needs, employees undergo training designed to enhance business efficiency. This includes participation in relevant external training and on-the-job training. After training sessions, supervisors conduct evaluations and appraisals of employees' work to gauge the impact of the acquired skills.

Our Performance

In FY2024, the Group clocked a total of 3,350 hours (FY2023: 1,903 hours) in training, representing a significant increase of 76% in total training hours.

Due to limited operational need, no training sessions were conducted in China during FY2024 as well as in Indonesia in FY2023. Additionally, comparative data for FY2023 is unavailable for the China subsidiary corporation, as it was not included in the FY2023 reporting boundary.

Location	FY2024			FY2023		
	Singapore	**Indonesia**	**China**	Singapore	Indonesia	China
Average Hours of Training per Employee	**10.92**	**16.00**	**-**	6.82	-	-

The rise in average training hours per employee in FY2024 resulted from enhanced upskilling and reskilling initiatives designed to strengthen employees' skills.

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is dedicated to persistently allotting essential budgets to upgrading employees' skills and achieving the Group's strategic objectives. We believe that elevating the proficiency of our workforce not only enriches Mencast's human resources but also adds to the contentment of our employees, thereby fostering a beneficial influence on our overall operational excellence.

Training sessions are conducted to educate employees on sustainability, technical and safety knowledge across the business units. The following are some of the training sessions attended in FY2024:

- 3D Printing
- Advanced Cert in Strategic Sourcing & Procurement Essentials
- Apply Workplace Safety and Health in Process Plant & Shipyard and Logistic & Transportation
- Carry Out Collection of Sludge and Greasy Waste (Class C Waste Collection)
- Chemical Safety Awareness
- Confined Space Management (Assess Confined Space for Safe Entry and Work)
- Financial Reporting for Preparers (FRFP) SFRS (I) Updates 2024 - Accounting for Cryptoassets & IFRS 18 Presentation and Disclosure in Financial Statements
- GRI Sustainability Reporting Learning Series - Focus on Scope 3 Emission Accounting and Reporting: Disclosure GRI305-3 (Other indirect emissions)
- Integrated Management System (ISO9001,14001,45001) Internal Auditor Training
- Integrating a Human Resource Management System (HRMS) for Enhanced Productivity
- Marine Digitalisation Champion Workshop
- Materialise AM software Hands-on-Training
- Occupational First Aid Course
- Operate Boom Lift, Forklift (Without Class 3 License), Hook-lift mounted trucks and equipment to collect and transport waste during waste collection
- Perform/Supervise Work in Confined Space Operation & Perform/Manage Work At Height
- Protect your organisation: Top Cybersecurity Risks - Prepare, Respond or React
- SIMTECH Robotic Training
- Supervise Marine Work for WSH
- Understanding Sustainability of Business
- Water Efficiency Manager

Our Performance and Career Development Review

Annual performance appraisal and career review process involves interactive discussions between supervisors and subordinates to evaluate employees' performance. Following the completion of the appraisal, decisions regarding career progression, including promotions, salary increments, and annual variable bonuses are made based on the appraisal outcomes. Fair assessment and remuneration of employees consider their experience, qualifications, and overall performance.

As of 31 December 2024, 100% (FY2023: 98.92%) of total qualified employees in Singapore had gone through their annual performance and career development review. Performance reviews are not conducted in Indonesia and China due to the staffing structures. In Indonesia, most of the employees are temporary staff, which makes a formal performance review less relevant. Meanwhile in China, the subsidiary corporation is still relatively new and has only four employees, hence, a structured performance review system has not yet been established.

Our Target

The Group is dedicated to providing ongoing training and educational opportunities through relevant development programmes. We strive to foster a supportive corporate environment that empowers employees to reach their full potential. Our goal is to achieve an average of four training hours per employee annually while maintaining a high completion rate for annual performance appraisals.

OCCUPATIONAL HEALTH & SAFETY

Why is it important?

Safety is an integral part of our business, and a key focus area for our board of directors and senior management.

Occupational Health & Safety Management Framework

In FY2024, the Group maintains certification with Singapore's standards for occupational safety and health management, including compliance with ISO 45001 for occupational health and safety management, ISO 14001 for environmental management, and BizSafe Level 3, 4, and Star. In Indonesia, the Group is also in compliance with ISO 45001 as well as the K3 Indonesian Occupational Health and Safety standard.

Structured processes are in operation to identify, mitigate, and report risks, fostering communication of best practices throughout the Group. Collaborative efforts with employees and stakeholders ensure a clear understanding of our requirements and expectations.

Our safety management system undergoes regular audits conducted by independent consultants to ensure ongoing adherence to established standards.

Key Elements of Our Health & Safety System

To facilitate the physical supervision of workplace safety and the dissemination of Workplace Safety and Health ("**WSH**") related information, each subsidiary corporation has established its own Health, Safety, and Environment ("**HSE**") Committee. The HSE Committee, led by a chairman appointed by the Executive Director - Mr. Wong Boon Huat, assumes responsibility for overseeing the operations of subsidiary corporations. This ensures the maintenance of safety standards and adherence to industry-leading practices.

The Committee conducts regular and unannounced inspections to monitor the workplace safety of their employees. In addition, the HSE Committee's roles and responsibilities encompass thorough reviewing, effective implementation and reinforcement of safety standards and regulations to comprehensively address all aspects of safety. Committee meetings are convened at least once a month to evaluate safety inspection findings, ensure the timely execution of corrective measures, and coordinate and organise HSE campaigns.

Continuous feedback is actively sought from non-committee members regarding areas of improvement and all relevant HSE matters. The inclusive representation of the entire workforce enables their full participation in the establishment and implementation of occupational health and safety policies, procedures, investigations, and risk assessments.

HSE campaigns are in place to raise awareness of safety among employees such as:

- Annual Safety Campaigns;
- Emergency Drills; and
- Regular Safety Talks.

Inherent Occupational Risk

As a Group, we regularly assess occupational injury and disease risks arising from workplace conditions. In FY2024, we continue to implement the HIRAC Process (Hazard Identification, Risk Assessment and Control Measures) to systemically identify and manage workplace hazards. The process includes:

- Accident Investigation;
- Emergency Drill;
- Risk Assessments;
- Safety Campaigns and Promotions;
- Safety Inspections; and
- Safety Meetings and Feedback.

Additionally, the Group prioritises fire safety across its buildings and premises by conducting routine engineering inspections and maintenance in compliance with local Fire Codes. Fire safety measures are also integrated into the HIRAC process to ensure a comprehensive approach to risk management.

Our Workplace Health & Safety Performance

Category	FY2024 Total	FY2023 Total
Death or Total Permanent Disabilities	**-**	-
Reportable Injuries	**10**	12
Man-days Lost due to Reportable Injuries[1]	**433**	399
Occupational Disease	**-**	-

[1] *Calculation of man-days lost is inclusive of weekends and public holidays.*

There was a total of 433 man-days lost due to reportable injuries, an increase of 34 man-days from FY2023. However, the increase was primarily attributable to an incident in FY2023, where an employee was on extended hospitalisation leave through to FY2024, for a total of 190 days.

For each of these injuries reported, the manager from the Group Quality, Health & Safety, Environmental ("**QHSE**") compiles an investigation report. This report primarily includes accident details and outlines a corrective action plan. The corrective action plan often involves training and education initiatives aimed at preventing similar injuries, as well as workplace inspections designed to minimise the likelihood of recurring accidents. It is noteworthy that the Group has consistently maintained a record of zero occupational diseases, fatalities, or total permanent disabilities.

Additionally, we ensure that our employees attend medical consultations and check-ups for early detection. These include:

- Audiometry tests for employees exposed to excessive noise hazards;
- Detecting infectious diseases among employees; and
- Medical examinations for employees exposed to oil and tar and other occupational diseases (e.g. chemical and physical exposure, ergonomic and injuries related from work accidents).

Our Target

The Group prioritises the health and safety of its workforce and is dedicated to the continuous enhancement of its Operational Health and Safety processes. We aim for zero fatal accidents and a significant reduction in man-days lost to injury. This will be accomplished through proactive risk assessments, rigorous training programmes, and the implementation of best-practice safety protocols.

ANTI-CORRUPTION

Why is it important?

Mencast is committed to maintaining the utmost standards of corporate governance and business integrity throughout our organisation. These are crucial for the long-term sustainability of the Group's businesses and contribute to the continual enhancement of shareholder value.

How is this topic managed?

The Board is committed to conducting objective investigations into suspected fraud and has implemented a whistle-blowing policy and procedures. These mechanisms offer employees clearly defined and accessible channels within the Group, including a direct avenue to the Audit Committee, for reporting suspected bribery, corruption, dishonest practices, or similar concerns.

The whistle-blowing policy is designed to foster the reporting of such matters in good faith, assuring employees that those making reports will be treated fairly and, to the extent possible, protected from reprisals. The Audit Committee conducts periodic reviews of the policy and its effectiveness. Any recommendations for updates or amendments are presented to the Board as necessary.

Our Performance

In FY2024 and FY2023, there were no confirmed incidents of corruption or regulatory non-compliance across Mencast's group of businesses. Additionally, no incidents related to whistleblowing were reported during this reporting period under review. The Group remains dedicated to fostering a culture of full compliance and continues its efforts to strengthen this commitment.

Moving Forward

The Audit Committee remains involved in supporting the Board's oversight of anti-corruption processes. It plays an important role in driving the Group's emphasis on implementing efficient compliance and governance systems. At the operational level, individual departments within the Group retain responsibility for evaluating the sufficiency and effectiveness of mitigating measures. They also manage risks associated with financial, operational, information technology, compliance, and reputational aspects.

Please refer to the Corporate Governance Statement of the Annual Report for more information.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Statement of use	Mencast Holdings Ltd. has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
GRI 2: General Disclosures 2021	2-1	Organisational details	Pages 1 - 3, 16
	2-2	Entities included in the organization's sustainability reporting	Page 18
	2-3	Reporting period, frequency and contact point	Page 18
	2-4	Restatements of information	Page 18
	2-5	External assurance	Page 18
	2-6	Activities, value chain and other business relationships	Pages 1, 9, 16
	2-7	Employees	Pages 38 - 39
	2-8	Workers who are not employees	Not Applicable
	2-9	Governance structure and composition	Pages 50 - 55
	2-10	Nomination and selection of the highest governance body	Pages 56 - 59
	2-11	Chair of the highest governance body	Pages 55 - 56
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 50 - 53
	2-13	Delegation of responsibility for managing impacts	Pages 50 - 53
	2-14	Role of the highest governance body in sustainability reporting	Page 20
	2-15	Conflict of interest	Pages 50 - 51
	2-16	Communication of critical concerns	Pages 73 - 74
	2-17	Collective knowledge of the highest governance body	Pages 51, 53 - 55
	2-18	Evaluation of the performance of the highest governance body	Pages 56 - 61
	2-19	Remuneration policies	Pages 61 - 63
	2-20	Process to determine remuneration	Pages 61 - 62
	2-22	Statement on sustainable development strategy	Page 19
	2-23	Policy commitments	Pages 19 - 22
	2-24	Embedding policy commitments	Pages 20, 23
	2-25	Processes to remediate negative impacts	Pages 26, 66 - 71
	2-26	Mechanisms for seeking advice and raising concerns	Pages 26, 66 - 71
	2-27	Compliance with laws and regulations	Page 26
	2-28	Membership associations	Page 22
	2-29	Approach to stakeholder engagement	Page 22
	2-30	Collective bargaining agreements	Not Applicable Pages 38 - 43 on our commitment to compliance on labour regulation
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 23
	3-2	List of material topics	Page 23
	3-3	Management of material topics	Pages 25 - 46

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 25
	201-2	Financial implications and other risks and opportunities due to climate change	Pages 26 - 30
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 25
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Page 46
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Pages 32 - 33
	302-3	Energy intensity	Page 33
	302-4	Reduction of energy consumption	Pages 30, 32 - 33
GRI 303: Water and Effluents 2018	303-1	Interactions with water as shared resource	Page 37
	303-2	Management of water discharge-related impacts	Page 37
	303-5	Water consumption	Page 37
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 31
	305-2	Energy indirect (Scope 2) GHG emissions	Page 31
	305-3	Energy Other indirect (Scope 3) GHG emissions	Page 31
	305-4	GHG emissions intensity	Page 31
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 34
	306-2	Management of significant waste-related impacts	Pages 34 - 36
	306-3	Waste generated	Page 35
	306-4	Waste diverted from disposal	Page 35
	306-5	Waste directed to disposal	Page 35
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 39
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 40
	401-3	Parental leave	Page 40
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 44
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 44 - 45
	403-5	Worker training on occupational health and safety	Pages 44 - 45
	403-9	Work-related injuries	Page 45
	403-10	Work-related ill health	Page 45
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 42
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 43
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 43
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 41
	405-2	Ratio of basic salary and remuneration of women to men	Page 42
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 41

FINANCIAL CONTENTS

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "**Board**") of Mencast Holdings Ltd. (the "**Company**") is committed to achieving a high standard of corporate governance within the Company and its subsidiary corporations (the "**Group**") and to put in place effective self-regulatory corporate practices to protect the interests of the Company's shareholders ("**Shareholders**") and enhance long-term Shareholders' value. This statement outlines the main corporate governance practices that were in place during the year.

The Company adopts practices based on the Code of Corporate Governance 2018 (last amended on 11 January 2023) (the "**Code**"). The Board is pleased to report on the compliance of the Company with the Code except where otherwise stated and such compliance is regularly reviewed to ensure transparency and accountability. Reasons have been provided for any deviation from complying with and adhering to the principles and provisions of the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provisions of the Code

1.1 *Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*

Group's Corporate Governance practices

The current Board of the Company has five directors which comprises an Executive Chairman who is also the Chief Executive Officer ("**CEO**"), an Executive Director, and three (3) Non-Executive Independent Directors ("**Independent Directors**"). The Board is collectively responsible for the long-term success of the Company and works with Management to achieve this objective and Management remains accountable to the Board.

The Board's role is to:
- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls that enable risks to be assessed and managed, including safeguarding Shareholders' interest and the Company's assets;
- review the performance of Management;
- set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; and
- consider sustainability issues such as environmental and social factors, as part of its strategic formulation and governance factors as part of the Board's strategic formulation.

All directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.

Apart from its statutory duties and responsibilities, the Board supervises the management of the businesses and affairs of the Group. The Board reviews and approves the Group's strategic plans, key operational initiatives, major funding and investment proposals, reviews management performance, identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation, identifies principal risks of the Group's businesses and establishes a framework of prudent and effective controls which enables risks to be assessed and managed, set the Company's values and standards (including ethical standards), and ensures that obligations to Shareholders and other stakeholders are understood and met as well as considers sustainability issues such as environmental and social factors as part of its strategic formulation.

The Board is responsible for the approval of the Company's half-year and annual financial results, annual report and accounts, major investments and funding, material acquisitions and disposal of assets, and interested person transactions of material nature.

The Board has clear policies and procedures for dealing with conflicts of interest. Where a director faces a conflict of interest, the director will disclose this and recuse himself from meetings and decisions involving the issue. The Company has established procedures for all interested person transactions which are reviewed and approved by the Audit Committee and these transactions are conducted on an arm's length basis.

The Board also deliberates and makes decisions on capital structure, funding, dividend payments, and other matters such as those that may involve a conflict of interest.

The Group's business is effectively managed by the Board and properly conducted by by Management. The Board ensures proper observance of corporate governance practices, appropriate tone from the top, desired organisational culture, and proper accountability within the Group. The Board has put in place a Code of Conduct and Ethics for the Board. The Code of Conduct and Ethics for employees has been included into the Employee Handbook.

1.2 *Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.*

The Company is responsible for arranging and funding the training of directors. The directors are provided with updates on the relevant laws, financial reporting standards, Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), codes and regulations to enable them to make informed decisions. Directors are informed and encouraged to attend relevant courses conducted by the Singapore Institute of Directors ("**SID**"), Singapore Exchange Limited, business and financial institutions, and consultants. All Directors in office have attended the training on sustainability matters as prescribed under Rule 720(6) of the Catalist Rules of the SGX-ST. The Company's Executive Chairman and CEO, Mr. Glenndle Sim and Executive Director, Mr. Wong Boon Huat attended the "Top Executive WSH Programme" in 2023.

Newly appointed directors, if any, will be provided with a formal letter of appointment and receive comprehensive induction briefings and orientations by the Executive Directors and Management to ensure that they are familiar with the Group's business, strategic directions and policies, the regulatory environment in which the Group operates and the Company's corporate governance practices. First-time director of a listed company ("**First-Time Director**") will also receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST to meet the mandatory training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. During FY2024, there were three (3) new Independent Directors appointed namely, Mr. Lim Yeow Hua @ Lim You Qin and Mr. Marini Martin Vincent on 29 April 2024, and Ms. Lee Kim Lian, Juliana on 29 July 2024. Mr. Lim Yeow Hua @ Lim You Qin and Ms. Lee Kim Lian, Juliana have prior experience as director of a Singapore listed company.

As a First-Time Director, the Company has arranged for Mr. Marini Martin Vincent to attend the Board of Directors ("**BOD**") Masterclass Programme, organised by the Institute of Singapore Chartered Accountants and SAC Capital. Mr. Marini Vincent has completed the BOD Masterclass Programme within 1 year from his appointment date.

1.3 *The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring Board approval are disclosed in the company's annual report.*

The Group has in place detailed guidelines that set forth all the matters reserved for the Board's decision and which provide Management with clear directions on the matters that require the prior approval of the Board, such as financial authorisation limits for operating and capital expenditure and other matters that fall outside the annually approved budgets, the drawing down or obtaining of credit lines and the acquisition and disposal of material assets and investments.

CORPORATE GOVERNANCE STATEMENT

1.4 *Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.*

To facilitate effective management, certain functions have been delegated by the Board to the following committees ("**Board Committees**"):

- Audit Committee ("**AC**")
- Nominating Committee ("**NC**")
- Remuneration Committee ("**RC**")

These Board Committees operate under clearly defined terms of references and operating procedures and are given specific responsibilities and are empowered to deal with matters within the limits of the authority set out in the terms of reference of their appointments. They assist the Board operationally without the Board losing authority over major issues.

Following a comprehensive review to streamline board processes, the Board has dissolved the Corporate Strategy and Communications Committee ("**CSCC**") of the Group, and its duties and responsibilities were directly undertaken by the Board with effect from 29 July 2024.

The Chairman of the respective committees reports the outcome of all committee meetings to the Board.

1.5 *Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.*

The Board meets formally at least four times a year. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by the circumstances.

The Company's Constitution also provides for telephone conference and video conferencing meetings. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions. Directors may, at any time, request for further explanation, briefings, or informal discussions on any aspect of the Group's operations or business issues from Management.

The attendance of the Directors at meetings of the Board and Board Committees, including the Annual General Meeting ("**AGM**") held during the financial year 31 December 2024 ("**FY2024**") as well as the frequency of these meetings, are disclosed as follows:

	Board	**AC**	**NC**	**RC**	**CSCC**	**AGM**
No. of meetings held	**4**	**3**	**1**	**1**	**1**	**1**
	No. of meetings attended					
Sim Soon Ngee Glenndle	4	3*	1	1*	1	1
Wong Boon Huat	4	3*	1*	1*	1	1
Sunny Wong Fook Choy[1]	1	1	1	1	1*	1
Leow David Ivan[2]	1	1	1*	1	1	1
Ng Chee Keong[3]	1	1	1	1	1*	1
Lim Yeow Hua @ Lim You Qin[4]	3	2	NA	NA	NA	1
Marini Martin Vincent[5]	3	2	NA	NA	NA	1
Lee Kim Lian, Juliana[6]	2	2	NA	NA	NA	NA

* By Invitation
[1] Sunny Wong Fook Choy retired as Independent Director on 29 April 2024.
[2] Leow David Ivan retired as Independent Director on 29 April 2024.
[3] Ng Chee Keong retired as Independent Director on 29 April 2024.
[4] Lim Yeow Hua @ Lim You Qin was appointed as Independent Director on 29 April 2024.
[5] Marini Martin Vincent was appointed as Independent Director on 29 April 2024.
[6] Lee Kim Lian, Juliana was appointed as Independent Director on 29 July 2024.

The meeting schedule for the Board and each of the Board Committees is firmed up before the end of each financial year for the next year so that all directors can arrange their schedules accordingly. If directors are unable to attend any meeting, valid reasons are required to be provided. If any director's attendance falls below 75%, his performance shall be critically reviewed by the NC.

1.6 *Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.*

Directors are regularly updated by Management on developments within the Group. To assist the Board in fulfilling its responsibilities, the Board will be provided with management reports containing complete, adequate, and timely information and papers containing relevant background or explanatory information required to support the decision-making process prior to Board meetings and whenever necessary. Detailed papers are circulated as necessary for items requiring the Board's approval.

1.7 *Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.*

The Management of the Company provides Board members with quarterly management accounts and other financial statements to enable the Board to fulfil its responsibilities. Management provides the Board members with information relevant to matters on the agenda for the meeting prior to each committee meeting. Board members have full and independent access to Senior Management and the Company Secretary at all times. In the furtherance assess of their duties, the Board or an individual Board member may seek independent professional advice, if necessary, at the Company's expense.

The Company Secretary or his representative attends all the Board and Board Committees' meetings as required by the Board and is responsible for ensuring that Board procedures are being followed and the Company complies with the requirements of the Companies Act 1967 of Singapore (the "**Companies Act**"), and other rules and regulations, which apply to the Company.

The appointment and removal of the Company Secretary is a decision taken by the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions of the Code

2.1 *An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.*

Group's Corporate Governance practices

The Company believes that there should be a strong and independent element in the Board to exercise objective judgment on corporate affairs. The Board considers an Independent Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company. The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company.

CORPORATE GOVERNANCE STATEMENT

2.2 *Independent directors make up a majority of the Board where the Chairman is not independent.*

As at the date of this report, the Board currently has five (5) members, comprising two (2) Executive Directors and three (3) Independent Directors:

Sim Soon Ngee Glenndle	Executive Chairman and CEO
Wong Boon Huat	Executive Director
Lim Yeow Hua @ Lim You Qin	Lead Independent Director
Marini Martin Vincent	Independent Director
Lee Kim Lian, Juliana	Independent Director

2.3 *Non-executive directors make up a majority of the Board.*

The three Independent and Non-Executive Directors make up a majority of the board given that the Chairman is not independent. Mr. Lim Yeow Hua @ Lim You Qin, Mr. Marini Martin Vincent and Ms. Lee Kim Lian,Juliana are each considered independent in view of the following:

(a) the Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC;

(b) none of the Independent Directors has served on the Board beyond nine (9) years from the date of his/her first appointment;

(c) none of the Independent Directors and their immediate family members had, in the current or immediate past financial year, (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$200,000 for services rendered; and

(d) none of the Independent Directors are directly associated with a substantial shareholder of the Company.

