Mencast

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

Condensed Interim Financial Statements
for the Six Months Ended
30 June 2026

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

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Mencast

Contents

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group For the half year ended 30 Jun		
	1HY2026 ($'000)	1HY2025 ($'000)	Increase/ (decrease) (%)
Revenue	**21,391**	25,012	(14)
Cost of sales	**(14,969)**	(18,210)	(18)
Gross profit	**6,422**	6,802	(6)
Other gains – net			
- Interest income- bank deposit	**5**	18	(72)
- Loss allowance on trade and non-trade receivables	**-**	(1,334)	NM
- Other	**2,011**	1,736	16
Expenses			
- Administrative	**(5,670)**	(5,268)	8
- Finance	**(1,707)**	(2,452)	(30)
Profit/(loss) before income tax	**1,061**	(498)	NM
Income tax credit	**115**	254	(55)
Net profit/(loss)	**1,176**	(244)	NM
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences for foreign operations[(1)] - Loss	**(50)**	(54)	(7)
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on financial assets, at FVOCI	**-**	(8)	NM
Total comprehensive income/(loss)	**1,126**	(306)	NM
Net profit/(loss) attributable to:			
Equity holders of the Company	**1,278**	(144)	NM
Non-controlling interests	**(102)**	(100)	2
	1,176	(244)	NM
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	**1,233**	(206)	NM
Non-controlling interests	**(107)**	(100)	7
	1,126	(306)	NM
Earnings/(loss) per share ("EPS/(LPS)") attributable to equity holders of the Company (cents per share)			
- Basic and diluted	**0.27**	(0.03)	NM

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

B. CONDENSED INTERIM BALANCE SHEETS

	Group		Company	
	1HY2026 ($'000)	FY2025 ($'000)	**1HY2026 ($'000)**	FY2025 ($'000)
ASSETS				
Current assets				
Cash and cash equivalents	**10,981**	7,858	**3,305**	1,140
Trade and other receivables	**9,172**	10,321	**32,728**	32,759
Inventories	**4,486**	3,625	**-**	-
Contract assets	**262**	54	**568**	511
Other current assets	**77**	-	**-**	-
	24,978	21,858	**36,601**	34,410
Assets of disposal group classified as held-for-sale	**70,544**	70,544	**-**	-
	95,522	92,402	**36,601**	34,410
Non-current assets				
Financial assets, at FVOCI	**122**	122	**-**	-
Investments in subsidiary corporations	**-**	-	**41,421**	41,421
Investment in an associated company	**-**	-	**-**	-
Property, plant, and equipment	**57,544**	60,878	**286**	326
Deposits for purchase of property, plant, and equipment	**2,562**	2,146	**-**	-
Goodwill	**4,781**	4,781	**-**	-
	65,009	67,927	**41,707**	41,747
Total assets	**160,531**	160,329	**78,308**	76,157
LIABILITIES				
Current liabilities				
Trade and other payables	**7,028**	8,641	**18,532**	17,285
Contract liabilities	**2,782**	2,006	**-**	-
Borrowings	**7,292**	7,313	**2,918**	2,918
Current income tax liabilities	**-**	4	**-**	-
	17,102	17,964	**21,450**	20,203
Liabilities directly associated with disposal group classified as held-for-sale	**65,972**	66,230	**-**	-
	83,074	84,194	**21,450**	20,203
Non-current liabilities				
Borrowings	**42,933**	42,903	**34,125**	32,611
Deferred income tax liabilities	**1,707**	1,822	**-**	-
	44,640	44,725	**34,125**	32,611
Total liabilities	**127,714**	128,919	**55,575**	52,814
NET ASSETS	**32,817**	31,410	**22,733**	23,343
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**93,873**	93,592	**93,873**	93,592
Fair value reserve	**45**	45	**-**	-
Translation reserve	**(1,074)**	(1,029)	**-**	-
Accumulated losses	**(61,325)**	(62,603)	**(71,140)**	(70,249)
	31,519	30,005	**22,733**	23,343
Non-controlling interests	**1,298**	1,405	**-**	-
Total equity	**32,817**	31,410	**22,733**	23,343

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital ($'000)	Treasury shares ($'000)	Accumulated losses ($'000)	Fair value reserve[1] ($'000)	Translation reserve[1] ($'000)	Total ($'000)	Non-controlling interests ($'000)	Total equity ($'000)
Group								
Balance as at 1 January 2026	**93,795**	**(203)**	**(62,603)**	**45**	**(1,029)**	**30,005**	**1,405**	**31,410**
Total comprehensive income/(loss)	**-**	**-**	**1,278**	**-**	**(45)**	**1,233**	**(107)**	**1,126**
Share issue pursuant to:								
- Share Awards under the PSAS 2021[2]	**281**	**-**	**-**	**-**	**-**	**281**	**-**	**281**
Balance as at 30 June 2026	**94,076**	**(203)**	**(61,325)**	**45**	**(1,074)**	**31,519**	**1,298**	**32,817**
Balance as at 1 January 2025	93,623	(203)	(59,150)	40	(959)	33,351	1,562	34,913
Total comprehensive