The Independent Directors have at least 4 regular meetings with Management to keep abreast of the Group's business, financial performance, and strategy plans. The Independent Directors have been actively participating in discussions and decision-making at the Board and the Board Committees' levels and had open discussions with Management. Management regularly puts up proposals or reports for the Board's consideration and approval, for instance, proposals relating to specific transactions or general business direction or strategy of the Group. The Independent Directors will then evaluate these proposals or reports and where appropriate, provide guidance to Management.

2.4 *The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*

The Board is of the opinion that the current size and composition of the Board and Board Committees are appropriate for decision-making, taking into account the scope and nature of the Group's operations.

The Board consists of high calibre members with a wealth of experience and knowledge in business. They contribute valuable direction and insight, drawing from their vast experience in matters relating to accounting, finance, legal, business, industry knowledge, and general corporate matters. The NC is of the opinion that the current Board composition represents a well-balanced mix of expertise and experience to provide core competencies necessary to meet the Company's requirements. The Board constantly reviews the adequacy of the board size taking into consideration the size and operations of the Company.

The Board has put in place a Board Diversity Policy which will take into consideration criteria such as qualification, age, gender, skill, experience, and knowledge in various fields and relevant industries.

The Board considers candidates based on their qualifications and required contribution to the Group's business and governance, while also working towards achieving diversity. The Board believes this approach reflects an appropriate balance between delivering business performance, growing shareholder returns, and progressing diversity.

The Board also recognises the importance and value of gender diversity in the composition of the Board. With the appointment of Ms. Lee Kim Lian, Juliana as Director in FY2024, there is currently one female Director on the Board. The NC will continue its identification and evaluation of suitable candidates in its Board renewal process to ensure that the Board comprises a balanced composition of skills, experience, knowledge and other aspects of diversity identified in its Board Diversity Policy.

2.5 *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*

The Independent Directors meet regularly without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development, and the remuneration of the Executive Directors and to ensure that Board matters can be effectively discussed independently from Management as and when necessary. Such meetings are arranged by the Lead Independent Director as warranted by the circumstances. The Lead Independent Director provides feedback to the Executive Chairman after such meetings.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions of the Code

3.1 *The Chairman and the Chief Executive Officer ("**CEO**") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*

3.2 *The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.*

Group's Corporate Governance practices

Mr. Sim Soon Ngee Glenndle ("**Mr. Glenndle Sim**") is both the Executive Chairman of the Board and the CEO of the Company. As the Executive Chairman and the CEO, he gives guidance on the corporate direction of the Group, which includes the scheduling and chairing of Board meetings and controlling the quality, quantity, and timeliness of information supplied to the Board.

The other roles of the Executive Chairman include the following:

- promote a culture of openness and debate at the Board meeting;
- ensure effective communication with Shareholders;
- encourage constructive relations within the Board and between the Board and Management;
- facilitate the effective contribution of independent directors; and
- promote high standards of corporate governance.

As the CEO, Mr. Glenndle Sim sets the business strategies and directions for the Group and manages the business operations of the Group.

The Board is of the opinion that based on the Group's current size and operations, it is not necessary to separate the roles of the Executive Chairman and the CEO. The Board is also of the view that it is in the best interests of the Company to adopt a single leadership culture.

CORPORATE GOVERNANCE STATEMENT

The Board also views that vesting the roles of both the Executive Chairman and CEO on Mr. Glenndle Sim, who has been playing a pivotal and instrumental role in developing the Group's businesses and providing the Group with strong leadership and vision, would allow for more effective planning and execution of business strategies. All major decisions to be made by the Executive Chairman and CEO are reviewed and endorsed by the Board. This Board complies with SGX listing rules requiring Independent Directors to make up at least one-third of the Board. It also complies with the Code which requires Independent Directors to make up a majority of the Board where the Chairman is not independent and for Non-Executive Directors to make up a majority of the Board.

To enhance the independence of the Board, Mr. Lim Yeow Hua @ Lim You Qin, the Lead Independent Director of the Company, coordinates the activities of the Independent Directors and acts as the principal liaison between the Independent Directors and the Executive Chairman on sensitive issues.

The AC, NC and RC of the Company are also chaired by Independent Directors. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision-making by the Directors is independent and based on collective decision-making without the Executive Chairman and CEO of the Company being able to exercise considerable concentration of power or influence.

The Board has put in place a Terms of Reference of the Executive Chairman/CEO and Lead Independent Director which spell out their respective key roles and responsibilities. The Board believes that the Company's practices are consistent with the intent of Principle 3 of the Code.

3.3 *The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.*

Mr. Lim Yeow Hua @ Lim You Qin is the Lead Independent Director of the Company. He plays a facilitative role within the Board, and where necessary, he may facilitate communication between the Board and shareholders or other stakeholders of the Company. The Company has communicated clearly to the shareholders and other stakeholders on how Mr. Lim Yeow Hua @ Lim You Qin can be contacted, providing a channel to Independent Directors for confidential discussions on any concerns and resolving conflicts of interest as and when necessary.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions of the Code

4.1 *The Board establishes a Nominating Committee ("**NC**") to make recommendations to the Board on relevant matters relating to:*

Group's Corporate Governance practices

The Company believes Board renewal to be an on-going process and is required to ensure good corporate governance as well as to maintain relevance to the changing needs of the Group's business.

The principal functions of the NC include:
- making recommendations to the Board on the appointment and re-appointment of Directors;
- making plans for succession for directors, in particular for the Executive Chairman and CEO;
- assessing the effectiveness of the Board as a whole, the Board Committees, and the contribution of each individual Director to the effectiveness of the Board;
- reviewing the training and professional development programs for the Board;
- evaluating the independence of the Directors; and
- regularly reviewing the Board structure, size, and composition having regard to the scope and nature of the operations of the Group and the core competencies of the Directors as a group.

(a) *the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;*

The Board understands the importance of succession planning as being an important part of corporate governance. Board membership will be reviewed and refreshed in a progressive manner to avoid disruption to the institutional memory. The Board has put in place a succession planning policy for the Board and key management personnel. The NC also reviews succession and development plans for key management personnel, which will be subsequently approved by the Board.

(b) *the process and criteria for evaluation of the performance of the Board, its Board committees and directors;*

The structure, size, and composition of the Board are reviewed periodically by the NC to ensure their relevance. The NC takes into consideration factors such as the scope and nature of the operations of the Company, the requirements of the business, and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

The NC evaluates the Board's effectiveness as a whole, Board Committees, and the contribution of each director to the effectiveness of the Board. The Board has adopted a system of evaluating the effectiveness of the Board's, Board Committees', and individual director's performance, through principally a self-assessment process on factors such as size, skills, expertise, and communications of the Board and its ability to account, provide oversight and guide the Company. The completed evaluation forms were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the effectiveness of the Board, Board Committees, and individual directors. Following the review, the Board is of the view that the Board and Board Committees operate effectively, and each director is contributing to the overall effectiveness of the Board.

(c) *the review of training and professional development programmes for the Board and its directors; and*

The NC reviews the skill, training, and professional development needs and programs for the Board and its directors regularly to ensure that the directors possess the required skills and knowledge to function as an effective Board.

(d) *the appointment and re-appointment of directors (including alternate directors, if any)*

The process for the selection and appointment of all new directors is spearheaded by the NC. When an existing director chooses to retire or the need for the appointment of a new director arises, either to replace a retiring director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate skills, expertise, and experience for the appointment as a new director and if necessary conduct external searches for an appropriate candidate with relevant skills or industry experience. The NC interviews each prospective candidate with an appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and commitment required and make recommendations to the Board for approval and adoption.

The role of NC also includes reviewing of the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independence, contribution, and performance. Pursuant to the Company's Constitution, one-third of directors, including the CEO who also serves on the board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. This results in all directors having to retire at least once in three years. All newly appointed directors by the Board shall only hold office until the next AGM, and be eligible for re-election at the AGM. A director who is due for retirement shall abstain from voting on any resolution in respect of his re-nomination as a director.

At the upcoming AGM, Mr. Glenndle Sim and Ms. Lee Kim Lian, Juliana shall retire and being eligible, have agreed to stand for re-election.

The detailed information of the relevant Directors seeking re-election at the forthcoming AGM as required under Appendix 7F of the Catalist Rules can be found on pages 170 to 174.

The Board would generally avoid approving the appointment of alternate directors, unless in exceptional cases of medical emergency. No alternate director has ever been appointed to the Board since the Company was listed on SGX-ST.

4.2 *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*

The NC comprises four (4) directors, a majority of whom are non-executive and independent. The Lead Independent Director is a member of the NC. The current members of the NC comprise the following:

- Ms. Lee Kim Lian, Juliana (NC Chairman, Independent Director)
- Mr. Glenndle Sim (Member, Executive Director)
- Mr. Lim Yeow Hua @ Lim You Qin (Member, Lead Independent Director)
- Mr. Marini Martin Vincent (Member, Independent Director)

4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Please refer to Provision 4.1(d) above.

4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The NC determines annually whether or not a director is independent in accordance with the guidelines on independence as set out in the Code, and considers, reviews, and recommends to the Board any re-appointment of directors. Directors are required to disclose their relationships with the Company, its related corporations, its substantial shareholders, or its officers, if any. Each Independent Director has completed a Director's Independence Declaration to confirm his/ her independence based on the guidelines as set out in the Code for FY2024. The NC has reviewed and is satisfied with the independence of the Independent Directors. Please refer to Provision 2.1 above for further details.

4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

A formal letter stating the duties and responsibilities of the director is given upon the appointment of the director to join the Board and an orientation program to better understand their director's duties and the Company's business is also conducted.

All directors are required to declare their board representations. When a director has multiple board representations, the NC will consider whether the director can adequately carry out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

The NC considers that the multiple Board representations held presently by the Directors do not impede their performance in carrying out their duties to the Company after taking into account their actual conduct on the Board and has ascertained that for the period under review, the Directors were able to carry out and had been adequately carrying out their duties as Directors of the Company.

The Board is satisfied that all of the Directors have given sufficient time and attention to the affairs of the Company and have discharged their duties adequately. No limit on the number of other board representations that a Director may hold has been imposed by the NC as the Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest from serving on other boards.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual directors.

Provisions of the Code

5.1 *The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.*

Group's Corporate Governance practices

The Board's performance is a function of the experience and expertise that each of the Directors brings with them. The NC would assess on an annual basis, the effectiveness of the Board as a whole. Each Director is required to complete a Board Performance Evaluation Form ("**Evaluation Form**") annually, to facilitate the NC in its assessment of the performance of the Board, the Board Committees, and the Directors. Through the Evaluation Form, feedback is collated from the Board on various aspects of the performance of the Board, the Board Committees, and the individual Directors, and the Company Secretary will compile the results of the evaluation form for the purpose of discussion during the NC meeting. During the meeting, the NC Chairman will then, based on the results, ascertain key areas for improvement and requisite follow-up actions. Following the review for FY2024, the Board is of the view that the Board and Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board.

The dates of first appointment and last re-election of each Director, together with their current and preceding three years' directorship in other listed companies and other principal commitments, are set out below:

Further Information on Board of Directors

Sim Soon Ngee Glenndle
Executive Chairman & Chief Executive Officer
Date of first appointment as a director: 30 January 2008
Date of last re-election as a director: 26 April 2023

Board Committee(s) served on	Current Directorship(s) / Principal Commitment(s)	Directorship(s) or Principal Commitment(s) held over the preceding 3 years
NC Member	MIS Investment Pte. Ltd. Mencast Energy Pte. Ltd.* Mencast Innovation Centre Pte. Ltd.* Mencast Investment Holdings Pte. Ltd.* Menji International Pte. Ltd.* Menji AM Tech Pte. Ltd.* Menji Technology Development (Shanghai) Co., Ltd.* Menji Development Pte. Ltd.* Menji Pte. Ltd.#	Singapore Heavy Engineering Pte. Ltd. (Struck off) Houston Technology Center Asia Pte. Ltd. (Struck Off) Vac-Tech Engineering Pte Ltd Virestorm Pte. Ltd.* (Struck off) S & W Pte. Ltd.* (Struck off)

* Subsidiary corporations of Mencast Holdings Ltd.
# Associated company

CORPORATE GOVERNANCE STATEMENT

Wong Boon Huat
Executive Director
Date of first appointment as a director: 4 August 2011
Date of last re-election as a director: 29 April 2024

Board Committee(s) served on	Current Directorship(s) / Principal Commitment(s)	Directorship(s) or Principal Commitment(s) held over the preceding 3 years
-	Chinyee Engineering & Machinery Pte Ltd* Mencast Procurement (Singapore) Pte. Ltd.* Mencast Offshore & Marine group of Companies* Mencast Logistics Pte. Ltd.* Mencast Energy Pte. Ltd.* Mencast Engineering Pte. Ltd.* Mencast Innovation Centre Pte. Ltd.* Mencast Marine Pte Ltd* Mencast Investment Holdings Pte. Ltd.* Menji Pte. Ltd.# Menji AM Tech Pte. Ltd.* Menji Development Pte. Ltd.* Menji International Pte. Ltd.* Recon Propeller & Engineering Pte Ltd* Top Great group of Companies* Mencast Environment Pte. Ltd.*	Mencast Energeers Pte. Ltd.* (Struck off) Mencast Marine (HK) Limited* (Deregistered) Subsea group S & W Process Equipment (Changshu) Co. Ltd. Vac-Tech Engineering Pte Ltd Virestorm Pte. Ltd.* (Struck off) S & W Pte. Ltd.* (Struck off)

* Subsidiary corporations of Mencast Holdings Ltd.
# Associated company

Lim Yeow Hua @ Lim You Qin Kenny
Lead Independent Director
Date of first appointment as a director: 29 April 2024
Date of last re-election as a director: Nil

Board Committee(s) served on	Current Directorship(s) / Principal Commitment(s)	Directorship(s) or Principal Commitment(s) held over the preceding 3 years
AC Chairman NC Member RC Member	Cortina Holdings Limited NauticAWT Limited (in liquidation) MoneyMax Financial Services Ltd. Q & M Dental Group (Singapore) Limited	Assurance Healthcare Limited (formerly known as Revez Corporation Ltd.) Accrelist Ltd. KSH Holdings Limited Oxley Holdings Limited Eratat Lifestyle Limited (in liquidation)

Lee Kim Lian, Juliana
Independent Director
Date of first appointment as a director: 29 July 2024
Date of last re-election as a director: Nil

Board Committee(s) served on	Current Directorship(s) / Principal Commitment(s)	Directorship(s) or Principal Commitment(s) held over the preceding 3 years
NC Chairman AC Member RC Member	Practising lawyer and Director of Aptus Law Corporation Aptus Law Corporation Corporate House Pte. Ltd. Uni-Asia Group Limited BH Global Corporation Limited	Denison Gas Limited Nordic Group Limited VCPlus Limited Hanwha Offshore Singapore Pte. Ltd. (formerly known as Dyna-Mac Holdings Ltd.)

Marini Martin Vincent
Independent Director
Date of first appointment as a director: 29 April 2024
Date of last re-election as a director: Nil

Board Committee(s) served on	Current Directorship(s) / Principal Commitment(s)	Directorship(s) or Principal Commitment(s) held over the preceding 3 years
RC Chairman NC Member AC Member	Eurasian Association, Singapore Restroom Association of Singapore Tanjong Pagar Football Club Perbadanan Pengurusan Inspirasi Bestari M&O Consulting Pte. Ltd. (formerly known as Pawfect Home Pte. Ltd.) APSN Ltd. (Company Secretary)	Singapore Association for the Deaf The Pawfect Companion

5.2 *The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.*

Save for the evaluation form performed by each director and collated by the Company Secretary to facilitate its assessment of the Board, Board Committees, and the individual Directors' performance, the Board has not engaged any other external facilitators in conducting the assessment of the Board's performance for FY2024. Where appropriate, the NC will consider such engagement. When it comes to evaluating the individual directors' performance, the NC has made available a process that would enable the members of the NC to assess the contribution of each individual to the effectiveness of the Board, taking into account numerous factors, including the directors' attendance, participation and contribution at the Board and various Board Committees meetings.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions of the Code

6.1 *The Board establishes a Remuneration Committee ("**RC**") to review and make recommendations to the Board on:*

(a) *a framework of remuneration for the Board and key management personnel; and*

(b) *the specific remuneration packages for each director as well as for the key management personnel.*

6.2 *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

6.3 *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

6.4 *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

Group's Corporate Governance practices

The Company believes in adopting a formal and transparent procedure for determining the remuneration of the directors and Management to ensure that the level of remuneration is appropriate to attract, retain, and motivate the directors and Management to run the Group successfully.

The RC comprises three (3) Non-Executive Directors, all of whom are independent. The current members of the RC comprise the following:

- Mr. Marini Martin Vincent (RC Chairman, Independent Director),
- Mr. Lim Yeow Hua @ Lim You Qin (Member, Lead Independent Director)
- Ms. Lee Kim Lian, Juliana (Member, Independent Director)

The functions of the RC include:

- Recommending to the Board a framework of remuneration for the Board and the key executives of the Group, covering all aspects of remuneration such as Directors' fees, salaries, allowances, bonuses and benefits-in-kind;
- Proposing to the Board, appropriate and meaningful measures for assessing the executive Directors' performance;
- Determining the specific remuneration package for the CEO; and
- Considering and recommending to the Board the disclosure of details of the Company's remuneration policy, level, and mix of remuneration and procedure for setting remuneration and details of the specific remuneration packages of the directors and key executives of the Group to those required by law or by the Code.

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate senior executives and executive Directors, while at the same time ensuring that the reward in each case takes into account individual performance as well as the Group's performance.

No director is involved in any discussion relating to his own compensation, the terms and conditions of service, and the review of his performance. There were no termination, retirement, or post-employment benefits granted to directors, the CEO, and the top five Key Management Personnel.

The RC has access to professional advice from experts outside the Company on remuneration matters for Directors as and when necessary. The RC will ensure that existing relationships between the Company and its appointed consultants, if any, will not affect the independence and objectivity of the consultants. The Company will disclose the names and firms of the consultants, if any, and include a statement on whether the consultants have any such relationships with the Company. No remuneration consultant in respect of the remuneration matters of the Group was engaged during FY2024.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions of the Code

7.1 *A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.*

Group's Corporate Governance practices

The Company advocates a performance-based remuneration system for executive Directors and key executives that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus and participation in a performance share award scheme based on the Group's performance and linking it to the individual's performance.

In determining such remuneration packages, the RC ensures that they are adequate by considering, in consultation with the CEO, amongst other factors, the respective individuals' responsibilities, skills, expertise, and contribution to the Group's performance, and whether they are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talents.

The RC also administers the Company's share-based remuneration incentive plan namely the Mencast Performance Share Award Scheme 2021 ("**PSAS 2021**").

The rationale of PSAS 2021 is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain, and motivate the Group's Executive Directors, Key Management Personnel, and selected employees when and after pre-determined performance target(s) have been achieved. Performance targets set under the PSAS 2021 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth, and productivity growth. The PSAS 2021 aims to provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining superior talent.

The PSAS 2021 is structured to link rewards to corporate and individual performance and is aligned with the interests of Shareholders and promotes the long-term success of the Company.

During FY2024, the Company has granted 5,099,000 shares under the PSAS 2021.

The Company adopts a remuneration policy for all staff comprising fixed and variable components. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus, performance shares or share options that is linked to the Group and each individual's performance and value creation for the Company's stakeholders. The grant of performance shares and share options promotes ownership, accountability, and long-term success of the Company.

The RC carries out annual reviews of the remuneration packages of the directors and the Key Management Personnel, with regards to their contributions as well as the financial performance conditions, which included targets for sales and operating profit before tax of the Group, achieved during the year.

7.2 *The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.*

The RC takes into account the industry norms and standards, the contribution in terms of effort, time spent and responsibilities of each director when determining the remuneration packages of the Non-Executive Directors. Independent Directors receive Directors' fees in accordance with factors such as responsibilities, effort, and time spent serving on the Board and Board Committees. The Directors' fees are recommended by the Board for approval by shareholders at the AGM of the Company. No Directors participate in decisions on their own remuneration.

7.3 *Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.*

The remuneration framework for fixing directors' fees and the key management personnel remuneration adopted by the Company takes into consideration the need to pay competitively to attract, retain, and motivate the Non-Executive Directors and the Management staff. In addition, the Independent Directors are not overly compensated to the extent that their independence may be compromised. The directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at AGMs.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel. In exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company, the Board believes that remedies against the Executive Director(s) and senior management in case of such breach of fiduciary duties will be available.

The Company has current Service Agreements with Mr. Glenndle Sim, the Executive Chairman and CEO, and Mr. Wong Boon Huat, the Executive Director for a fixed period of three years.

Disclosure of Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions of the Code

8.1 *The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:*

(a) *each individual director and the CEO; and*

(b) *at least the top five key management personnel (who are not directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.*

Group's Corporate Governance practices

Please refer to Provisions 7.1 to 7.3 for the Group's policy and criteria for setting remuneration.

The following table shows a breakdown of the total remuneration of the Directors of the Group for FY2024:

Name of Director	Designation	Base/Fixed Salary[1] ($)	Variable/ Performance-related Income/ Bonuses[2] ($)	Directors' Fees[3] ($)	Total ($)
Sim Soon Ngee Glenndle	Executive Chairman and CEO	435,918	114,675	-	550,593
Wong Boon Huat	Executive Director	314,286	93,240	-	407,526
Lim Yeow Hua @ Lim You Qin[7]	Lead Independent Director	-	-	34,667	34,667
Marini Martin Vincent[8]	Independent Director	-	-	29,667	29,667
Lee Kim Lian, Juliana[9]	Independent Director	-	-	18,542	18,542
Sunny Wong Fook Choy[4]	Lead Independent Director	-	-	20,747	20,747
Leow David Ivan[5]	Independent Director	-	-	19,666	19,666
Ng Chee Keong[6]	Independent Director	-	-	17,746	17,746

Notes:

(1) Includes allowances and contributions to Central Provident Fund (where applicable).
(2) Performance bonus is determined in accordance with the respective service agreement.
(3) Directors' fees for FY2024 are subject to Shareholders' approval at the AGM to be held on 28 April 2025.
(4) Sunny Wong Fook Choy retired as independent director on 29 April 2024.
(5) Leow David Ivan retired as independent director on 29 April 2024.
(6) Ng Chee Keong retired as independent director on 29 April 2024.
(7) Lim Yeow Hua @ Lim You Qin was appointed as independent director on 29 April 2024.
(8) Marini Martin Vincent was appointed as independent director on 29 April 2024.
(9) Lee Kim Lian, Juliana was appointed as independent director on 29 July 2024.

The remuneration of the Key Management Personnel of the Group (who are not Directors or the CEO) in bands of $250,000 is set out below:

Name of Key Management Personnel	Salary and Other Benefits %	Performance Bonus[1] %	Total %
$250,001 to $500,000			
San Meng Chee	76	24	100
$250,000 and below			
Wong Boon Hwee	89	11	100
Chia Boon Tat	80	20	100
Kee Kwee Peng	75	25	100
Tan Sock Kiang	81	19	100

Notes:
[1] Performance bonus is determined in accordance with the respective service agreement.

The total remuneration paid to these Key Management Personnel (who are not Directors or the CEO) of the Company in FY2024 is $876,000.

For FY2024, there were no termination, retirement or post-employment benefits granted to the Directors, the CEO, and the Key Management Personnel.

8.2 *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*

The breakdown of the total remuneration of employees who are immediate family members of the Executive Directors for FY2024 is set out below:

Name of Employee	Salary and Other Benefits %	Performance Bonus[1] %	Total %
$200,001 to $250,000			
Wong Boon Hwee[2]	89	11	100
$100,001 to $150,000			
Wong Boon Tian[2]	88	12	100

Notes:
[1] Performance bonus is determined in accordance with the respective service agreement.
[2] Mr. Wong Boon Hwee and Mr. Wong Boon Tian are brothers of the Executive Director, Wong Boon Huat.

Other than as specified above, there are no immediate family members of a Director, CEO, or substantial shareholder whose remuneration exceeds $100,000 for FY2024.

8.3 *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

The Executive Director is not entitled to receive director's fees and the Independent Directors received only directors' fees during the year.

Cash Component in the Directors' Fees

Each independent director receives a basic retainer fee. Independent directors who perform additional services in Board committees receive additional fees.

Share Component in the Directors' Fees

The PSAS 2021 (as defined below) consists of the outright grant of fully paid shares, without any vesting conditions attached.

The number of shares to be awarded to a participating independent director will be determined by reference to the Volume Weighted Average Price of a share in the Company on the SGX-ST over the 5 trading days immediately following the general meeting where the share component in the Directors' Fees is approved. The number of shares to be awarded will be rounded down to the nearest thousand, with any remaining fractional entitlement to be settled in cash.

The Company has share-based remuneration incentive plans, namely the Mencast Performance Share Award Scheme 2021 ("**PSAS 2021**").

The rationale of PSAS 2021 is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain, and motivate the Group's Executive Directors, key management, and selected employees when and after pre-determined performance target(s) have been achieved. Performance targets set under the PSAS 2021 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth, and productivity growth. The PSAS 2021 aims to provide the Company with a more comprehensive set of remuneration tools and further strengthen its competitiveness in attracting and retaining superior talent.

The PSAS 2021 is structured to link rewards to corporate and individual performance and is aligned with the interests of Shareholders and promotes the long-term success of the Company.

During FY2024, the Company has granted 5,099,000 shares under the PSAS 2021.

Please see the Directors' Statement on Performance Shares and also Note 26 to the financial statements for further details on PSAS 2021.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions of the Code

9.1 *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

Group's Corporate Governance practices

The Board and AC are assisted by the Enterprise Risk Management Committee ("**ERMC**") to evaluate the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance, and information technology controls. The ERMC was formed in the year 2012 as part of the Group's efforts to strengthen its risk management processes and framework, in overseeing the formulation, update, and maintenance of adequate and effective risk management and internal control systems.

The ERMC oversees the risk management framework and policies of the Group. It is responsible for, among other things, reviewing the Group's strategy, policies, enterprise risk management framework, processes and procedures for identifying, measuring, reporting, and mitigating key risks in the Group's businesses and operations.

The ERMC comprises the following members:

Name	Department	Designation	ERM Role
Glenndle Sim	Corporate	Executive Chairman/CEO	ERM Sponsor
San Meng Chee	Corporate	CFO	ERM Champion
Janis Anne Mojica	Corporate	Financial Controller	ERM Co-ordinator
Lui Li Ying	Corporate	Accountant	ERM Co-ordinator
Wong Boon Huat	Corporate	Executive Director	Member
Susan Tan	Corporate	Head of Admin & HR	Member
Chia Boon Tat	Corporate	Head, Research & Development	Member
Abdul Malik	Corporate	Group QHSE Manager	Member
Zhao Jun	Energy Services	General Manager	Member
Liu RuYin	Energy Services	Compliance Officer	Member
Javen Kee	Marine	Assistant General Manager	Member

The Company had engaged Forvis Mazars LLP as an independent consultant to assist in setting up the Enterprise Risk Management ("**ERM**") and to document the framework that enables Management to address the financial, operational, information technology, and compliance risks of the key operating units. The process involved the identification of major risks through workshops conducted for the Group's various business units whereby the business units' key risks of financial, operational, information technology, and compliance nature, as well as the countermeasures in place or required to mitigate these risks, were summarised for review by the AC. The documentation provided an overview of the Group's key risks, how they are managed, the key personnel responsible for each identified risk type in the business units, and the various assurance mechanisms in place.

During FY2024, the Group's Independent Auditor and Internal Auditor conducted an annual review of the effectiveness of the Group's internal controls. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

9.2 *The Board requires and discloses in the company's annual report that it has received assurance from:*

(a) *the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and*

(b) *the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.*

The Board had received assurance from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and regarding the effectiveness of the Company's risk management and internal control systems.

In addition, the CEO and CFO have given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance, and information technology risks.

The risk management and internal control procedures for financial, operational, compliance, and information technology and their effectiveness and adequacy are reviewed by the ERMC and the Board and updated regularly to reflect changes in market conditions and the activities of the Group.

Based on the internal controls established and maintained by the Group, works performed by the Independent and Internal auditors, and reviews performed by the Management and AC, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate and effective as at 31 December 2024 to address financial, operational, information technology, and compliance risks, which the Group considers relevant and material to its operations.

The Board and the Audit Committee are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Company will inform shareholders on any sanction-related risks on the Company, the impact on such risk on the financials and operations of the Group, if any, and also the cessation of sanctions-related risk via announcement to SGXNet.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions of the Code

10.1 The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Group's Corporate Governance practices

The AC carried out its functions in accordance with Section 201B(5) of the Companies Act 1967. In performing those functions, the committee carried out the following:

- Reviews the scope and results of internal audit procedures with the Internal Auditor and the effectiveness of the Company's internal audit function;

- Reviews the adequacy of the Group's internal controls, including financial, operational compliance, and information technology as well as sanctions-related risk controls and risk management policies and systems;

- Reviews with the Independent Auditor the audit plan and its report on the weaknesses of internal accounting controls arising from the statutory audit;

- Reviews the assistance given by management to the Independent Auditor, and discusses matters and concerns, if any, arising from the statutory audit, with the management;

- Reviews the balance sheet of the Company and the consolidated financial statements of the Group for the financial year before their submission to the Board of Directors, as well as the Independent Auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group;

- Reviews the Group's financial results before submission to the Board for approval, focusing, in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

- Reviews and discusses with the Independent Auditor any suspected fraud and irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management response;

- Reviews non-audit services performed by the Independent Auditor to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the Independent Auditor before recommending to the Board;

- Reviews the independence and objectivity of the Independent Auditor and the Company's internal audit function;

- Evaluates the quality of work carried out by the Independent Auditor and the Company's internal audit function;

- Considers the appointment and re-appointment of the Independent Auditor and approves the remuneration and terms of engagement of the Independent Auditor;

- Reviews transactions falling within the scope of Chapter 9 of the Catalist Rules;

- Reviews the Group's overall risk assessment processes and review the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Group's operations and finances; and

- Reviews disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems in relation to financial reporting and financial-related risks and controls, including assurances received from the CEO and CFO or other Key Management Personnel.

The AC also undertakes:

- Such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- Such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time.

To effectively discharge its responsibility, the AC has full access to, and the co-operation of, the management and has full discretion to invite any Director and other relevant party to attend its meetings. Full resources are made available to the AC to enable it to discharge its function properly.

The AC has full access to the Independent Auditor and Internal Auditor and meets them at least once a year without the presence of management.

Changes to accounting standards and issues that have a direct impact on financial statements will be highlighted to the AC from time to time by the Independent Auditor. The Independent Auditor will work with Management to ensure that the Group complies with the new accounting standards, if applicable.

In the review of the financial statements for FY2024, the AC had discussed with Management and the Independent Auditor on the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements, and had deliberated the key audit matters ("**KAMs**") presented by the Independent Auditor, including (i) revenue recognition, and (ii) impairment assessment on goodwill. The AC had reviewed the KAMs and concurred with the Independent Auditor and Management on their assessment, judgements and estimates on the significant matters reported by the Independent Auditor as set out under the Independent Auditor's Report on pages 82 to 86 of this Annual Report.

During the year under review, the aggregate amount of fees paid to the Independent Auditor for the audit and non-audit services amounted to $160,000 and $3,000 respectively. Having satisfied the independence of the Independent Auditor, the AC, with the concurrence of the Board, has recommended the re-appointment of CLA Global TS Public Accounting Corporation ("**CLA Global TS**") at the upcoming AGM.

Save for one foreign-incorporated subsidiary corporation which is not a principal subsidiary corporation, all the Company's subsidiary corporations are audited by CLA Global TS and its member firms. The Board and AC are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. The Group is in compliance with Rule 712 and Rule 716 of the Catalist Rules in relation to its Independent Auditor.

The Group has put in place a Whistle Blowing Policy (the "**Policy**"), which provides a channel for employees of the Group to report in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting, or other matters. The Policy is to assist the AC in managing allegations of fraud or other misconduct; disciplinary and civil actions that are initiated following the completion of the investigations are appropriate and fair; and actions are taken to correct the weakness in the existing system of internal processes which allowed the perpetration of the fraud and/or misconduct and to prevent recurrence. The Company ensures the identity of the whistleblower is kept confidential and will provide protection to the whistleblower against detrimental or unfair treatment.

There have been no incidents pertaining to whistle-blowing for FY2024.

10.2 *The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.*

The AC comprises three (3) members, all of whom are Independent Directors. The AC Chairman and members have the recent and relevant accounting and financial management expertise or experience to discharge their responsibilities.

The current members of the AC comprise the following:

- Lim Yeow Hua @ Lim You Qin (AC Chairman, Lead Independent Director)
- Marini Martin Vincent (Member, Independent Director)
- Lee Kim Lian, Juliana (Member, Independent Director)

10.3 *The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.*

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC. None of the AC members have any financial interest in the Company's independent auditors.

10.4 *The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.*

The internal audit function has been outsourced to a professional firm, Forvis Mazars LLP (the "**Internal Auditor**") in order to satisfy and comply with the requirements of best practices set out in the Code. The Internal Auditor reports directly to the AC Chairman on audit-related matters and reports to the CFO of the Company on administrative-related matters. The AC approves the hiring, removal, evaluation, and remuneration of the accounting/audit firm or corporation to which the internal audit function is outsourced. The engagement partner-in-charge has more than 25 years of internal audit experience. He manages a portfolio of outsourced internal audits of various listed companies and government bodies. The engagement team comprises staff who are accountancy graduates with relevant professional certifications such as CA (Singapore), CPA, CIA, and CISA. The Internal Auditor carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors Singapore. The Internal Auditor plans its audit schedules in consultation with, but independent of, the Management. The audit schedules are approved by the AC. The Internal Auditors have unfettered access to all the Company's documents, records, properties, and personnel, including access to the AC.

The AC and Board review the independence, adequacy, and effectiveness of the internal audit function annually and they are satisfied that the Internal Auditor is independent and effective. The Internal Auditor also has adequate resources and appropriate standing within the Group and the Company.

10.5 *The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.*

The AC meets with the internal and external auditors without the presence of Management at least once a year to have unfettered access to information that they may require.

SHAREHOLDER RIGHTS AND ENGAGEMENT

<u>Shareholder Rights and Conduct of General Meetings</u>

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions of the Code

11.1 *The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.*

Group's Corporate Governance practices

The Group encourages active shareholder participation at the general meetings of the Company. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the newspapers and posted on the SGXNet. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability, to put forth any questions they may have on the motions to be debated and decided upon, and to stay informed of the Group's strategic goals and business updates.

11.2 *The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.*

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single-item resolutions. Each item of special business in the notices of the Shareholders' general meetings is accompanied as appropriate, by an explanation for the proposed resolution. Except for resolutions that are interdependent and linked to form one significant proposal, separate resolutions are presented for voting for each substantially separate issue. All resolutions at general meetings of the Company will be put to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency. The results of the poll voting on each resolution tabled will be announced after the general meetings via SGXNet and the Company's website.

11.3 *All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.*

It is the Company's policy that all Directors, including the Chairman of the AC, NC and RC are present at the general meetings to receive shareholders' feedback and address their queries. The Independent Auditors are also invited to attend the AGM and will assist the directors in addressing relevant queries by the shareholders relating to the conduct of the audit and the contents of the Independent Auditors' report.

2025 AGM

The Company will hold its upcoming AGM physically to engage with its shareholders. Details of which are set out in the Notice of AGM. Shareholders can attend, raise questions, and vote by him/herself in person or through an appointment of a proxy.

11.4 *The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.*

Please refer to Provision 11.3 above.

11.5 *The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.*

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management, where relevant. The minutes of general meetings will be published on the SGXNet within one (1) month from the date of the meeting. The Company also makes available minutes of general meetings to shareholders upon their requests.

11.6 *The company has a dividend policy and communicates it to shareholders.*

The Company does not have a fixed dividend policy. The form, frequency, and amount of future dividends on the Company's shares will depend on its earnings, financial position, capital needs, plans for expansion, and other factors that the Company's Directors may deem appropriate. The dividends that the Company's Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Company's Directors:

(i) the level of the Company's cash and retained earnings;
(ii) the Company's actual and projected financial performance;
(iii) the Company's projected levels of capital expenditure and other investment plans; and
(iv) restrictions on payment of dividends imposed on the Company by its financing arrangements (if any).

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions of the Code

12.1 *The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.*

Group's Corporate Governance practices

The Company adopts the practice of regularly communicating major developments in its business and operations through SGXNet and where appropriate also directly to Shareholders, analysts, the media, and its employees. The announcements of the Group's results and material developments are released through SGXNet to the SGX's and the Company's website in a timely manner to ensure fair disclosure of information. The Company does not practise selective disclosure of material information, where there is inadvertent disclosure made to a select group, the Company shall make the same disclosure publicly as promptly as possible. The Board provides the shareholders with a balanced and clear assessment of the Group's performance, financial position, and prospects via the Company's website at www.mencast.com.sg.

All Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuing disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

Any notice of a general meeting to Shareholders is issued at least fourteen (14) clear days (without special resolution) or twenty-one (21) clear days (with special resolution) before the scheduled date of such meeting. Shareholders are informed of the rules and voting procedures that govern the general meeting of the Company.

At general meetings, Shareholders are given the opportunity to pose any questions to the Directors or management relating to the Group's business or performance. The general meeting is the principal forum for any dialogue the Shareholders may have with the Directors and management of the Company.

The Board complies with the relevant rules of the Catalist Rules with prompt announcements of the Company's financial results, presentation, and other price-sensitive information disseminated to Shareholders through announcements via SGXNet, press releases, and the Company's website. The Company's Annual Report is accessible on the Company's website.

The Company is committed to disclosing all relevant information as much as possible in a timely, fair, and transparent manner as well as to hearing and addressing its stakeholders' concerns.

The Company's corporate governance practices are designed to promote fair and equitable treatment of all Shareholders. To facilitate Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate, and timely basis via SGXNet, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company so as to enable Shareholders to make informed decisions about the Company.

The Board also endeavours to maintain regular, timely, and effective communication with Shareholders and investors. Half-year and Full year results and information on material matters required by the Listing Rules are promptly disseminated to Shareholders through announcements made via the SGXNet followed by a news release. Such releases are also made available for future viewing on the Company's website at www.mencast.com.sg.

12.2 *The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.*

The Board welcomes the view of Shareholders on matters affecting the Group. Shareholders are informed of meetings through notices published on SGXNet, the Company's corporate website, and/or in the newspapers and reports or circulars sent to all Shareholders.

The Company may, from time to time, take steps to engage investors or Shareholders and solicit and understand the views of the Shareholder through various corporate presentations where the Company briefs Shareholders and other relevant stakeholders on its financial performance and business. Time is set aside for a Question & Answer session at every briefing.

12.3 *The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.*

The Group encourages feedback, views, and participation of its shareholders at all general meetings and such feedback and views can be sent to the following investor relations contact:

Mr. Chris San, CFO
Tel: 65 6268 4331
E-mail: ir@mencast.com.sg

The Company has put in place an Investor Relations Policy to enhance effective communications and engagements with its investors and shareholders.

Following a comprehensive review to streamline board processes, the Board had dissolved the Corporate Strategy and Communications Committee of the Company, and its duties and responsibilities including development and oversight of the Group's corporate strategy, and ensuring that the Company has appropriate and effective communication of the Group's corporate strategy and initiatives with its external stakeholders were directly undertaken by the Board with effect from 29 July 2024.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions of the Code

13.1 *The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.*

13.2 *The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.*

13.3 *The company maintains a current corporate website to communicate and engage with stakeholders.*

Group's Corporate Governance practices

Stakeholder relations are important for the sustainable growth of the Company's business and therefore the Company seeks to maintain an open and transparent dialogue with its material stakeholders. The Company engages its stakeholders regularly through the following channels to understand and address their needs and expectations.

The Company may, from time to time, take steps to engage investors or Shareholders and solicit and understand the views of the Shareholders through various corporate presentations where the Company briefs Shareholders and other relevant stakeholders on its financial performance and business. Time is set aside for a Question & Answer session at every briefing. The Company has put in place a Stakeholder Engagement Policy to enhance effective communications and engagements with its material stakeholders.

The Company maintains a corporate website www.mencast.com.sg to communicate to the public about its latest developments.

OTHER CORPORATE GOVERNANCE MATTERS

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC 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 IPT during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)		Aggregate value of all IPT conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
		2024 $	2023 $	**2024 $**	2023 $
McLink Asia Pte Ltd	Associates	**36,000***	30,000*	**Nil*****	Nil***
MPS Solutions Pte Ltd		**71,000***	92,000*		
Sigi Beauty Pte Ltd		**-**	-		
Ole Investment Pte Ltd		**-**	-		
Ole Motorsports Pte Ltd		**Nil****	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 of the SGX-ST.

Material Contracts

Except as disclosed on SGXNet or herein for the financial year concerned, there were no material contracts of the Company or its subsidiary corporations involving the interests of the CEO, Directors or controlling Shareholder either still subsisting as at the financial year under review or if not subsisting, were entered into at the end of the FY2024.

Securities Transactions

The Company has adopted internal regulations with respect to dealings in securities by Directors and officers of the Group which complies with Rule 1204(19) of the Catalist Rules of the SGX-ST. The Directors, management, and officers of the Group who have access to price-sensitive, financial, or confidential information are not permitted to deal in the Shares during the periods commencing one month before the announcement of the Group's half-year and full-year financial results, and ending on the date of announcement of such result, or when they are in procession of unpublished price-sensitive information of the Group. In addition, the officers of the Company are advised not to deal with the Shares for short-term considerations and they are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

CORPORATE GOVERNANCE STATEMENT

Sustainability Management

The Group considers sustainability issues as part of its strategic formulation. We are committed to sustainability and corporate governance in setting our business strategies and operations. We adopt an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of our overall strategy to ensure that the best interests of the Group are served. Our Sustainability Report has been prepared with reference to GRI Standards 2021 and Singapore Exchange Catalist Rules 711(A) and (B), to understand and communicate our critical sustainability issues on environmental, economic and social performance ability issues to stakeholders. Additionally, aligned with global focus on climate-related risks, opportunities and its impact to businesses, the Group has since FY2022, adopted a phased approach for climate-related disclosure in accordance with the recommendations of Task Force on Climate-Related Financial Disclosures ("**TCFD**"). For more details and information on Sustainability Report, please see pages 18 to 48.

Sponsorship

There were no non-sponsor fees paid or payable to the Company's sponsor, SAC Capital Private Limited during FY2024.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

In the opinion of the Directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 87 to 162 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are as follows:

Sim Soon Ngee Glenndle
Wong Boon Huat
Lim Yeow Hua @ Lim You Qin (appointed on 29 April 2024)
Marini Martin Vincent (appointed on 29 April 2024)
Lee Kim Lian, Juliana (appointed on 29 July 2024)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Performance Shares" on pages 78 and 79 in this statement.

Directors' interests in shares or debentures

According to the register of Directors' shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director or nominee		Holdings in which Director is deemed to have an interest	
The Company	**At 31.12.2024**	At 1.1.2024 or date of appointment, if later	**At 31.12.2024**	At 1.1.2024 or date of appointment, if later
(No. of ordinary shares)				
Sim Soon Ngee Glenndle	**86,852,900**	86,852,900	**63,402,800**	63,402,800
Wong Boon Huat	**31,531,106**	31,531,106	**-**	-
Sunny Wong Fook Choy[a]	**-**	2,620,800	**-**	-
Leow David Ivan[a]	**-**	8,190,400	**-**	-
Ng Chee Keong[a]	**-**	2,113,500	**-**	-

[a] Retired as Independent Director on 29 April 2024.

By virtue of Section 7 of the Companies Act 1967 of Singapore ("**Companies Act**"), Sim Soon Ngee Glenndle is deemed to have interests in the shares of all the subsidiary corporations at the beginning and at the end of the financial year.

The Directors' interests in the ordinary shares of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Performance shares

Mencast Performance Share Award Scheme 2021 (the "PSAS 2021")

PSAS 2021 was approved by members of the Company at an Extraordinary General Meeting ("**EGM**") held on 30 April 2021. PSAS 2021 provides for the award of fully paid-up ordinary shares ("**Share Awards**") in the share capital of the Company, free of charge to group employees (which includes Group Executive Directors and Group Non-Executive Directors).

Controlling Shareholders or Associates of a Controlling Shareholder who meet the eligibility criteria are also eligible to participate in the PSAS 2021 provided that the participation of and the terms of each grant and the actual number of awards granted to a participant who is a Controlling Shareholder, or an associate of a Controlling Shareholder shall be approved by the Independent Shareholders in separate resolutions for each such person.

The PSAS 2021 is a share incentive scheme that allows the Company to provide an incentive for the participants to achieve certain specific performance condition(s) by awarding fully paid shares after these targets have been met. The focus of PSAS 2021 is principally to target employees and executives in key positions who are in the best position to drive the growth of the Group through innovation, creativity and superior performance.

The Board of Directors believes that the purposes of adopting the PSAS 2021 are to:

(a) Provide an opportunity for participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group;

(b) Motivate participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

(c) Give recognition to contributions made to or to be made by participants by introducing a variable component into their remuneration package; and

(d) Make employee remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

The PSAS 2021 is administered by the Remuneration Committee ("**RC**").

The Company may deliver shares pursuant to awards granted under the PSAS 2021 by way of:

(a) Issuance of new shares; and/or

(b) Transfer of treasury shares.

The aggregate number of ordinary shares over which the Company may grant under the PSAS 2021 shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

During the financial year ended 31 December 2024, the Company, pursuant to the PSAS 2021, granted an aggregate of 5,099,000 Share Awards to eligible employees of the Group, which automatically vested on the date of grant on 28 May 2024 (Note 26).

Performance shares (continued)

Mencast Performance Share Award Scheme 2021 (the "PSAS 2021") (continued)

The following are the details of the Share Awards under the PSAS 2021 granted to Directors and Controlling Shareholders since its commencement:

Name	Aggregate Share Awards granted and vested since the commencement of the PSAS 2021 to 31 December 2023	Share Awards granted and vested during the financial year 31 December 2024	Aggregate Share Awards granted and vested since the commencement of the PSAS 2021 to 31 December 2024
	'000	'000	'000
Sim Soon Ngee Glenndle[1]	1,111	-	1,111
Wong Boon Huat	889	-	889
Lim Yeow Hua @ Lim You Qin	-	-	-
Marini Martin Vincent	-	-	-
Lee Kim Lian, Juliana	-	-	-
Sunny Wong Fook Choy[2]	1,122	-	1,122
Leow David Ivan[2]	1,063	-	1,063
Ng Chee Keong[2]	959	-	959
Total	**5,144**	**-**	**5,144**

[1] Aside from being the Executive Chairman and Chief Executive Officer of the Company, Sim Soon Ngee Glenndle is also a Controlling Shareholder of the Company.

[2] Retired as Independent Director on 29 April 2024. The Company allotted and issued an aggregate of 3,144,000 Share Awards to the Independent Directors of the Company in accordance with the fee arrangement for Independent Directors from financial years ended 31 December 2021 to 2023, as approved by the Company's shareholders at the respective annual general meetings.

As at 31 December 2024:

(a) There are no outstanding Share Awards under the PSAS 2021;

(b) 20,049,000 shares have been delivered upon vesting of the Share Awards granted under the PSAS 2021 since its commencement, representing approximately 4.35% of the issued shares (excluding treasury shares); and

(c) A total of 25 participants have been awarded under the PSAS 2021 since its commencement.

(d) Save as disclosed above, no Share Awards have been granted to controlling shareholders of the Company or their associates (as defined in PSAS 2021).

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Lim Yeow Hua @ Lim You Qin (Chairman)
Marini Martin Vincent
Lee Kim Lian, Juliana

All members of the Audit Committee were independent and non-executive Directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act.

DIRECTORS' STATEMENT
For the financial year ended 31 December 2024

Audit Committee (continued)

In performing those functions, the Audit Committee:

- Reviewed the scope and results of internal audit procedures with the Internal Auditor and the effectiveness of the Company's internal audit function;

- Reviewed the adequacy of the Group's internal controls, including financial, operational compliance and information technology as well as sanctions-related risk controls and risk management policies and systems;

- Reviewed with the Independent Auditor, the audit plan and its report on the weaknesses of internal accounting controls arising from the statutory audit;

- Reviewed the assistance given by Management to the Independent Auditor, and discussed matters and concerns, if any, arising from the statutory audit, with the Management;

- Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year before their submission to the Board of Directors, as well as the Independent Auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group;

- Reviewed the Group's financial results before submission to the Board of Directors for approval, focusing, in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

- Reviewed and discussed with the Independent Auditor any suspected fraud and irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management response;

- Reviewed non-audit services performed by the Independent Auditor to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the Independent Auditor before recommending to the Board of Directors;

- Reviewed the independence and objectivity of the Independent Auditor and the Company's internal audit function;

- Evaluated the quality of work carried out by the Independent Auditor and the Company's internal audit function;

- Considered the appointment and re-appointment of the Independent Auditor and approved the remuneration and terms of engagement of the Independent Auditor;

- Reviewed transactions falling within the scope of Chapter 9 of the Catalist Rules;

- Reviewed the Group's overall risk assessment processes and reviewed the assurance provided by the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Group's operations and finances; and

- Reviewed disclosures in the annual report relating to the adequacy and effectiveness of risk management and internal control systems in relation to financial reporting and financial-related risks and controls, including assurances received from the CEO and CFO or other Key Management Personnel.

The Audit Committee has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation be nominated for re-appointment at the forthcoming Annual General Meeting ("**AGM**") of the Company.

Independent auditor

The Independent Auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Sim Soon Ngee Glenndle
Director

Wong Boon Huat
Director

3 April 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Mencast Holdings Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mencast Holdings Ltd. (the "**Company**") and its subsidiary corporations (the "**Group**") which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 87 to 162.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "**Companies Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter

1. Revenue recognition

As disclosed in Notes 2.2 and 4 to the financial statements, the Group's revenue is primarily generated from:

i. Sale of goods, services income from maintenance, repair and overhaul and waste management are recognised at a point in time when the Group satisfied its performance obligation by transferring the control of the promised products and services to the customers, that is when the products are delivered to the destination specified by the customers and when services are rendered and accepted by customers; and

ii. Construction contracts for the manufacturing and production of specialised equipment for contract customers are recognised when the control over specialised equipment has been transferred to the customer. The specialised equipment has no alternative use for the Group due to contractual restrictions, and the Group has enforceable rights to payment arising from the contractual terms. Revenue is recognised over time by reference to the Group's progress towards completing the construction of the specialised equipment.

During the financial year ended 31 December 2024, the Group recognised revenue of $53,490,000 (2023: $48,417,000) (Note 4) from the above revenue segments.

We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition, and revenue is one of the key performance indicators of the Group. The potential existence of Management to override controls and large volume of transactions also increase the inherent risk of material misstatement in the amount of revenue reported.

In obtaining sufficient audit evidence, the following procedures have been performed:

- Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with Management, to assess the Group's revenue recognition policy is in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, in particular the identification of performance obligations, and the timing of revenue recognition (i.e. at a point in time or over time);

- Discussed with Management on the processes involved in the sales cycle for each revenue stream and performed walkthrough tests to corroborate our understanding;

- Evaluated the effectiveness of key controls over the sales cycle and performed test of controls to ascertain the reliabilities of such key controls;

- Assessed the risks of material misstatement arising from ordinarily presumed fraud risk on revenue recognition in accordance with SSA *240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements;*

- Performed substantive audit procedures, credit note review and sales cut-off tests to ascertain the validity and completeness of revenue and whether it has been recognised in the appropriate financial year;

- Reviewed the journal entries related to revenue to detect any unusual sales transactions or any indication of fraud; and

- Reviewed the adequacy of disclosures by Management in Notes 2.2 and 4 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mencast Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Impairment assessment on goodwill	
As disclosed in Notes 3(a) and 22 to the financial statements, the intangible assets of the Group, primarily consisting of goodwill arising from consolidation, amounted to $4,781,000 (2023: $4,781,000) as at 31 December 2024. The goodwill is assessed for impairment annually and whenever there is an indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of its existing goodwill arising from Recon Propeller & Engineering Pte Ltd ("**Recon**"), being the cash-generating unit ("**CGU**") identified and allocated according to operating entities. Significant judgements are used by the Management to assess the recoverable amount of the CGU, which is highly dependent on the Management's forecasts and estimates, this includes, but is not limited to, discount rate, growth rate, projected cash flows and assumptions that are affected by market and economic conditions. Management has considered all factors and concluded that there is no impairment required in respect of the goodwill as at 31 December 2024. We focused on this area due to the level of the subjectivity associated with the judgement and assumptions involved in the forecast and estimates, which forms the basis of the assessment of recoverability over goodwill.	In obtaining sufficient audit evidence, the following procedures have been performed: • Evaluated Management's methodology used to assess the recoverable amount of goodwill; • Reviewed Management's budgeting process by comparing the actual results achieved against previously forecasted budgets; • Reviewed the value-in-use calculations prepared by Management and reperformed the calculation to validate their accuracy; • Involved our internal valuation specialist in assessing the reasonableness of the discount rate used; • Assessed the sensitivity of the key estimates on the impairment assessment, based on reasonably possible changes in key estimates; and • Reviewed the adequacy of goodwill disclosures by Management in Notes 3(a) and 22 to the financial statements.

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mencast Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Companies Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act.

The engagement director on the audit resulting in this independent auditor's report is Loh Hui Nee.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
3 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	4	**53,490**	48,417
Cost of sales		**(37,670)**	(34,271)
Gross profit		**15,820**	14,146
Other gains and losses			
- Interest income – bank deposits		**70**	32
- Loss allowance on trade receivables	30(b)	**-**	(60)
- Write-off of trade receivables		**-**	(4)
- Others	5	**3,264**	6,058
Expenses			
- Administrative		**(9,953)**	(9,958)
- Finance	8	**(6,414)**	(7,429)
Share of loss of associated companies	18	**-**	(37)
Profit before income tax		**2,787**	2,748
Income tax expense	9	**(480)**	(244)
Net profit		**2,307**	2,504
Other comprehensive income/(loss), net of tax			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences for foreign operations			
- Loss	27	**(15)**	(46)
Item that will not be reclassified subsequently to profit or loss:			
Fair value gain on financial assets, at FVOCI	15	**26**	4
Total comprehensive income		**2,318**	2,462
Net profit/(loss) attributable to:			
Equity holders of the Company		**2,419**	1,461
Non-controlling interests		**(112)**	1,043
		2,307	2,504
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**2,430**	1,419
Non-controlling interests		**(112)**	1,043
		2,318	2,462
Earnings per share attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	**0.53**	0.32

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**10,163**	10,470	**1,343**	524
Trade and other receivables	12	**14,407**	14,041	**34,614**	36,959
Inventories	13	**5,020**	4,076	**-**	-
Contract assets	4	**1,214**	249	**727**	607
		30,804	28,836	**36,684**	38,090
Assets of disposal group classified as held-for-sale	14	**70,544**	70,544	**-**	-
		101,348	99,380	**36,684**	38,090
Non-current assets					
Financial assets, at FVOCI	15	**117**	91	**-**	-
Investments in subsidiary corporations	16	**-**	-	**44,121**	48,821
Investment in a joint venture	17	**-**	-	**-**	-
Investments in associated companies	18	**-**	-	**-**	-
Property, plant and equipment	19	**68,078**	75,860	**9**	39
Deposits for purchase of property, plant and equipment		**1,440**	881	**-**	-
Intangible assets	22	**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	23	**9,660**	8,376	**17,854**	17,449
Contract liabilities	4	**2,661**	1,177	**-**	-
Borrowings	24	**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	14	**66,745**	67,238	**-**	-
		87,236	86,817	**20,726**	20,321
Non-current liabilities					
Borrowings	24	**51,536**	60,062	**35,132**	37,799
Deferred income tax liabilities	25	**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	26	**93,420**	93,267	**93,420**	93,267
Fair value reserve		**40**	14	**-**	-
Translation reserve	27	**(959)**	(986)	**-**	(42)
Accumulated losses		**(59,150)**	(61,527)	**(68,464)**	(64,395)
		33,351	30,768	**24,956**	28,830
Non-controlling interests	16	**1,562**	1,594	**-**	-
Total equity		**34,913**	32,362	**24,956**	28,830

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

		Attributable to equity holders of the Company						
	Note	Share capital $'000	Fair value reserve* $'000	Translation reserve* $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group								
2024								
Balance as at 1 January 2024		**93,267**	**14**	**(986)**	**(61,527)**	**30,768**	**1,594**	**32,362**
Share issue pursuant to:								
- Share Awards under the PSAS 2021	26	153	-	-	-	153	-	153
Incorporation of a new subsidiary corporation		-	-	-	-	-	80	80
Write-off of translation reserve from an associated company	27	-	-	42	(42)	-	-	-
Total comprehensive income/(loss) for the financial year		-	26	(15)	2,419	2,430	(112)	2,318
End of financial year		**93,420**	**40**	**(959)**	**(59,150)**	**33,351**	**1,562**	**34,913**
2023								
Balance as at 1 January 2023		**93,082**	**10**	**(940)**	**(62,988)**	**29,164**	**1,711**	**30,875**
Share issue pursuant to:								
- Share-based payment	26	35	-	-	-	35	-	35
- Share Awards under the PSAS 2021	26	150	-	-	-	150	-	150
Dividends payable to non-controlling interests	16	-	-	-	-	-	(1,200)	(1,200)
Incorporation of a new subsidiary corporation		-	-	-	-	-	40	40
Total comprehensive income/(loss) for the financial year		-	4	(46)	1,461	1,419	1,043	2,462
End of financial year		**93,267**	**14**	**(986)**	**(61,527)**	**30,768**	**1,594**	**32,362**

* Fair value and translation reserves are not available for distribution.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Net profit		**2,307**	2,504
Adjustments for:			
- Income tax expense	9	**480**	244
- Depreciation of property, plant and equipment	6	**7,904**	8,291
- Discount on Net Working Capital	5	**-**	82
- Dividend income from financial assets, FVOCI	5	**-**	(3)
- Impairment loss on property, plant and equipment	5	**805**	38
- Loss/(gain) on disposal of non-current assets held-for-sale	5	**61**	(3,793)
- Loss on disposal of property, plant and equipment	5	**83**	1,022
- Shares Awards under the PSAS 2021	7	**153**	150
- Share of loss of associated companies	18	**-**	37
- Interest income		**(70)**	(32)
- Interest expense	8	**6,414**	7,429
- Currency translation differences		**(12)**	(26)
		18,125	15,943
Change in working capital, net of acquisition of a subsidiary corporation			
- Trade and other receivables		**(1,290)**	1,445
- Inventories		**(944)**	1,566
- Contract assets		**(965)**	85
- Trade and other payables		**1,305**	1,550
- Contract liabilities		**1,484**	(962)
Cash generated from operations		**17,715**	19,627
Interest received		**70**	32
Income tax paid		**-**	(661)
Net cash provided by operating activities		**17,785**	18,998
Cash flows from investing activities			
Acquisition of a subsidiary corporation	33	**191**	-
Dividend income from financial assets, FVOCI	5	**-**	3
Proceeds from disposal of non-current assets classified as held-for-sale		**1,034**	6,764
Proceeds from disposal of property, plant and equipment		**147**	9,692
Purchase of property, plant and equipment		**(2,241)**	(3,486)
Receipt of asset-related government grant	19	**1,050**	-
Short-term bank deposits pledged		**(13)**	(7)
Net cash provided by investing activities		**168**	12,966
Cash flows from financing activities			
Interest paid		**(6,474)**	(7,520)
Repayment of bank borrowings		**(10,903)**	(21,048)
Repayment of lease liabilities		**(1,397)**	(1,856)
Increase/(decrease) of trade financing		**801**	(143)
Proceeds from issuance of subsidiary corporation's shares to non-controlling		**-**	40
Dividends paid to non-controlling interest		**(300)**	-
Net cash used in financing activities		**(18,273)**	(30,527)
Net (decrease)/increase in cash and cash equivalents		**(320)**	1,437
Cash and cash equivalents			
Beginning of financial year		**9,958**	8,521
End of financial year	11	**9,638**	9,958

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

Reconciliation of liabilities arising from financing activities

	As at 1 January 2024 $'000	Proceeds from borrowings $'000	Principal and interest payments $'000	Non-cash changes					As at 31 December 2024 $'000
				Addition during the financial year $'000	Interest expense $'000	Foreign exchange movement $'000	Acquisition arising from business combination (Note 33) $'000	Accrued interest $'000	
Bank borrowings*	116,751	-	(16,703)	-	5,740	-	-	60	105,848
Lease liabilities*	18,688	-	(1,946)	235	549	(2)	238	-	17,762
Trade financing*	1,566	9,954	(9,278)	-	125	-	-	-	2,367

	As at 1 January 2023 $'000	Proceeds from borrowings $'000	Principal and interest payments $'000	Non-cash changes			As at 31 December 2023 $'000
				Addition during the financial year $'000	Interest expense $'000	Accrued interest $'000	
Bank borrowings*	137,799	-	(27,953)	-	6,814	91	116,751
Lease liabilities*	20,264	-	(2,397)	280	541	-	18,688
Trade financing*	1,709	5,285	(5,502)	-	74	-	1,566

** Bank borrowings, lease liabilities and trade financing include the liabilities directly associated with disposal group classified as held-for-sale.*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Mencast Holdings Ltd. on 3 April 2025.

1. General information

Mencast Holdings Ltd. (the "**Company**") is listed on the Catalist Board of 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.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 16 to the financial statements.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 to the financial statements.

Going concern

On 13 February 2024, the Group entered into a letter agreement dated 6 February 2024 to amend certain terms of the Amended Debt Restructuring Agreement ("**Further Amended DRA**") as below:

(a) All financial covenants under the relevant existing facility agreements (i.e. clauses pertaining to financial conditions, the breach of which would result in an event of default under such facility agreements) will be waived until 31 March 2026, and no event of default under and/or breach of such existing facility agreements shall arise therefrom;

(b) The Group shall deleverage its debt by at least $55,000,000 on or before 31 March 2026 through the divestment of certain agreed non-core assets and an identified non-core business unit of the Group; and

(c) During the restructuring period and until 31 March 2026, the Group shall not pay dividends or any other forms of distributions to its shareholders.

The Further Amended DRA has no changes to the terms as per the agreement dated 13 October 2021. The Amended DRA was further modified by a Deed of Removal of Parties, removing certain parties in the Amended DRA.

The following group of companies remain parties to the Further Amended DRA and shall continue to be responsible for fulfilling the obligations contained therein:

1. Mencast Holdings Ltd.;
2. Mencast Engineering Pte. Ltd.;
3. Mencast Marine Pte Ltd;
4. Mencast Offshore & Marine Pte. Ltd.; and
5. Recon Propeller & Engineering Pte Ltd.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern (continued)

The Management is making a continuous effort and actively seeking potential buyers to divest an identified non-core asset to deleverage its debts by at least $55,000,000 on or before 31 March 2026.

The Board of Directors has concluded that the Group has sufficient financial resources and there is no material uncertainty regarding the Group's ability to continue as a going concern for at least the next twelve months from the date of authorisation of these financial statements, having assessed the sources of funding and support made available to the Group.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the products has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery has occurred when the products have been shipped to the specific locations, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance terms have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Rendering of services

Services income from maintenance, repair and overhaul and waste management

Revenue from service income from maintenance, repair and overhaul and waste management are recognised at a point in time when the services are rendered and accepted by customers. Advances from customers are deferred and classified as "Contract liabilities" until the revenue is recognised. Labour and overhead costs incurred relating to reconditioning services are deferred and classified as "Contract assets" until the revenue is recognised. Unbilled revenue on completed services is recognised as "Contract assets".

(c) Construction contracts

The construction division manufactures and produces specialised equipment for customers through fixed-price contracts. Revenue is recognised when the control over the specialised equipment has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the equipment over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.2 Revenue recognition (continued)

(c) *Construction contracts* (continued)

The specialised equipment has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. 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 relative to the estimated total contract costs ("**input method**"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

For certain contracts where the Group does not have an enforceable right to payment, revenue is recognised only when the completed specialised equipment is delivered to the customers and the customers have accepted it in accordance with the sales contract.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms are an industry practice to protect the customer from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a "Contract asset" is recognised. If the payments exceed the value of the goods transferred, a "Contract liabilities" is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g., Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(d) *Interest income*

Interest income is recognised using the effective interest rate method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2. Material accounting policies (continued)

2.2 Revenue recognition (continued)

(f) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(g) Sale of scrap

Revenue from the sale of scrap is recognised at a point in time when the Group has delivered the scrap to the customer, the customer has accepted the scrap, and the collectability of the related receivables is reasonably assured.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Government grants relating to expenses are shown separately as "Other gains – net".

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Please refer to Note 2.6 "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation, including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.8 "Investments in subsidiary corporations, associated companies and a joint venture" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. Material accounting policies (continued)

2.4 Group accounting (continued)

(c) *Associated companies and joint venture*

Associated companies are entities over which the Group has significant influence but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint venture is an entity over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated companies or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in associated companies or joint venture equals to or exceeds its interest in the associated companies or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies or joint venture. If the associated companies or joint venture subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint venture are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interests in the former associated companies or joint venture is a financial asset, the retained equity interest are measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.8 "Investments in subsidiary corporations, associated companies and a joint venture" for the accounting policy on investments in associated companies and a joint venture in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Buildings on leasehold land*

Buildings on leasehold land are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs).

(b) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	Over the lease periods of 9 to 60 years
Leasehold building	Over the lease periods of 3 years
Buildings on leasehold land	Over the lease periods of 9 to 60 years
Machinery and equipment	10 - 15 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	5 to 10 years
Vessels	7 to 15 years
Computer	1 to 3 years
Renovation	5 years

No depreciation is provided on construction in progress, however, it is subject to impairment.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains – net".

2. Material accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint venture represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint venture is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations, associated companies and joint venture include the carrying amount of goodwill relating to the entity sold.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the asset being ready for its intended use less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.8 Investments in subsidiary corporations, associated companies and a joint venture

Investments in subsidiary corporations, associated companies and a joint venture are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("**CGU**") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

(b) *Property, plant and equipment*
Right-of-use assets
Investments in subsidiary corporations, associated companies and a joint venture

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations, associated companies and a joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the balance sheet date whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income (FVOCI)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

2. Material accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification and measurement* (continued)

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank balances and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on a 12-month expected credit loss if there is no significant increase in credit risk since the initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.10 Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed using the impairment methodology under Note 2.10 to the financial statements.

2.13 Borrowings

Borrowings are presented as current liabilities unless at the balance sheet date, the Group has the right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the balance sheet date are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the balance sheet date do not affect the classification at the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation is extinguished, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2. Material accounting policies (continued)

2.15 Leases

(a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within the respective categories in "Property, plant and equipment".

(ii) Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.15 Leases (continued)

(a) *When the Group is the lessee* (continued)

(ii) *Lease liabilities* (continued)

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) *When the Group is the lessor*

The Group leases out certain office and workshop spaces of its leasehold properties under operating leases to non-related parties.

(i) *Lessor – Operating leases*

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

(ii) *Lessor – Subleases*

In classifying a sublease, the Group, as an intermediate lessor classifies the sublease as an operating lease with reference to the right-of-use asset arising from the head lease rather than the underlying asset.

When the sublease is assessed as an operating lease, the Group recognises lease income from the sublease in profit or loss within "Other gains – net". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2. Material accounting policies (continued)

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associated companies and a joint venture, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's Shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(c) *Performance shares*

Benefits to employees, including the Directors, are provided in the form of share-based payment transactions, whereby employees render services in exchange for the shares or right over shares ("**equity-settled transactions**"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or granted, excluding the impact of any non-market vesting conditions. These fair values are based on the market price of the entity's share on the grant date. This fair value is recognised in profit or loss over the vesting period of the share-based payment scheme with the corresponding increase in equity. The value of change is adjusted in profit or loss over the remaining vesting period to reflect expected and actual levels of shares vested, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore, any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(d) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Singapore Dollar ("**SGD**" or "**$**"), which is the functional currency of the Company and have been rounded to the nearest thousand ("**$'000**").

2. Material accounting policies (continued)

2.20 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "Other gains – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the balance sheet date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet date.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, whose members are responsible for allocating resources and assessing the performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts and short-term bank deposits pledged. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meets the definition of cash and cash equivalents.

2.23 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("**Treasury shares**"), the carrying amount, which includes the consideration paid and any directly attributable transaction cost, is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.24 Dividends to Company's Shareholders

Dividends to the Company's Shareholders are recognised when the dividends are approved for payment.

2.25 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) Represents a separate major line of business or geographical area of operations; or

(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) Is a subsidiary corporation acquired exclusively with a view to resale.

3. Critical accounting estimates, assumptions and judgements

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.

(a) *Impairment of goodwill*

There are no impairment charges on its goodwill during the financial years ended 31 December 2024 and 2023 respectively.

In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 22 to the financial statements, the recoverable amounts of the CGUs in which goodwill has been attributable to are determined using value-in-use ("**VIU**") calculation.

Significant judgements are used to estimate the weighted average growth rates and the pre-tax discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, Management has relied on past performance, its expectations of market developments and the industry trends. Specific estimates are disclosed in Note 22 to the financial statements.

For goodwill attributable to Recon CGU, the change in the estimated recoverable amount from any reasonably possible change in the key estimates does not materially cause the recoverable amount to be lower than its carrying amount. Please refer to the key assumptions in Note 22 to the financial statements.

(b) *Impairment of property, plant and equipment*

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, CGU have been determined based on fair value less costs to sell and VIU. The carrying amounts of property, plant and equipment at the balance sheet date are disclosed in Note 19 to the financial statements.

The Group has recognised an impairment charge on property, plant and equipment of $805,000 (2023: $38,000) (Notes 5 and 19) as the estimated recoverable amounts are less than the carrying amount and/or fair value less costs to sell for the financial year ended 31 December 2024.

(c) *Depreciation of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be between 1 and 60 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2024 was $68,078,000 (2023: $75,860,000) (Note 19). Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Critical accounting estimates, assumptions and judgements (continued)

(d) *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 these 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 of completed projects.

As at 31 December 2024, $239,000 (2023: $192,000) (Note 4(b)) of the Group's contract assets is subjected to the estimation of progress towards completion using the input method. If the total contract cost of on-going contracts to be incurred had been higher/lower by 5% (2023: 5%) from Management's estimates, the Group's revenue/contract assets would have been lower and higher by $90,000 and $139,000 (2023: $70,000 and $188,000). If the total contract costs to complete the ongoing contracts had been higher by 10% (2023: 10%) from Management's estimates, no provision for onerous contracts are required for the financial years ended 31 December 2024 and 2023 respectively.

(e) *Expected credit loss ("**ECL**") for trade and other receivables and contract assets*

The Group's and the Company's credit risk exposure for trade and other receivables and contract assets by different revenue segments are set out in Note 30(b) to the financial statements.

<u>*Trade receivables and contract assets*</u>

As at 31 December 2024, the Group's trade receivables and contract assets amounted to $12,059,000 (2023: $10,153,000) (Notes 4(d) and 12) and $1,214,000 (2023: $249,000) (Note 4(b)) respectively, arising from the Group's different revenue segments – offshore and engineering, marine and energy services.

Based on the Group's historical credit loss experience, trade receivables and contract assets exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, Management has determined the expected loss rates by grouping the receivables across geographical regions from each revenue segment. Management had assessed and concluded that no loss allowance for trade receivables are required for the financial year ended 31 December 2024. However, Management had recognised a loss allowance of $60,000 (Note 30(b)) for the financial year ended 31 December 2023.

During the financial year ended 31 December 2024, Management had assessed and concluded to write off a loss allowance for trade receivables from non-related parties amounting to $572,000 (2023: $Nil) (Note 30(b)) as there are no indication of recovery.

3. Critical accounting estimates, assumptions and judgements (continued)

(e) *Expected credit loss ("**ECL**") for trade and other receivables and contract assets* (continued)

Non-trade receivables from subsidiary corporations

The Group and the Company use the general approach for assessment of ECLs for other receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition. For the financial year ended 31 December 2024, the Company has made a loss allowance amounting to $3,484,000 (2023: $3,000,000) (Note 30(b)) as there are no reasonable ground to recover the receivables from these subsidiary corporations.

Management had assessed and concluded that no loss allowance for other receivables was written off for the financial year ended 31 December 2024. However, Management had written off a loss allowance of $10,080,000 (Note 30(b)) during the financial year ended 31 December 2023, as there are no indication of recovery.

(f) *Disposal group classified as held-for-sale*

As at 31 December 2024, the carrying amount of assets and liabilities held-for-sale were $70,544,000 and $66,745,000 (2023: $70,544,000 and $67,238,000) respectively. The details were disclosed in Note 14 to the financial statements. The balances are mainly related to Management's consistent and conscientious effort to divest identified non-core assets to pare down its debt in accordance with the Further Amended DRA (2023: Further Amended DRA) (Note 2.1 – Going concern).

Accounting for a disposal group classified as held-for-sale involves significant Management judgments, which include the conditions required for classification as a disposal group held-for-sale, valuation of identified non-core assets, and presentation in the financial statements.

Significant judgments were used to assess the classification of identified non-core assets and liabilities as a disposal group held-for-sale. As at 31 December 2024, the disposal of identified non-core assets has not been completed from the initial date of classification. The Management had assessed and is of the view that it remained appropriate for the Group to continue to classify the identified non-core assets and liabilities as a disposal group classified as held-for-sale, as the delay of sale is caused by events or circumstances beyond the Group's control and the Group remains committed to its plan to sell the disposal group.

Judgement is also required from the Management in the measurement of the identified non-core assets 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 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Revenue from contracts with customers

(a) *Disaggregation of revenue from contracts with customers*

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. Revenue is attributed to countries by the location of customers.

	At a point in time $'000	Over time $'000	Total $'000
2024			
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**
2023			
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

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities

	31 December		1 January
	2024	2023	2023
	$'000	$'000	$'000
Group			
Contract assets			
- Construction contracts (Over time) (Note 3(d))	**239**	192	296
- Services (At a point in time)	**975**	57	38
Total contract assets (Note 3(e))	**1,214**	249	334
Contract liabilities			
- Construction contracts (Over time)	**28**	10	70
- Sale of goods (At a point in time)	**2,625**	1,152	2,068
- Services (At a point in time)	**8**	15	1
Total contract liabilities	**2,661**	1,177	2,139
Company			
Contract assets			
- Services (At a point in time)	**727**	607	677

Contract assets relate primarily to the Group's right to consideration for works completed but not billed at the balance sheet date in respect of its construction contract of manufacture and production of specialised equipment, as well as rendering of services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues progress billings to the customers.

Contract liabilities relate primarily to:

- The Group's obligation to transfer goods or services to customers for which the Group has received advances from customers; and
- The progress billings issued to customers in accordance with the specified milestones in the contract for the project construction in excess of the Group's right to the consideration.

As at 31 December 2024 and 2023 respectively, no deferred costs were included in contract assets of the Group and the Company.

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For the financial year ended 31 December 2024

4. Revenue from contracts with customers (continued)

(b) *Contract assets and liabilities* (continued)

Revenue recognised in relation to contract liabilities

	Group	
	2024	2023
	$'000	$'000
Revenue recognised in the current financial year that was included in the contract liability balance at the beginning of the financial year		
- Construction contracts	**10**	70
- Sale of goods	**1,152**	2,068
- Services	**15**	1
	1,177	2,139

There are no revenue recognised in the current financial year from performance obligations satisfied in previous financial years.

(c) *Assets recognised from costs to fulfil contracts*

Other than the contract assets disclosed above, the Group has no other current assets in relation to costs to fulfil contracts with customers. Deferred costs are costs incurred to fulfil a service obligation with customers. These costs are recognised in the profit or loss as cost of sales, on a basis consistent with the pattern of recognition of the associated revenue.

Based on Management's assessment, the expected costs to complete the remaining construction contracts as at 31 December 2024 is expected to be completely recovered through contract revenue, hence no expected loss is recognised in the financial years ended 31 December 2024 and 2023 respectively.

(d) *Trade receivables from contracts with customers*

		31 December	1 January
	2024	2023	2023
	$'000	$'000	$'000
Group			
Trade receivables from contracts with customer (Note 12)	**12,059**	10,725	14,127
Less: Allowance for impairment of trade receivables (Notes 12 and 30(b))	**-**	(572)	(512)
Total trade receivables from contracts with customers (Notes 3(e) and 12)	**12,059**	10,153	13,615

5. Other gains – net

Following are the other income and gains/(losses) recognised during the financial year:

	Group	
	2024	2023
	$'000	$'000
Dividend income from financial assets, FVOCI	**-**	3
Discount on Net Working Capital[1]	**-**	(82)
Foreign currency exchange gain/(loss) – net	**95**	(60)
(Loss)/gain on disposal of non-current assets held-for-sale (Notes 12 and 14(b))	**(61)**	3,793
Government grants	**618**	175
Impairment loss on property, plant and equipment (Notes 3(b) and 19)	**(805)**	(38)
Loss on disposal of property, plant and equipment	**(83)**	(1,022)
Rental income on operating lease (Note 20(e))	**2,512**	2,442
Sale of scrap	**869**	651
Write-back of long-outstanding payables and accruals	**30**	44
Write-down of inventories (Note 13)	**-**	(7)
Other income	**89**	159
	3,264	6,058

[1] As part of the sale and purchase agreement ("**SPA**"), the Net Working Capital ("**NWC**") of former subsidiary corporations – Unidive Subsea Pte. Ltd. and its subsidiary corporation ("**Subsea Group**") as at 30 June 2022, as defined in the SPA, shall belong to the Company and upon completion it shall be due and owing by the purchasers to the Company as receivables and shall be paid to the Company in the manner as set out in SPA. As at 31 December 2023, the Company has fully collected the NWC from purchasers after Subsea Group gave discounts to certain customers totalling $82,000.

6. Expenses by nature

	Group	
	2024	2023
	$'000	$'000
Purchases of raw materials (Note 32)	**12,403**	6,972
Changes in inventories	**(944)**	1,566
Depreciation of property, plant and equipment (Notes 19 and 32)	**7,904**	8,291
Directors' fees	**141**	174
Donation	**63**	50
Employee compensation (Notes 7 and 32)	**13,613**	13,387
Employee welfare	**183**	232
Freight and handling charges	**1,518**	1,426
Insurance	**463**	443
Property tax	**1,039**	930
Professional fees	**964**	1,348
Repairs and maintenance	**1,964**	1,527
Rental expense on operating leases (Note 20(d))	**489**	379
Subcontractors' cost	**3,027**	2,553
Surveyor and testing fees	**765**	602
Transportation and travelling	**434**	415
Utilities	**2,536**	2,753
Other	**1,061**	1,181
Total cost of sales and administrative expenses	**47,623**	44,229

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. Employee compensation

	Group	
	2024	2023
	$'000	$'000
Wages and salaries	**11,243**	11,126
Employers' contribution to defined contribution plans including Central Provident Fund	**1,529**	1,433
Other short-term benefits	**688**	678
Performance shares expense (Note 26)	**153**	150
	13,613	13,387

8. Finance expenses

	Group	
	2024	2023
	$'000	$'000
Interest expense		
- Bank borrowings	**5,740**	6,814
- Trade financing	**125**	74
- Lease liabilities – leasehold land (Note 20(c))	**524**	530
- Lease liabilities – leasehold building (Note 20(c))	**9**	-
- Lease liabilities – hire purchase (Note 20(c))	**16**	11
	6,414	7,429

9. Income tax expense

	Group	
	2024	2023
	$'000	$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
- Current income tax – Singapore	**-**	240
Under-provision in prior financial years:		
- Current income tax – Singapore	**153**	4
- Deferred income tax	**327**	-
	480	244

9. Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2024	2023
	$'000	$'000
Profit before income tax	**2,787**	2,748
Share of loss of associated companies, net of tax (Note 18)	**-**	37
Profit before income tax and share of loss of associated companies	**2,787**	2,785
Tax calculated at tax rate of 17% (2023: 17%)	**474**	473
Effects of:		
- Different tax rates in other countries	**(6)**	-
- Expenses not deductible for tax purposes	**753**	1,624
- Income not subject to tax	**(61)**	(807)
- Utilisation of previously unrecognised capital allowances and tax losses	**(1,204)**	(1,290)
- Under-provision of current income tax in prior financial years	**153**	4
- Under-provision of deferred income tax in prior financial years	**327**	-
- Others	**44**	240
Tax charge	**480**	244

10. Earnings per share

(a) *Basic earnings per share*

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of outstanding ordinary shares during the financial year.

(b) *Diluted earnings per share*

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

There are no dilutive potential ordinary shares during the financial years ended 31 December 2024 and 2023 respectively.

	Group	
	2024	2023
Net profit attributable to equity holders of the Company ($'000)	**2,419**	1,461
Weighted average number of shares outstanding for basic and diluted earnings per share ('000)	**459,067**	454,205
Basic and diluted earnings per share attributable to equity holders of the Company (SGD cents)	**0.53**	0.32

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**9,638**	9,958	**1,343**	524
Short-term bank deposits	**525**	512	**-**	-
	10,163	10,470	**1,343**	524

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2024	2023
	$'000	$'000
Cash and cash equivalents (as above)	**10,163**	10,470
Less: Short-term bank deposits pledged	**(525)**	(512)
Cash and cash equivalents per consolidated statement of cash flows	**9,638**	9,958

The short-term bank deposits are pledged to secure certain bank borrowings (Note 24(a)).

12. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**11,395**	10,129	**-**	-
- Associated companies	**664**	596	**-**	-
Total trade receivables (Note 4(d))	**12,059**	10,725	**-**	-
Less: Allowance for impairment of trade receivables (Notes 4(d) and 30(b))	**-**	(572)	**-**	-
Trade receivables – net (Notes 3(e) and 4(d))	**12,059**	10,153	**-**	-
Other receivables				
- Non-related parties	**150**	1,155	**23**	23
- Subsidiary corporations	**-**	-	**48,349**	47,237
- Associated companies	**1,214**	1,212	**1,123**	1,123
	1,364	2,367	**49,495**	48,383
Less: Allowance for impairment of other receivables (Note 30(b))	**-**	-	**(14,939)**	(11,455)
Other receivables – net	**1,364**	2,367	**34,556**	36,928
Advances to suppliers	**554**	1,130	**5**	3
Deposits	**129**	118	**1**	1
Prepayments	**301**	273	**52**	27
	14,407	14,041	**34,614**	36,959

12. Trade and other receivables (continued)

As at 31 December 2023, the other receivables from non-related parties included $1,095,000 (Note 14(b)), which pertains to the third and final tranche receivables from the disposal of associated company classified as non-current asset held-or-sale, Vac-Tech Engineering Pte Ltd ("**Vac-Tech**"), subject to the clauses pursuant to the SPA (Note 14(b)). On 3 April 2024, the Group received the third and final tranche payment of $1,034,000. An adjustment for loss of disposal of non-current assets held-for-sale of $61,000 (Note 5) was recognised in the financial year ended 31 December 2024 after taking effect the net cash and net working capital adjustments pursuant to the SPA.

The other receivables from subsidiary corporations and associated companies are unsecured, repayable on demand and interest-free, except for certain advances to the subsidiary corporation amounting to $14,543,000 (2023: $14,593,000), which bear interest at 4% (2023: 4%) per annum.

13. Inventories

	Group	
	2024	2023
	$'000	$'000
At cost		
Raw materials	**1,853**	1,564
Work-in-progress	**2,150**	1,505
Finished goods	**1,017**	1,007
	5,020	4,076

The cost of inventories excluding write-down, recognised as an expense and included in "Cost of sales" for the financial year ended 31 December 2024 amounted to $11,459,000 (2023: $8,538,000). During the financial year ended 31 December 2024, the Group has written-down inventories of $Nil (2023: $7,000) (Note 5), due to slow-moving inventories. No inventory reversal was recognised in the financial years ended 31 December 2024 and 2023 respectively.

14. Disposal group classified as held-for-sale

As at 31 December 2024, the carrying amount of assets and liabilities held-for-sale were $70,544,000 and $66,745,000 (2023: $70,544,000 and $67,238,000) respectively.

Details of the assets in disposal group classified as held-for-sale as at 31 December 2024 and 2023 respectively were as follows:

	Investment in an associated company $'000	Property, plant and equipment $'000	Total $'000
Group			
2024			
Beginning and end of financial year (Note 14(a))	**-**	**70,544**	**70,544**
2023			
Beginning of financial year	4,066	70,544	74,610
Disposal (Note 14(b))	(4,066)	-	(4,066)
End of financial year	-	70,544	70,544

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For the financial year ended 31 December 2024

14. Disposal group classified as held-for-sale (continued)

Details of the liabilities directly associated with disposal group classified as held-for-sale as at 31 December 2024 and 2023 respectively were as follows:

	Group	
	2024	2023
	$'000	$'000
Borrowings (Note 14(a))		
- Bank borrowings	**61,647**	62,268
- Trade financing	**1,070**	449
- Lease liabilities – leasehold land	**4,028**	4,521
	66,745	67,238

As at 31 December 2024, the bank borrowings and trade financing include secured liabilities of $62,717,000 (2023: $62,717,000) on the Group's building on leasehold land of $70,544,000 (2023: $70,544,000).

(a) The balances as at 31 December 2024 comprised the following:

The Group is under the Further Amended DRA to dispose of certain identified non-core assets to pare down its debt by at least $55,000,000 on or before 31 March 2026 (Note 2.1 – Going concern). The carrying amount of the identified non-core assets and corresponding liabilities were $70,544,000 and $66,745,000 (2023: $70,544,000 and $67,238,000) respectively.

SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations* recognises that events and circumstances may extend the period required to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude the disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and the Group remains committed to its plan to sell the disposal group.

As at 31 December 2024, the disposal of identified non-core assets has not been completed. Accordingly, the Management has reviewed and concluded that it was appropriate for the Group to continue to present identified non-core assets' related assets and liabilities as "Assets of disposal group classified as held-for-sale" and "Liabilities of disposal group classified as held-for-sale" respectively on the Group's consolidated balance sheet as at 31 December 2024 and 2023 in view that the requirements of SFRS(I) 5 were met.

(b) Disposal of Vac-Tech Engineering Pte Ltd ("**Vac-Tech**")

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

Pursuant to the SPA, the consideration for the buyer to purchase 100% of the share capital of Vac-Tech is $42,500,000 (the "**base consideration**"), of which 20% will be paid to Mencast Energy, subject to any applicable net cash and net working capital adjustments.

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 (Note 5). 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 (Note 12) from the disposal of Vac-tech, subject to adjustments pursuant to SPA.

14. Disposal group classified as held-for-sale (continued)

(b) Disposal of Vac-Tech Engineering Pte Ltd ("**Vac-Tech**") (continued)

Subsequently, on 3 April 2024, the Group received the third and final tranche payment of $1,034,000. An adjustment for loss of disposal of non-current assets held-for-sale of $61,000 (Note 5) was recognised in the financial year ended 31 December 2024 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.

15. Financial assets, at FVOCI

	Group	
	2024	2023
	$'000	$'000
Beginning of financial year	**91**	87
Fair value gain	**26**	4
End of financial year	**117**	91

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

16. Investments in subsidiary corporations

	Company	
	2024	2023
	$'000	$'000
Equity investments at cost		
Beginning and end of financial year	**64,031**	64,031
Accumulated impairment		
Beginning of financial year	**(15,210)**	(13,210)
Impairment charge[1]	**(4,700)**	(2,000)
End of financial year	**(19,910)**	(15,210)
Net book value		
End of financial year	**44,121**	48,821

[1] Management assesses for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired. An allowance for impairment loss of $4,700,000 (2023: $2,000,000) was made in respect of the Company's investments in certain subsidiary corporations to reduce the carrying amount of the investments to the recoverable amounts, after taking into account the financial conditions of the subsidiary corporations as at 31 December 2024 and 2023 respectively.

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16. Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2024 %	2023 %	**2024 %**	2023 %	**2024 %**	2023 %
Mencast Marine Pte Ltd[a]	Manufacture, supply and refurbishment and reconditioning of sterngear	Singapore	**100**	100	**100**	100	**-**	-
Mencast Engineering Pte. Ltd.[a]	Supply of oil and gas equipment and precision engineering services	Singapore	**100**	100	**100**	100	**-**	-
Mencast Offshore & Marine Pte. Ltd.[a]	Collection of waste and building and repair of ships, tankers and other ocean-going vessels	Singapore	**100**	100	**100**	100	**-**	-
Mencast Energy Pte. Ltd.[a]	Investment holding	Singapore	**70**	70	**70**	70	**30**	30
Mencast Logistics Pte. Ltd.[a][e]	General warehousing, supporting services to water transport N.E.C.	Singapore	**-**	-	**100**	100	**-**	-
Recon Propeller & Engineering Pte Ltd ("**Recon**")[a]	Sterngear services	Singapore	**100**	100	**100**	100	**-**	-
Mencast Procurement (Singapore) Pte. Ltd.[a]	Inactive	Singapore	**100**	100	**100**	100	**-**	-
Top Great Engineering & Marine Pte Ltd[a]	Provision of mechanical engineering works, and repair of ships, tankers and other ocean-going vessels	Singapore	**100**	100	**100**	100	**-**	-
S & W Pte. Ltd.[m]	Inactive	Singapore	**100**	100	**100**	100	**-**	-
Mencast Innovation Centre Pte. Ltd.[a]	Engineering design and consultancy services	Singapore	**100**	100	**100**	100	**-**	-
Mencast Marine (HK) Limited[d]	Deregistered	Hong Kong	**-**	-	**-**	-	**-**	-
Mencast Energeers Pte. Ltd.[l]	Inactive	Singapore	**-**	-	**-**	70	**-**	30
Chinyee Engineering & Machinery Pte Ltd[a]	Inactive	Singapore	**-**	-	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2024 %	2023 %	**2024 %**	2023 %	**2024 %**	2023 %
PT. Mencast Offshore & Marine[b][j]	Fabrication of steel structure, ship building and repairs	Indonesia	**-**	-	**100**	100	**-**	-
Top Great Holdings Pte. Ltd.[a]	Investment holding	Singapore	**-**	-	**100**	100	**-**	-
Top Great Engineering Services LLC[i]	Inactive	Sultanate of Oman	**-**	-	**100**	100	**-**	-
Mencast Investment Holdings Pte. Ltd.[a]	Investment holding	Singapore	**100**	100	**100**	100	**-**	-
Virestorm Pte. Ltd.[n]	Inactive	Singapore	**-**	-	**50**	50	**50**	50
Menji International Pte. Ltd.[a][f]	Other specialised design activities	Singapore	**-**	-	**60**	60	**40**	40
Menji AM Tech Pte. Ltd.[a][g]	Develop, design, manufacturing and distribution of low carbon building materials and technologies	Singapore	**-**	-	**60**	60	**40**	40
Menji Development Pte. Ltd. ("**Menji Development**")[a][h]	Other specialised design activities	Singapore	**-**	-	**60**	-	**40**	-
Menji Technology Development (Shanghai) Co., Ltd ("**Menji Shanghai**")(Note 18)[c][j][k]	Provision of engineering and construction services, and the wholesale of building and construction materials	China	**-**	-	**60**	49.7	**40**	50.3

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For the financial year ended 31 December 2024

16. Investments in subsidiary corporations (continued)

[a] Audited by CLA Global TS Public Accounting Corporation Singapore.
[b] Audited by Riyanto, SE, AK, Indonesia.
[c] Audited by Shanghai CLA Global TS Certified Public Accountants, China.
[d] Deregistered on 30 June 2023 under Companies Ordinance Section 750 of Hong Kong.
[e] Formerly known as Stone Marine Mencast Pte. Ltd., the subsidiary corporation changed its name and business activities effective on 23 February 2023.
[f] Incorporated on 30 March 2023.
[g] Incorporated on 23 June 2023.
[h] Incorporated on 23 January 2024.
[i] In the process of voluntary liquidation. The commercial registration expired on 21 April 2024.
[j] These financial statements have been audited/reviewed by CLA Global TS Public Accounting Corporation, Singapore for consolidation purpose.
[k] The Group's effective equity interests in Menji Shanghai increased from 49.7% to 60.0% (i.e. by 10.3%) as a result of the internal reorganisation and accounted as an indirect subsidiary corporation of the Company (Notes 18 and 33).
[l] Officially struck off on 5 February 2024.
[m] Officially struck off on 19 February 2025 (Note 35(a)).
[n] Officially struck off on 20 February 2025 (Note 35(b)).

In accordance with Rule 716 of the SGX-ST Catalist Rules, the Audit Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Company.

Significant restrictions

Cash in bank of $6,000 (2023: $Nil) is held in the People's Republic of China ("**PRC**") and are subject to local exchange control regulations. These local exchange regulations provide for restrictions on remitting capital from the country, other than through normal dividends.

Carrying amount of non-controlling interests

	Group	
	2024	2023
	$'000	$'000
Mencast Energy Pte. Ltd.	**1,518**	1,577
Other subsidiary corporations with immaterial non-controlling interest	**44**	17
Total	**1,562**	1,594

16. Investments in subsidiary corporations (continued)

Summarised financial information of subsidiary corporations with material non-controlling interests

There are no transactions with non-controlling interests for the financial years ended 31 December 2024 and 2023 respectively.

Set out below are the summarised financial information for subsidiary corporations with non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

	Mencast Energy	
	2024	2023
	$'000	$'000
Summarised Balance Sheet		
Current		
Assets	**6,064**	6,463
Liabilities	**(1,005)**	(1,205)
Net current assets	**5,059**	5,258
Non-current		
Assets	**-**	-*
Net non-current assets	**-**	-*
Net assets	**5,059**	5,257
Dividends payable to non-controlling interests	**900**	1,200
Summarised Income Statement		
Revenue	**-**	-
(Loss)/profit before income tax	**(198)**	3,424
Income tax expense	**-**	-
Total comprehensive (loss)/income, representing net (loss)/profit	**(198)**	3,424
Total comprehensive (loss)/income allocated to non-controlling interests	**(59)**	1,027
Dividend declared to non-controlling interests	**-**	1,200
Summarised Cash Flows		
Net cash used in operating activities	**(181)**	(220)
Net cash (used in)/provided by investing activities	**(2,265)**	6,764
Net cash used in financing activities	**(300)**	(4,400)
Net (decrease)/increase in cash and cash equivalents	**(2,746)**	2,144
Cash and cash equivalents		
Beginning of financial year	**2,948**	804
End of financial year	**202**	2,948

** Less than $1,000*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Investment in a joint venture

	Group	
	2024	2023
	$'000	$'000
Equity investment		
Beginning and end of financial year	**-**	-

Details of joint venture are as follows:

Name of company	Principal activity	Country of business/ incorporation	Effective equity holding 2024 %	Effective equity holding 2023 %
Towell Top Great Engineering Services LLC	Dormant	Sultanate of Oman	**-**	-

The Group has joint control over the joint venture as under the contractual agreements, unanimous consent is required from all parties to the arrangements for all relevant activities. The Group's joint arrangement is structured as a limited company such that the Group and the parties to the arrangement have the rights to the net assets of the limited company under the arrangements. Therefore, these arrangements are classified as joint venture. There are no contingent liabilities relating to the Group's interest in a joint venture company.

No summarised financial information for the joint venture is presented as the joint venture is not material to the Group.

The commercial registration certificate of Towell Top Great Engineering Services LLC was cancelled on 12 September 2023, and the Group ceased to have any equity interests in the joint venture.

18. Investments in associated companies

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Equity investment				
Beginning of financial year	**-**	35	**-**	35
Currency translation difference	**-**	2	**-**	2
Share of loss of associated companies (Note 9)	**-**	(37)	**-**	(37)
End of financial year	**-**	-	**-**	-

18. Investments in associated companies (continued)

Details of associated companies are as follows:

Name of company	Principal activity	Country of business/ incorporation	Effective equity holding 2024 %	2023 %
Held by the Company				
Menji Pte Ltd ("**Menji Singapore**")[a]	Additive manufactured products for interior design used on marine and offshore and commercial accommodation	Singapore	**49.7**	49.7
Held by Menji Singapore				
Menji Technology Development (Shanghai) Co., Ltd ("**Menji Shanghai**")(Note 16)[b][c][d]	Provision of engineering and construction services, and the wholesale of building and construction materials	China	**60.0**	49.7

[a] Audited by CLA Global TS Public Accounting Corporation, Singapore.
[b] The Group's effective interest in Menji Shanghai increased from 49.7% to 60.0% (i.e. by 10.3%) as a result of the internal reorganisation and accounted as an indirect subsidiary corporation of the Company (Notes 16 and 33).
[c] Audited by Shanghai CLA Global TS Certified Public Accountants, China.
[d] These financial statements have been audited by CLA Global TS Public Accounting Corporation, Singapore for consolidation purpose.

As at 31 December 2024 and 2023 respectively, the Group has one associated company, namely Menji Singapore and its subsidiary corporation ("**Menji Group**").

On 23 January 2024, the Group conducted an internal reorganisation exercise involving Menji Singapore, transferring its entire equity interests in Menji Shanghai to Menji Development, a newly incorporated 60%-owned subsidiary corporation of the Group for a consideration of $91,000. As a result of the internal reorganisation, Menji Shanghai became an indirectly-owned subsidiary corporation to the Group, with equity interests increased from 49.7% to 60.0%.

Following the reorganisation, Menji Shanghai is no longer a subsidiary corporation of Menji Singapore. However, the Group continues to hold 49.7% equity interest in Menji Singapore, which remains an associated company of the Group.

As at 31 December 2024 and 2023 respectively, the carrying amount of investment in Menji Group is $Nil as the Group's and Company's share of losses in Menji Group has exceeded its interest, hence, the Group and the Company have not recognised further losses.

For the financial year ended 31 December 2024, the Group has an unrecognised share of losses in Menji Group amounting to $194,000 (2023: $510,000). As of 31 December 2024, the Group's accumulated unrecognised share of losses amounts to $704,000 (2023: $510,000).

There are no contingent liabilities relating to the Group's interests in associated companies.

No summarised financial information for the associated company is presented as the associated company is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Property, plant and equipment

	Leasehold land $'000	Leasehold building $'000	Building on leasehold land $'000	Machinery and equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Vessels $'000	Computer $'000	Renovation $'000	Construction in progress $'000	Total $'000
Group												
2024												
Cost												
Beginning of financial year	**17,026**	**-**	**50,403**	**62,578**	**824**	**461**	**2,707**	**8,456**	**1,584**	**1,184**	**3,597**	**148,820**
Currency translation differences	**-**	**(3)**	**-**	**(2)**	**(1)**	**-**	**(4)**	**-**	**(4)**	**-***	**-**	**(14)**
Additions	**-**	**-**	**-**	**1,216**	**40**	**25**	**358**	**-**	**91**	**172**	**15**	**1,917**
Grant received	**-**	**-**	**-**	**(1,050)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,050)**
Acquisition of a subsidiary corporation (Note 33(c))	**-**	**236**	**-**	**-**	**-**	**-**	**59**	**-**	**-**	**-**	**-**	**295**
Disposals	**-**	**-**	**-**	**(3,625)**	**(10)**	**-**	**(453)**	**-**	**(94)**	**-**	**-**	**(4,182)**
Reclassification	**-**	**-**	**-**	**3,612**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,612)**	**-**
Write-off	**-**	**-**	**-**	**(2,684)**	**-**	**-**	**-**	**-**	**(6)**	**-**	**-**	**(2,690)**
End of financial year	**17,026**	**233**	**50,403**	**60,045**	**853**	**486**	**2,667**	**8,456**	**1,571**	**1,356**	**-**	**143,096**

** Less than $1,000*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Property, plant and equipment (continued)

	Leasehold land $'000	Leasehold building $'000	Building on leasehold land $'000	Machinery and equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Vessels $'000	Computer $'000	Renovation $'000	Construction in progress $'000	Total $'000
<u>Group</u>												
2024												
Accumulated depreciation and impairment losses												
Beginning of financial year	4,217	-	21,122	39,949	782	441	1,914	2,010	1,429	1,096	-	72,960
Currency translation differences	-	-*	-	(1)	(1)	-*	(3)	-	(4)	-*	-	(9)
Depreciation charge (Notes 6 and 32)	843	86	1,871	3,764	17	21	249	940	61	52	-	7,904
Disposals	-	-	-	(3,398)	(9)	-	(451)	-	(94)	-	-	(3,952)
Impairment charge (Notes 3(b) and 5)	-	-	-	523	-	-	-	282	-	-	-	805
Write-off	-	-	-	(2,684)	-	-	-	-	(6)	-	-	(2,690)
End of financial year	5,060	86	22,993	38,153	789	462	1,709	3,232	1,386	1,148	-	75,018
Net book value												
End of financial year (Note 3(c))	11,966	147	27,410	21,892	64	24	958	5,224	185	208	-	68,078

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Property, plant and equipment (continued)

	Leasehold land $'000	Building on leasehold land $'000	Machinery and equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Vessels $'000	Computer $'000	Renovation $'000	Construction in progress $'000	Total $'000
Group											
2023											
Cost											
Beginning of financial year	17,026	56,328	66,713	801	613	2,308	26,730	2,007	1,132	2,652	176,310
Currency translation differences	-	(28)	160	(2)	-	(2)	-	(2)	-	-	126
Additions	-	-	323	25	2	520	5,650	166	52	1,797	8,535
Disposals	-	(5,897)	(3,800)	-	-	(91)	(23,924)	-	-	-	(33,712)
Reclassification	-	-	852	-	-	-	-	-	-	(852)	-
Write-off	-	-	(1,670)	-	(154)	(28)	-	(587)	-	-	(2,439)
End of financial year	17,026	50,403	62,578	824	461	2,707	8,456	1,584	1,184	3,597	148,820

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. **Property, plant and equipment** (continued)

	Leasehold land $'000	Building on leasehold land $'000	Machinery and equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Vessels $'000	Computer $'000	Renovation $'000	Construction in progress $'000	Total $'000
Group											
2023											
Accumulated depreciation and impairment losses											
Beginning of financial year	3,374	20,895	40,280	767	583	1,706	19,356	1,970	989	-	89,920
Currency translation differences	-	(8)	159	(2)	-	-	-	(1)	-	-	148
Depreciation charge (Notes 6 and 32)	843	1,923	3,847	17	12	263	1,232	47	107	-	8,291
Disposals	-	(1,688)	(2,705)	-	-	(27)	(18,578)	-	-	-	(22,998)
Impairment charge (Notes 3(b) and 5)	-	-	38	-	-	-	-	-	-	-	38
Write-off	-	-	(1,670)	-	(154)	(28)	-	(587)	-	-	(2,439)
End of financial year	4,217	21,122	39,949	782	441	1,914	2,010	1,429	1,096	-	72,960
Net book value											
End of financial year (Note 3(c))	12,809	29,281	22,629	42	20	793	6,446	155	88	3,597	75,860

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Property, plant and equipment (continued)

	Office equipment $'000	Computer $'000	Motor vehicle $'000	Renovation $'000	Total $'000
Company					
2024					
Cost					
Beginning of financial year	**6**	**135**	**259**	**24**	**424**
Additions	**-**	**6**	**-**	**-**	**6**
Write-off	**-**	**(62)**	**-**	**-**	**(62)**
End of financial year	**6**	**79**	**259**	**24**	**368**
Accumulated depreciation					
Beginning of financial year	**4**	**128**	**229**	**24**	**385**
Depreciation charge	**1**	**5**	**30**	**-**	**36**
Write-off	**-**	**(62)**	**-**	**-**	**(62)**
End of financial year	**5**	**71**	**259**	**24**	**359**
Net book value					
End of financial year	**1**	**8**	**-**	**-**	**9**
2023					
Cost					
Beginning and end of financial year	6	135	259	24	424
Accumulated depreciation					
Beginning of financial year	4	122	177	24	327
Depreciation charge	-*	6	52	-	58
End of financial year	4	128	229	24	385
Net book value					
End of financial year	2	7	30	-	39

** Less than $1,000*

Additions during the financial year included motor vehicles acquired under lease liabilities – hire purchase amounting to $277,000 (2023: $316,000) (Note 20(g)).

The carrying amount of motor vehicles held under lease liabilities – hire purchase are $542,000 (2023: $327,000) (Notes 20(a) and 24(a)) at the balance sheet date.

Certain bank borrowings are secured by buildings on leasehold land of the Group with carrying amounts of $27,668,000 (2023: $29,403,000) (Note 24(a)).

During the financial year ended 31 December 2024, impairment charges of $805,000 (2023: $38,000) (Notes 3(b) and 5) were recognised for property, plant and equipment as the estimated recoverable amounts are less than the carrying amount and/or fair value less costs to sell.

19. Property, plant and equipment (continued)

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20 to the financial statements.

Included in the Group's property, plant and equipment are leasehold properties, which are carried at cost less accumulated depreciation and impairment. The Group engaged independent valuers to carry out valuations of the Group's properties. Set out below are the fair values of the properties as at the balance sheet date:

				As at 31 December 2024		
Location	**Description**	**Land Area sqm**	**Latest valuation date**	**Net book value $'000**	**Fair values $'000**	**Excess of fair values over net book value $'000**
12 Kwong Min Road	Office building, dormitory and workshop	4,623	December 2024	978	2,000	1,022
42A Penjuru Road[a]	Office building, canteen and workshop	15,088	December 2024	62,717	67,500	4,783
42B Penjuru Road	Office building and workshop	16,200	December 2024	13,142	26,500	13,358
42E Penjuru Road	Waterfront, office building and workshop	19,292	December 2024	13,548	21,000	7,452
Total				**90,385**	**117,000**	**26,615**

[a] This 100%-owned property is included in the Assets of disposal group classified as held-for-sale as at 31 December 2024 (Note 14(a)).

The net book value of leasehold properties, as disclosed above, does not include the respective carrying amounts for leasehold land.

The basis of valuation to determine the fair value of the Singapore properties was based on the sales comparison method. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The sales comparison method involves the analysis of comparable sales prices of similar properties in close proximity and adjusted for price differences in key attributes such as property type, tenure and size. The most significant input in this valuation approach is the selling price per square metre.

The fair values above are within Level 2 of the fair value hierarchy (Note 30(e)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The Group leases land from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewable rights.

Various leasehold lands are recognised within property, plant and equipment and disposal group classified as held-for-sale (Notes 19 and 14). The Group also makes monthly lease payments for leasehold land.

There are no externally imposed covenants on these lease arrangements.

Leasehold building

The Group leases office space for business operations from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewable rights. The Group also makes monthly lease payments for leasehold building.

There are no externally imposed covenants on these lease arrangements.

Motor vehicles

The Group leases motor vehicles for operation purposes.

(a) Carrying amounts

	Group	
	2024	2023
	$'000	$'000
ROU assets classified within Property, plant and equipment		
Leasehold land	**11,966**	12,809
Leasehold building	**147**	-
Motor vehicles (Note 19)	**542**	327
	12,655	13,136
ROU asset of disposal group classified as held-for-sale		
Leasehold land	**7,827**	7,827

(b) Depreciation charge during the financial year

	Group	
	2024	2023
	$'000	$'000
Leasehold land	**843**	843
Leasehold building	**86**	-
Motor vehicles	**62**	78
	991	921

20. Leases – The Group as a lessee (continued)

(c) Interest expense during the financial year

	Group	
	2024	2023
	$'000	$'000
Interest expense on lease liabilities:		
- Leasehold land (Note 8)	**524**	530
- Leasehold building (Note 8)	**9**	-
- Hire purchase (Note 8)	**16**	11
	549	541

(d) Lease expenses not capitalised in lease liabilities

	Group	
	2024	2023
	$'000	$'000
Lease expense – short-term lease (Note 6)	**489**	379

(e) Total income from subleasing ROU assets in 2024 was $2,512,000 (2023: $2,442,000) (Note 5).

(f) Total cash outflow for all leases in 2024 was $2,435,000 (2023: $2,776,000).

(g) The addition of ROU assets during the financial year ended 31 December 2024 was $277,000 of which $42,000 was paid in cash, with the remaining $235,000 under lease (2023: $316,000, of which $36,000 was paid in cash, with the remaining $280,000 under lease) (Note 19).

21. Leases – The Group as a lessor

<u>Nature of the Group's leasing activities - Group as an intermediate lessor</u>

Subleases – classified as operating leases

The Group leases out certain office and workshop space of its leasehold properties to non-related parties for monthly lease receipts. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

The Group acts as an intermediate lessor under the arrangement in which it subleases out units to non-related parties for monthly lease receipts. The sublease periods do not form a major part of the remaining lease terms under the head leases, and accordingly, the subleases are classified as an operating lease.

Rental income from leasehold properties is disclosed in Notes 5 and 20(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

21. Leases – The Group as a lessor (continued)

Maturity analysis of lease payments – Group as an intermediate lessor

The table below discloses the undiscounted lease payments to be received by the Group for its leases and subleases after the balance sheet date as follows:

	Group	
	2024	2023
	$'000	$'000
Less than one year	**3,018**	2,726
Later than one year but not later than five years	**1,252**	1,780
Total undiscounted lease payments	**4,270**	4,506

22. Intangible assets

	Group	
	2024	2023
	$'000	$'000
Composition:		
Goodwill arising on acquisition of business (Note 22(a))	**-**	-
Goodwill arising on consolidation (Note 22(b))	**4,781**	4,781
	4,781	4,781

(a) *Goodwill arising on acquisition of business*

	Group	
	2024	2023
	$'000	$'000
Cost		
Beginning and end of financial year	**3,488**	3,488
Accumulated impairment		
Beginning and end of financial year	**(3,488)**	(3,488)
Net book value	**-**	-

The goodwill is related to the acquisition of a business for one of the Company's subsidiary corporations, Mencast Engineering Pte. Ltd. The Management provided a full impairment in the prior financial year ended 31 December 2017 due to slow recovery in the precision engineering business of the Group. The value-in-use calculation on the recoverable amount was lower than the carrying amount of the aforesaid goodwill.

22. Intangible assets (continued)

(b) Goodwill arising on consolidation

	Group	
	2024	2023
	$'000	$'000
Cost		
Beginning and end of financial year	**24,035**	24,035
Accumulated impairment		
Beginning and end of financial year	**(19,254)**	(19,254)
Net book value	**4,781**	4,781

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("**CGUs**") identified according to operating entities as follows:

	Group	
	2024	2023
	$'000	$'000
Recon	**4,781**	4,781

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations:

	2024		2023	
	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.

These assumptions were used for the analysis of each CGU within the business segment. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade payables to non-related parties	**1,699**	2,060	**-**	-
Accruals for operating expenses	**4,842**	3,825	**1,381**	1,456
Other payables				
- Non-related parties	**3,051**	2,466	**282**	304
- Subsidiary corporations	**-**	-	**16,191**	15,664
- Associated companies	**68**	25	**-**	25
	9,660	8,376	**17,854**	17,449

Other payables to subsidiary corporations and associated companies are unsecured, interest-free and repayable on demand.

24. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings	**5,428**	7,791	**2,872**	2,872
Trade financing	**1,297**	1,117	**-**	-
Lease liabilities – hire purchase	**137**	93	**-**	-
Lease liabilities – leasehold land	**744**	704	**-**	-
Lease liabilities – leasehold building	**90**	-	**-**	-
	7,696	9,705	**2,872**	2,872
Non-current				
Bank borrowings	**38,773**	46,692	**35,132**	37,799
Lease liabilities – hire purchase	**308**	222	**-**	-
Lease liabilities – leasehold land	**12,393**	13,148	**-**	-
Lease liabilities – leasehold building	**62**	-	**-**	-
	51,536	60,062	**35,132**	37,799
Total borrowings	**59,232**	69,767	**38,004**	40,671

24. **Borrowings** (continued)

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
6 months or less	**40,668**	49,473	**34,514**	36,966
6 - 12 months	**-**	-	**-**	-
1 - 5 years	**5,558**	6,840	**3,490**	3,705
Over 5 years	**13,006**	13,454	**-**	-
	59,232	69,767	**38,004**	40,671

(a) *Security granted*

Bank borrowings include secured liabilities of $44,940,000 (2023: $52,420,000) over short-term bank deposits (Note 11) and buildings on leasehold land (Note 19).

Lease liabilities – hire purchase of the Group are effectively secured over the motor vehicles (Note 19), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liabilities – hire purchase.

(b) *Fair value of non-current borrowings*

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Bank borrowings	**34,479**	41,571	**32,518**	34,727

The fair values above are determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date, which the Directors expect to be available to the Group as follows:

	Group		Company	
	2024	2023	**2024**	2023
	%	%	**%**	%
Bank borrowings	**5.01**	5.62	**5.60**	5.98

The fair values above are within level 2 of the fair values hierarchy (Note 30(e)).

(c) *Financial covenants*

The Group's bank borrowings are subjected to financial covenant clauses whereby the Group is required to meet certain key financial ratios, and any breach of which would result in an event of default under the relevant existing facility agreements.

As at 31 December 2024 and 2023 respectively, the Group did not fulfil the gearing ratio and minimum tangible net worth as required in some of the Group's facility agreements but compliance for these covenants has been waived by the lenders up to 31 March 2026 as disclosed in financial statements Note 2.1 – Going concern to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2024	2023
	$'000	$'000
Deferred income tax liabilities to be settled after one year	**2,079**	1,752

The Group has unrecognised tax losses of $14,340,000 (2023: $14,242,000), donation of $28,000 (2023: $28,000) and capital allowance of $613,000 (2023: $7,792,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax assets

	Lease liabilities $'000
Group	
2024	
Beginning of financial year	**(3,177)**
Charged to profit or loss	**157**
End of financial year	**(3,020)**
2023	
Beginning and end of financial year	(3,177)

Deferred income tax liabilities

	Accelerated tax depreciation $'000	**ROU assets $'000**	**Total $'000**
Group			
2024			
Beginning of financial year	**1,365**	**3,564**	**4,929**
Charged to profit or loss	**252**	**(82)**	**170**
End of financial year	**1,617**	**3,482**	**5,099**
2023			
Beginning and end of financial year	1,365	3,564	4,929

26. Share capital and treasury shares

	No. of ordinary shares			Amount		
	Issued share capital '000	Treasury shares '000	Total '000	Share capital $'000	Treasury shares $'000	Total $'000
Group and Company						
2024						
Beginning of financial year	**456,541**	**(455)**	**456,086**	**93,470**	**(203)**	**93,267**
Share issue pursuant to:						
- Share Awards under the PSAS 2021 (Note 7)	**5,099**	**-**	**5,099**	**153**	**-**	**153**
End of financial year	**461,640**	**(455)**	**461,185**	**93,623**	**(203)**	**93,420**
2023						
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 (Note 7)	3,409	-	3,409	150	-	150
End of financial year	456,541	(455)	456,086	93,470	(203)	93,267

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

All the newly shares issued during the financial year rank *pari passu* in all respects with the previously issued shares.

2024

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.

2023

On 12 June 2023, the Company allotted and issued an aggregate 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 vested 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 shall receive $139,000 in cash and the remaining $35,000 in shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. Share capital and treasury shares (continued)

Performance Shares

Mencast Performance Share Award Scheme 2021

PSAS 2021 was approved by members of the Company at an Extraordinary General Meeting ("**EGM**") held on 30 April 2021. PSAS 2021 provides for the award of fully paid-up ordinary shares ("**Share Awards**") in the share capital of the Company, free of charge to group employees (which includes Group Executive Directors and Group Non-Executive Directors).

Controlling Shareholders or Associates of a Controlling Shareholder who meet the eligibility criteria are also eligible to participate in the PSAS 2021 provided that the participation of and the terms of each grant and the actual number of awards granted to a participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the Independent Shareholders in separate resolutions for each such person.

The PSAS 2021 is a share incentive scheme which allows the Company to provide an incentive for the participants to achieve certain specific performance condition(s) by awarding fully paid shares after these targets have been met. The focus of PSAS 2021 is principally to target employees and executives in key positions who are in the best position to drive the growth of the Group through innovation, creativity and superior performance.

The Board of Directors believe that the purposes of adopting the PSAS 2021 are to:

(a) Provide an opportunity for participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group;

(b) Motivate participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

(c) Give recognition to contributions made to or to be made by participants by introducing a variable component into their remuneration package; and

(d) Make employee remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

The PSAS 2021 is administered by the Remuneration Committee ("**RC**").

The Company may deliver shares pursuant to awards granted under the PSAS 2021 by way of:

(a) Issuance of new shares; and/or

(b) Transfer of treasury shares.

The aggregate number of ordinary shares over which the Company may grant under the PSAS 2021 shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

26. Share capital and treasury shares (continued)

Performance Shares (continued)

Mencast Performance Share Award Scheme 2021 (continued)

Details of the Share Awards pursuant to the PSAS 2021 were as follows:

	Aggregate Share Awards granted and vested since the commencement of the PSAS 2021 to 31 December 2023	Share Awards granted and vested during the financial year 31 December 2024	Aggregate Share Awards granted and vested since the commencement of the PSAS 2021 to 31 December 2024
	'000	'000	'000
Executive Directors[1]	2,000	-	2,000
Independent Directors[2]	3,144	-	3,144
Key management personnel	5,764	3,266	9,030
Group employees	4,042	1,833	5,875
	14,950	**5,099**	**20,049**

[1] Included the 1,111,000 Share Awards allotted and issued in financial year ended 31 December 2021 to Sim Soon Ngee Glenndle, Executive Chairman and Chief Executive Officer of the Company. He is also a Controlling Shareholder of the Company.

[2] Retired as Independent Director on 29 April 2024. The Company allotted and issued an aggregate of 3,144,000 Share Awards to the Independent Directors of the Company in accordance with the fee arrangement for Independent Directors from financial years ended 31 December 2021 to 2023, as approved by the Company's shareholders at the respective annual general meetings.

As at 31 December 2024:

(a) There are no outstanding Share Awards under the PSAS 2021;

(b) 20,049,000 shares have been delivered upon vesting of the Share Awards granted under the PSAS 2021 since its commencement, representing approximately 4.35% of the issued Shares (excluding treasury shares); and

(c) A total of 25 participants have been awarded under the PSAS 2021 since its commencement.

(d) Save as disclosed above, no Share Awards have been granted to controlling shareholders of the Company or their associates (as defined in PSAS 2021).

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For the financial year ended 31 December 2024

27. Translation reserve

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(986)**	(940)	**(42)**	(44)
Currency translation differences for foreign operations	**(15)**	(46)	**-**	2
Write-off of translation reserve from an associated company[1]	**42**	-	**42**	-
End of financial year	**(959)**	(986)	**-**	(42)

[1] Resulted from the internal reorganisation of Menji Technology Development (Shanghai) Co., Ltd. as announced on 23 January 2024 (Note 18).

Translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

28. Contingencies

Group

During the financial year ended 31 December 2019, a wholly-owned subsidiary corporation of the Company, Mencast Offshore & Marine Pte. Ltd. ("**MOM**") provided a corporate guarantee to a major customer for a five-year contract secured by its associated company – Vac-Tech. The Group ceased to hold any equity interests in Vac-Tech on 1 February 2023 (Note 14(b)). Based on the master services agreement between MOM and Vac-Tech, MOM cannot revoke the guarantee; hence, it continued till its expiry on 30 November 2024.

Company

The Company has given an undertaking to provide continued 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 (2023: $3,180,000) at the balance sheet date. Subsequently, as of 31 March 2025, the unsecured bank borrowings of the Group had been fully paid.

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

29. Capital Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2024	2023
	$'000	$'000
Property, plant and equipment	**2,603**	3,550

30. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. It is and has been throughout the financial year under review the Group's policy that no trading in derivative financial instruments shall be undertaken.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set. The finance personnel identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The finance personnel measure actual exposures against the limits set and prepare weekly reports for review by the Chief Financial Officer. Regular reports are also submitted to the Board of Directors.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies other than functional currency, such as the United States Dollar ("**USD**").

(a) Market risk

(i) Currency risk

The Group's currency exposure based on the information provided to Key Management is as follows:

	Group			
	SGD $'000	USD $'000	Others $'000	Total $'000
2024				
Financial assets				
Cash and cash equivalents and FVOCI financial assets	**6,662**	**3,083**	**535**	**10,280**
Trade and other receivables	**12,732**	**393**	**427**	**13,552**
Contract assets	**195**	**-**	**1,019**	**1,214**
Intercompany balances	**107,083**	**6**	**25**	**107,114**
	126,672	**3,482**	**2,006**	**132,160**
Financial liabilities				
Trade and other payables	**(8,175)**	**(173)**	**(1,312)**	**(9,660)**
Borrowings*	**(125,140)**	**(624)**	**(213)**	**(125,977)**
Intercompany balances	**(107,083)**	**(6)**	**(25)**	**(107,114)**
	(240,398)	**(803)**	**(1,550)**	**(242,751)**
Net financial (liabilities)/assets	**(113,726)**	**2,679**	**456**	**(110,591)**
Add: Net non-financial assets*	**143,323**	**1,677**	**504**	**145,504**
Currency profile including non-financial assets	**29,597**	**4,356**	**960**	**34,913**
Currency exposure of net financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	**33**	**2,679**	**(42)**	**2,670**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	Group			
	SGD $'000	**USD $'000**	**Others $'000**	**Total $'000**
2023				
Financial assets				
Cash and cash equivalents and FVOCI financial assets	8,039	2,211	311	10,561
Trade and other receivables	12,133	102	403	12,638
Contract assets	57	-	192	249
Intercompany balances	117,547	6	-	117,553
	137,776	2,319	906	141,001
Financial liabilities				
Trade and other payables	(7,613)	(342)	(421)	(8,376)
Borrowings*	(136,939)	(36)	(30)	(137,005)
Intercompany balances	(117,547)	(6)	-	(117,553)
	(262,099)	(384)	(451)	(262,934)
Net financial (liabilities)/assets	(124,323)	1,935	455	(121,933)
Add: Net non-financial assets*	152,410	1,673	212	154,295
Currency profile including non-financial assets	28,087	3,608	667	32,362
Currency exposure of net financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	9	1,935	(98)	1,846

** Include the assets and liabilities directly associated with disposal group classified as held-for-sale (Note 14(a)).*

If the USD changes against the SGD by 2% (2023: 2%) with all other variables, including the tax rate being held constant, the effects arising from the net financial asset position to the financial performance of the Group will be as follows:

	Increase/(decrease) Profit after tax	
	2024 $'000	2023 $'000
USD against SGD		
- Strengthened	**44**	32
- Weakened	**(44)**	(32)

The Company is not exposed to currency risk since all its financial assets and liabilities as at 31 December 2024 and 2023 respectively, are denominated in Singapore Dollar.

30. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the equity investments classified as financial assets, at FVOCI. These securities are listed in Malaysia.

Further details of these equity investments can be found in Note 15 to the financial statements.

Equity price sensitivity

In respect of equity investments classified as financial assets, at FVOCI, if equity prices had been 10% (2023:10%) higher or lower, with all other variables including tax rate being held constant, the impact to the net profit and equity of the Group are not significant for the financial years ended 31 December 2024 and 2023 respectively.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate bank borrowings that are mainly denominated in SGD. The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain the operations of the Group.

If the SGD variable interest rates had been higher/lower by 1.0% (2023: 1.0%) with all other variables including tax rate being held constant, the net profit would have been lower/higher by $1,213,000 (2023: $1,291,000) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining deposit where appropriate to mitigate credit risk; and
- High credit quality counterparties, where available.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Management at the operating entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the operating entity level by the respective Management and at the Group level by the Group-level Management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

The Group's investments in equity instruments are considered to be low-risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for the corporate guarantees provided by the Group and the Company to non-related parties as disclosed in Note 28 to the financial statements.

The movements in credit loss allowance are as follows:

	Group	
	2024	2023
	$'000	$'000
Trade receivables		
Beginning of financial year	**572**	512
Loss of allowance recognised in profit or loss during the financial year on:		
- Assets acquired (Note 3(e))	**-**	60
Receivables written off as uncollectible (Note 3(e))	**(572)**	-
End of financial year (Notes 4(d) and 12)	**-**	572

	Company	
	2024	2023
	$'000	$'000
Other receivables		
Beginning of financial year	**11,455**	18,914
Loss allowance recognised in profit or loss during the financial year on:		
- Assets acquired (Note 3(e))	**3,484**	3,000
- Reversal of unutilised amounts	**-**	(379)
Receivables written off as uncollectible (Note 3(e))	**-**	(10,080)
End of financial year (Note 12)	**14,939**	11,455

Trade receivables and contract assets

The trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring Expected Credit Losses ("**ECL**"), which uses a lifetime expected loss allowance.

The expected lifetime losses are recognised from the initial recognition of these assets. These assets are grouped based on respective segments and the days past due for measuring the expected credit losses. Management further categorises the assets based on certain shared credit risk characteristics.

30. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Trade receivables and contract asset (continued)

For non-credit-impaired debtors, the Group uses an allowance matrix to measure the lifetime expected credit loss allowances for trade receivables and contract assets. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and contract assets and is adjusted for forward-looking estimates. At every balance sheet date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

For credit-impaired debtors, the Group determines impairment of trade receivables and contract assets by making debtor-specific assessments for credit-impaired debtors. Evidence that a financial asset is credit-impaired includes the following observable data:

- Breach of contract such as a default or past due outstanding for more than the reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation, as well as the general industry trend;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation or is having significant financial difficulty; or
- The disappearance of an active market for a security because of financial difficulties.

In measuring the expected credit loss for credit-impaired debtors, the Group has considered settlement arrangements entered into with various customers, such as instalment plans and contra settlements/arrangements with customers. The Group also considers available reasonable and supportive forward-looking information, which includes actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations.

At each subsequent balance sheet date, an evaluation is made on whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the balance sheet date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and Company. The Management categorises receivables for write-off when a debtor fails to make contractual payments greater than 180 days past due based on historical collection trends during the financial year. Where receivables have been written off, the Group and Company continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. Management had assessed and concluded that no loss allowance for trade receivables had been recognised for the financial year ended 31 December 2024. However, Management had recognised a loss allowance of $60,000 (Note 3(e)) for the financial year ended 31 December 2023.

During the financial year ended 31 December 2024, the Group wrote off a loss allowance of trade receivables from non-related parties that amounted to $572,000 (2023: $Nil) (Note 3(e)) as there was no indication of recovery.

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 measured at an amount equal to 12-month ECL at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

30. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Other receivables (continued)

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 credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

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 assessment. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECLs.

As at 31 December 2024, the Group performed an assessment of impairment using the 12-month ECL basis on these financial assets. The Group concluded that the loss allowance is adequate.

Cash and cash equivalents

The Group and the Company held cash and bank balances of $10,163,000 and $1,343,000 (2023: $10,470,000 and $524,000) respectively. Cash and bank balances are held with banks with sound credit ratings. The cash balances are measured on 12-month expected credit losses and are subject to immaterial credit loss.

Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short-term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate. During the financial year ended 31 December 2024, the Company has provided an additional loss allowance that amounted to $3,484,000 (2023: $3,000,000) (Note 3(e)) as there is no reasonable ground to recover the receivables from these subsidiary corporations.

Management had assessed and concluded that no loss allowance for other receivables was written off for the financial year ended 31 December 2024. However, Management had written off a loss allowance of $10,080,000 (Note 3(e)) during the financial year ended 31 December 2023, as there was no indication of recovery.

Financial assets, at FVOCI

Financial assets, at FVOCI are equity securities listed in Malaysia, amounting to $117,000 (2023: $91,000). These balances are measured at the 12-month expected credit losses and are subject to immaterial credit loss.

30. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 11 to the financial statements.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents (Note 11) on the basis of expected cash flow. This is generally carried out at the local level in the operating entities of the Group in accordance with the practice and limits set by the Group. These limits vary by operating entity to take into account the working capital requirement of each entity. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these obligations, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses the non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
At 31 December 2024				
Trade and other payables	**9,660**	**-**	**-**	**-**
Borrowings*	**74,441**	**5,854**	**16,294**	**40,952**
At 31 December 2023				
Trade and other payables	8,376	-	-	-
Borrowings*	76,943	7,278	19,030	50,860

** Include the liabilities directly associated with disposal group classified as held-for-sale (Note 14(a)).*

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
At 31 December 2024				
Trade and other payables	**17,854**	**-**	**-**	**-**
Borrowings	**2,872**	**4,588**	**12,853**	**26,395**
Financial guarantees	**559**	**-**	**-**	**-**
At 31 December 2023				
Trade and other payables	17,449	-	-	-
Borrowings	2,872	4,987	13,942	30,932
Financial guarantees	3,180	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. Financial risk management (continued)

Financial risk factors (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to Shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the debt-to-equity ratio. The Group and the Company are also required by the banks to maintain a debt-to-equity ratio not exceeding 3.20 times (2023: 3.20 times).

The debt-to-equity ratio is calculated as borrowings divided by total equity. Borrowings comprised bank borrowings, trade financing and lease liabilities - hire purchase. Total equity is defined as equity attributable to equity holders plus any deferred income tax liabilities minus intangible assets.

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Borrowings*	**108,660**	118,632	**38,004**	40,671
Total equity	**30,649**	27,739	**24,956**	28,830
Debt-to-equity ratio (times)	**3.55**	4.28	**1.52**	1.41

** Borrowings include the liabilities directly associated with disposal group classified as held-for-sale (Note 14(a)).*

The Group and the Company did not fulfil the gearing ratio and minimum tangible net worth as required in some of the Group's loan agreements for the financial years ended 31 December 2024 and 2023 respectively. The breaches on the above financial covenants for the financial years ended 31 December 2024 and 2023 respectively were waived by the lenders up to 31 March 2026 (2023: 31 March 2026) through the Further Amended DRA as explained in Notes 2.1 – Going concern and 24(c) to the financial statements.

(e) Fair value measurements

The table below presents assets measured and carried 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).

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

	Group	
	2024	2023
	$'000	$'000
Financial assets, at FVOCI	**117**	91

30. Financial risk management (continued)

Financial risk factors (continued)

(e) Fair value measurements (continued)

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.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The fair value measurement of non-current borrowings is disclosed in Note 24(b) to the financial statements.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15 to the financial statements, except for the following:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**24,929**	23,357	**36,627**	38,060
Financial liabilities at amortised cost	**135,637**	145,381	**55,858**	58,120

31. 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:

(a) *Transactions with related parties*

	Group	
	2024	2023
	$'000	$'000
Sales of goods and/or services to		
- Associated companies	**68**	1,001
Purchases of products and services from		
- Associated companies	**-**	98
Miscellaneous income from		
- Associated company	**-**	5
Recharges of common costs:		
- Associated companies	**-**	19
Consideration for the internal reorganisation of Menji Shanghai:		
- Associated company (Note 33)	**91**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Related party transactions (continued)

(a) *Transactions with related parties* (continued)

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 an associated company of the Group.

Outstanding balances as at 31 December 2024 and 2023, arising from the sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from the balance sheet date and are disclosed in Notes 12 and 23 to the financial statements, respectively.

(b) *Key Management personnel compensation*

Key Management personnel compensation is as follows:

	Group	
	2024	2023
	$'000	$'000
Wages and salaries	**1,773**	2,009
Employer's contribution to defined contribution plans, including Central Provident Fund	**104**	102
Share Award under the PSAS 2021	**98**	100
	1,975	2,211

Key Management personnel compensation includes Directors' remuneration amounting to $1,099,000 (2023: $1,255,000).

32. Segment 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 Group's operating segments are the strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's Management and internal reporting structure used for its strategic decision-making purposes.

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 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 and Engineering - 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 works.

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

32. Segment information (continued)

	Group				
	Offshore and Engineering	Marine	Energy Services	Unallocated	Total
	$'000	$'000	$'000	$'000	$'000
2024					
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
Other material items of expenses (Note 6):					
Purchases of raw materials	362	5,763	6,278	-	12,403
Depreciation of property, plant and equipment (Note 19)	2,265	2,424	2,936	279	7,904
Employee compensation (Note 7)	1,763	5,135	4,789	1,926	13,613

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

32. Segment information (continued)

	Group				
	Offshore and Engineering $'000	Marine $'000	Energy Services $'000	Unallocated $'000	Total $'000
2023					
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
Other material items of expenses (Note 6):					
Purchases of raw materials	1,175	4,120	1,677	-	6,972
Depreciation of property, plant and equipment (Note 19)	3,025	2,250	2,718	298	8,291
Employee compensation (Note 7)	1,772	5,269	4,303	2,043	13,387

32. Segment information (continued)

The following table provides an analysis of the Group's revenue by geographical market, which is analysed based on the country of domicile of the customers:

	Group	
	2024	2023
	$'000	$'000
Singapore	**42,243**	40,446
Asia[1]	**7,697**	5,399
Rest of the world[2]	**3,550**	2,572
Total	**53,490**	48,417

[1] Asia refers to customers from Malaysia, Brunei, the People's Republic of China ("**PRC**"), Indonesia, the Philippines, Thailand, Vietnam, Hong Kong, India, Sri Lanka, and the Maldives.

[2] The rest of the world refers to customers from Australia, Europe, the Middle East and the United States of America.

Revenue of $16,888,000 (2023: $17,793,000) is derived from five (2023: five) external customers. This revenue is attributable mainly to the Singapore Marine segment and Singapore Energy Services segment (2023: Singapore Marine segment and Singapore Energy Services segment).

The following table provides an analysis of the Group's non-current assets by geography, which is analysed based on the location of the non-current assets:

	Group	
	2024	2023
	$'000	$'000
Singapore	**73,954**	81,481
Asia[1]	**462**	132
Total	**74,416**	81,613

[1] Asia refers to non-current assets located in Indonesia, Malaysia and China.

33. Business combination

On 23 January 2024, the Group conducted an internal reorganisation exercise involving Menji Singapore, transferring its entire equity interests in Menji Shanghai to Menji Development, a newly incorporated 60%-owned subsidiary corporation of the Group for a consideration of $91,000. As a result of the internal reorganisation, Menji Shanghai became an indirectly-owned subsidiary corporation to the Group, with equity interests increased from 49.7% to 60.0%.

Following the reorganisation, Menji Shanghai is no longer a subsidiary corporation of Menji Singapore. However, the Group continues to hold 49.7% equity interest in Menji Singapore, which remains an associated company of the Group.

The principal activities of Menji Shanghai include provision of engineering and construction services and the wholesale of building and construction materials in the People's Republic of China ("**PRC**").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33. **Business combination** (continued)

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

		2024 $'000
(a)	Purchase consideration	
	Cash to be paid (Note 31(a))	**91**
(b)	Effect on cash flows of the Group	
	Cash paid	**-**
	Less: Cash and bank balances in subsidiary corporation acquired	**(191)**
	Cash inflow on acquisition	**(191)**
(c)	Identifiable assets acquired and liabilities assumed (at fair value)	
	Cash and bank balances	**191**
	Trade and other receivables	**91**
	Property, plant and equipment (Note 19)	**295**
	Total assets	**577**
	Trade and other payables	**248**
	Lease liabilities	**238**
	Total liabilities	**486**
	Total identifiable net assets	**91**
	Less: Non-controlling interests ("**NCI**") measured in NCI's proportion to net identifiable assets	**(37)**
	Consideration transferred for the business	**54**

(d) Acquisition-related costs

There are no acquisition-related costs incurred for the business combination for the financial year ended 31 December 2024.

(e) Revenue and profit contribution

The acquired business contributed revenue of $978,000 and net loss of $72,000 to the Group for the financial period from 23 January 2024 to 31 December 2024.

Had Menji Shanghai been acquired by Menji Development on 1 January 2024, the consolidated revenue and the consolidated profit after tax for the Group would have remained the same at $53,490,000 and $2,307,000 for the financial year ended 31 December 2024.

34. Changes in accounting policies

As a result of the adoption of the amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* and SFRS(I) 1-1 *Non-current Liabilities with Covenants*, the Group changed its accounting policy for the classification of borrowings as disclosed in Note 2.13 to the financial statements.

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to SFRS(I) 1-1.

35. Events occurring after balance sheet date

(a) Strike off of S & W Pte. Ltd. ("**S & W**")

S & W, a wholly-owned subsidiary corporation of the Company, was struck off from the Register of Companies pursuant to Section 344(A) of the Companies Act on 19 February 2025.

S & W is a private limited company incorporated in Singapore on 29 November 1994. It was acquired by the Company on 21 April 2015 to complement the Group's core business in the maintenance, repair and overhaul for the marine oil and gas industry. S & W is involved in the business of manufacturing, repairing, supplying, and designing heat exchangers, pressure vessels, air cooler heat exchangers, skid packagers and the building and repairing of ships, tankers and other ocean-going vessels.

As part of the Group's restructuring and cost-streamlining efforts since 2017, S & W scaled down its business activities following the sale of its property on 4 December 2017 and has remained dormant for the past five years.

The striking off of S & W is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2025.

None of the Directors, Controlling Shareholders or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the striking off of S & W.

(b) Strike off of Virestorm Pte. Ltd. ("**Virestorm**")

Virestorm, an indirect 50% owned subsidiary corporation of the Company held through Mencast Investment Holdings Pte. Ltd. ("**Mencast Investment**") was struck off from the Register of Companies pursuant to Section 344(A) of the Companies Act on 20 February 2025.

Virestorm was incorporated in the Republic of Singapore as a joint venture company between Mencast Investment, Dr. She Alen Jenting ("**Dr. She**") and Mr. Sim Soon Ngee, Glenndle ("**Mr. Sim**"), each holding equity interests of 50%, 40% and 10% of the shares in Virestorm respectively. Dr She is an independent non-related party who is not related to the Company, its subsidiary corporations, directors or controlling shareholders, while Mr. Sim is the Executive Chairman and the Chief Executive Officer of the Company.

Virestorm was initially established for the purpose of developing, commercialising and distributing Virestorm, a new technology for cleaning surfaces infected with the coronavirus using advanced ozone technology. However, this initiative did not proceed as intended, and Virestorm has remained dormant since its incorporation.

The striking off of Virestorm is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2025.

Save as disclosed above, none of the Directors or the Controlling Shareholders or substantial shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the striking-off of Virestorm.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35. Events occurring after balance sheet date (continued)

(c) Incorporation of a new subsidiary corporation

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

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.

36. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

(a) Amendments to SFRS(I) 1-21 *Lack of Exchangeability* (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

(b) Amendments to SFRS(I) 9 and SFRS(I) 7 *Amendments to the Classification and Measurement of Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(c) SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

36. New or revised accounting standards and interpretations (continued)

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted. (continued)

(c) SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

    - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

    - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - Management-defined performance measures;

    - A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

    - For the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. New or revised accounting standards and interpretations (continued)

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted. (continued)

(c) SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

(d) SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures* (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiary corporations of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary corporation applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiary corporations. A subsidiary corporation is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

STATISTICS OF SHAREHOLDINGS
AS AT 21 MARCH 2025

SHARE CAPITAL

Number of ordinary shares (excluding treasury shares and subsidiary holding)	:	461,184,924
Number of treasury shares held	:	455,025 (0.1% of the total number of shares)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	12	1.59	333	0.00
100 - 1,000	48	6.36	31,806	0.01
1,001 - 10,000	151	20.03	774,008	0.17
10,001 - 1,000,000	494	65.52	69,366,016	15.04
1,000,001 AND ABOVE	49	6.50	391,012,761	84.78
TOTAL	**754**	**100.00**	**461,184,924**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	98,264,856	21.31
2	WONG SWEE CHUN	50,409,050	10.93
3	CHUA KIM CHOO	41,716,800	9.05
4	DBS NOMINEES (PRIVATE) LIMITED	36,125,170	7.83
5	SIM SOON YING (SHEN SHUNYING)	21,686,000	4.70
6	WONG CHEE HERNG	12,544,400	2.72
7	GOH KAI KUI	9,706,000	2.10
8	CHENG MING JEN	9,446,100	2.05
9	MAYBANK SECURITIES PTE. LTD.	8,093,200	1.75
10	SAN MENG CHEE	7,325,100	1.59
11	HUANG ZHIYONG	5,179,000	1.12
12	LEOW DAVID IVAN	4,627,900	1.00
13	PHILLIP SECURITIES PTE LTD	4,557,735	0.99
14	NG KENG TEONG	4,291,550	0.93
15	PANG YOKE MIN	4,278,800	0.93
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	3,881,800	0.84
17	SONG SEI RYE	3,837,632	0.83
18	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,626,471	0.79
19	ANG KIAN HUI LARRY (WANG JIANHUI)	3,546,900	0.77
20	WONG BOON HUAT	3,525,800	0.76
	TOTAL	**336,670,264**	**72.99**

STATISTICS OF SHAREHOLDINGS
AS AT 21 MARCH 2025

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders as at 21 March 2025)

	Direct Interest	%	Deemed Interest	%
Sim Soon Ngee Glenndle[1]	86,852,900	18.83	63,402,800	13.75
Chua Kim Choo[1]	41,716,800	9.05	108,538,900	23.53
Sim Soon Ying[1]	21,686,000	4.70	128,569,700	27.88
Wong Swee Chun[2]	50,409,050	10.93	1,509,900	0.33
Wong Boon Huat[3]	31,531,106	6.84	-	-

Notes:

(1) The following shares are registered under Sim Soon Ngee Glenndle:
(a) 64,600,000 shares in Citibank Nominees Singapore Pte Ltd; and
(b) 18,967,900 shares in DBS Nominees (Private) Limited.

Sim Soon Ngee Glenndle is deemed interested in the shares of Chua Kim Choo and Sim Soon Ying. Sim Soon Ngee Glenndle is the son of Chua Kim Choo and the brother of Sim Soon Ying. Each is deemed to have an interest in the shares held by each other.

(2) Wong Swee Chun is deemed interested in the shares of S C Wong Holdings Pte. Ltd.

(3) 28,005,306 shares registered in the name of Citibank Nominees Singapore Pte Ltd.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL
SECTION B : RULES OF CATALIST ("**CATALIST RULES**")

Based on information available and to the best knowledge of the Company, as at 21 March 2025, approximately 49.32% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the Catalist Rules.

The Company has 455,025 treasury shares as at 21 March 2025.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of Mencast Holdings Ltd. (the "**Company**") will be held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on Monday, 28 April 2025 at 10.30 a.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Sim Soon Ngee Glenndle as Director of the Company retiring pursuant to Article 89 of the Constitution of the Company. **(Resolution 2)**

[See Explanatory Note (i)]

3. To re-elect Ms. Lee Kim Lian, Juliana as Director of the Company retiring pursuant to Article 88 of the Constitution of the Company. **(Resolution 3)**

[See Explanatory Note (i)]

4. To approve the payment of Directors' fees of S$141,035 for the financial year ended 31 December 2024 (2023: S$174,480). **(Resolution 4)**

5. To approve the payment of Directors' fees of up to S$155,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears. **(Resolution 5)**

6. To re-appoint CLA Global TS Public Accounting Corporation as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to issue shares in the capital of the Company ("Shares")

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require shares to be issued, during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Ordinary Resolution is in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) to be issued pursuant to this Ordinary Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Ordinary Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards that are outstanding and subsisting at the time this Ordinary Resolution is passed, provided that the options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation, or subdivision of shares;

provided further that adjustments in accordance with sub-paragraphs 2(a) and 2(b) above are only to be made in respect of new shares arising from convertible securities, share options, or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 7)**

9. Authority to issue shares under the Mencast Performance Share Award Scheme 2021

That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the Mencast Performance Share Award Scheme 2021 (the "**PSAS 2021**") and to allot and issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the Awards under the PSAS 2021, provided that the aggregate number of Shares to be allotted and issued pursuant to the PSAS 2021, when added to the number of Shares issued and issuable in respect of all Awards, and all Shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the total issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 8)**

By Order of the Board

Kevin Cho
Company Secretary
Singapore, 11 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

i. Mr. Sim Soon Ngee Glenndle shall, upon re-election as a Director of the Company, remain as Executive Chairman and CEO, and a member of the Nominating Committee.

Ms. Lee Kim Lian, Juliana shall, upon re-election as a Director of the Company, remain as Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. She is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information on Mr. Sim Soon Ngee Glenndle and Ms. Lee Kim Lian, Juliana can be found under the "Additional requirements under Rule 720(5) of the Catalist Rules" section in the Company's Annual Report 2024.

ii. The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution 7 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution 7 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

iii. The Ordinary Resolution 8, if passed, will empower the Directors to offer and grant Awards under the PSAS 2021 in accordance with the provisions of the PSAS 2021 and to issue from time to time such number of fully paid Shares as may be required to be issued pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the PSAS 2021. The aggregate number of Shares that may be issued pursuant to the PSAS 2021 and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the PSAS 2021) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

Notes:

1. The members of the Company are invited to attend the AGM in person. There will be no option for shareholders to participate virtually. Printed copies of this Notice and proxy form will be sent by post to members. This Notice, the proxy form and the annual report are also available on the Company's corporate website at the URL http://www.mencast.com.sg and the SGX's website at the URL https://www.sgx.com/securities/company-announcements. A member will need an internet browser and PDF reader to view these documents. Members who wish to receive a printed copy of the Annual Report can submit a request to the Company via email to ir@mencast.com.sg.

   When submitting the request, shareholders should also provide the following details: (i) full name(s); (ii) NRIC/Passport/Company Registration No.; (iii) mailing address; and (iv) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

2. (a) A member (whether individual or corporate), who is not a relevant intermediary, is entitled to appoint not more than 2 proxies to attend and vote at the AGM; or

   (b) A member, who is a relevant intermediary, is entitled to appoint more than 2 proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. Members submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 5.00 p.m. on 21 April 2025:

   (a) by email to ir@mencast.com.sg; or

   (b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

   When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; (iii) the number of shares held; and (iv) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   The Company will endeavour to address all substantial and relevant questions received at the AGM. The responses to such questions, including any questions raised at the AGM will be included in the minutes of the AGM which will be published on the Company's website and on SGXNet within one (1) month from the date of the AGM.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at/be deposited at the Registered Office of the Company at 42E Penjuru Road, Mencast Central, Singapore 609161; or

   (b) if submitted by email, be received by the Company at ir@mencast.com.sg.

   and in each case, must be lodged or received not less than 48 hours before the time appointed for holding the Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

The contact person for the Sponsor is Ms. Lim Qi Fang (Telephone: (65) 6232 3221) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

Information relating to the Directors seeking the re-elections at the forthcoming AGM of the Company to be convened on 28 April 2025 are as follows.

	Mr. Sim Soon Ngee Glenndle ("Mr. Sim")	**Ms. Lee Kim Lian, Juliana ("Ms. Lee")**
Date of appointment	30 January 2008	29 July 2024
Date of last re-appointment	26 April 2023	Not applicable
Age	55	58
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment or appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Based on the recommendation of the Nominating Committee, the Board (Mr. Sim abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Sim as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (Ms. Lee abstained from deliberating her own re-election) proposes to the Company's shareholders to approve the re-election of Ms. Lee as Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Executive Chairman & Chief Executive Officer	Non-Executive
Job Title	• NC Member	• Independent Director • NC Chairman • AC Member • RC Member
Professional Qualifications	• Bachelor in Business Administration from National University of Singapore • Master of Business Administration from the University of Delaware in the USA	• Bachelor of Laws (Honours), National University of Singapore
Working experience and occupation(s) during the past 10 years	• Executive Chairman & CEO of Mencast Holdings Ltd. Group	• June 2006 to present: Practising lawyer and Director of Aptus Law Corporation

ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

	Mr. Sim Soon Ngee Glenndle ("Mr. Sim")	Ms. Lee Kim Lian, Juliana ("Ms. Lee")
Shareholding interest in the listed issuer and its subsidiaries (as at 21 March 2025)	Direct Interest: 86,852,900 ordinary shares in the listed issuer Deemed Interest: 63,402,800 ordinary shares in the listed issuer	Direct Interest: Nil Deemed Interest: Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes, Mr. Sim is a controlling shareholder of the Company holding in aggregate, 150,255,700 shares representing 32.58% of the Company. He is the son of Mdm. Chua Kim Choo and the brother of Mr. Sim Soon Ying, who are also controlling shareholders of the Company.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the Company	Yes	Yes

Other principal commitments* including directorships#

* "Principal Commitments" has the same meaning as defined in the Code.
# These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of the Catalist Rules.

Past (for the last 5 years)	• KSE Development Pte. Ltd. (formerly known as Mencast-KSE Pte. Ltd.) • Vac-Tech Engineering Pte Ltd • Houston Technology Center Asia Pte. Ltd. (Struck off) • Singapore Heavy Engineering Pte. Ltd. (Struck off) • Virestorm Pte. Ltd. (Struck off) • S & W Pte. Ltd. (Struck off)	• Denison Gas Limited • Nordic Group Limited • VCPlus Limited • Hanwha Offshore Singapore Pte. Ltd. (formerly known as Dyna-Mac Holdings Ltd.)

ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

	Mr. Sim Soon Ngee Glenndle ("Mr. Sim")	**Ms. Lee Kim Lian, Juliana ("Ms. Lee")**
Present	• MIS Investment Pte. Ltd. • Mencast Energy Pte. Ltd. • Mencast Innovation Centre Pte. Ltd. • Mencast Investment Holdings Pte. Ltd. • Menji Pte. Ltd. • Menji International Pte. Ltd. • Menji AM Tech Pte. Ltd. • Menji Development Pte. Ltd. • Menji Technology (Shanghai) Co., Ltd.	• Aptus Law Corporation • Corporate House Pte. Ltd. • Uni-Asia Group Limited • BH Global Corporation Limited

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given

a	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c	Whether there is any unsatisfied judgment against him?	No	No

ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

		Mr. Sim Soon Ngee Glenndle ("Mr. Sim")	Ms. Lee Kim Lian, Juliana ("Ms. Lee")
d	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

		Mr. Sim Soon Ngee Glenndle ("Mr. Sim")	Ms. Lee Kim Lian, Juliana ("Ms. Lee")
i	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

MENCAST HOLDINGS LTD.
Company Registration No. 200802235C
(Incorporated in the Republic of Singapore)

IMPORTANT:

This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to submit his/her voting instructions by Tuesday, 15 April 2025 at 10:30 a.m., being at least 7 working days before the Annual General Meeting ("**AGM**").

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We*, ______________________________

NRIC/Passport/Co. Registration No. ______________________________

of ______________________________

being a member/members* of Mencast Holdings Ltd. (the "**Company**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
Address		**No. of Shares**	**%**

and/or*

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
Address		**No. of Shares**	**%**

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our* proxy(ies) to attend, speak or vote for me/us* on my/our* behalf, at the Annual General Meeting of the Company to be convened and held at 42B Penjuru Road, Level 2 Auditorium, Singapore 609163 on Monday, 28 April 2025 at 10.30 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy(ies) to vote for, against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	**Resolutions relating to:**	**No. of Votes For[1]**	**No. of Votes Against[1]**	**No. of Votes Abstain[1]**
	Ordinary Business			
1.	Directors' Statement and Audited Financial Statements for the year ended 31 December 2024			
2.	Re-election of Mr. Sim Soon Ngee Glenndle as a Director			
3.	Re-election of Ms. Lee Kim Lian, Juliana as Director			
4.	Approval of Directors' fees for the financial year ended 31 December 2024			
5.	Approval of Directors' fees for the financial year ending 31 December 2025, to be paid quarterly in arrears			
6.	Re-appointment of CLA Global TS Public Accounting Corporation as Independent Auditor of the Company			
	Special Business			
7.	Authority to issue new shares in the capital of the Company			
8.	Authority to issue shares under the Mencast Performance Share Award Scheme 2021			

[1] If you wish to exercise all your votes "**For**" or "**Against**" or "**Abstain**", please tick a "√" within the box provided. Alternatively, please indicate the number of votes as appropriate. Alternatively, please indicate the number of shares your proxy is directed to vote "**For**" or "**Against**" or "**Abstain**" within the box. In the absence of specific directions, the appointment of your proxy(ies) for that resolution will be treated as invalid.

Dated this ________ day of ___________ 2025

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

**To delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company should insert the total number of shares of the Company ("**Shares**") held. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

2. This proxy form may be accessed at the Company's corporate website at the URL http://www.mencast.com.sg, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

3. Where a member (whether individual or corporate) who is not a relevant intermediary (as defined below) is entitled to appoint not more than 2 proxies, the appointments shall be invalid unless such member specifies the number of Shares to be represented by each proxy. Please note that proxy will be given the same rights as member.

4. A member, who is a relevant intermediary, is entitled to appoint more than 2 proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's instrument appointing a proxy(ies) appoints more than 2 proxies, the number and class of Shares is held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

5. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

6. Where a member (whether individual or corporate) appoints a proxy or proxies as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy; failing which, the appointment of proxy(ies) for that resolution will be treated as invalid. Please note that proxy will be given the same rights as a member.

7. A proxy need not be a member of the Company.

8. Investors holding shares under the Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (i.e., by 7 working days, on Tuesday, 15 April 2025 at 10:30 a.m.). CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.

9. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

10. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted to the Company in the following manner:

    (a) if submitted personally or by post, be lodged at the registered office of the Company at 42E Penjuru Road, Mencast Central, Singapore 609161; or

    (b) if submitted by email, be received by the Company at ir@mencast.com.sg,

    and in each case, must be lodged or received not less than 48 hours before the time appointed for the Meeting.

11. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

12. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

13. Any reference to a time of day in this Proxy Form is made by reference to Singapore time.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2025.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Sim Soon Ngee Glenndle
Executive Chairman &
Chief Executive Officer

Wong Boon Huat
Executive Director

Independent Directors:

Lim Yeow Hua @ Lim You Qin
Lead Independent Director

Marini Martin Vincent
Independent Director

Lee Kim Lian, Juliana
Independent Director

AUDIT COMMITTEE

Lim Yeow Hua @ Lim You Qin
Chairman

Marini Martin Vincent

Lee Kim Lian, Juliana

NOMINATING COMMITTEE

Lee Kim Lian, Juliana
Chairman

Sim Soon Ngee Glenndle

Marini Martin Vincent

Lim Yeow Hua @ Lim You Qin

REMUNERATION COMMITTEE

Marini Martin Vincent
Chairman

Lim Yeow Hua @ Lim You Qin

Lee Kim Lian, Juliana

SECRETARY

Cho Form Po

REGISTERED OFFICE

42E Penjuru Road,
Mencast Central,
Singapore 609161

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

80 Robinson Road
#25-00
Singapore 068898

Director-In-Charge
Loh Hui Nee
Appointed since financial year ended 31 December 2020

CONTINUING SPONSOR

SAC Capital Private Limited

1 Robinson Road #21-01
AIA Tower
Singapore 048542

PRINCIPAL BANKER

United Overseas Bank Limited

COMPANY REGISTRATION NO.

200802235C

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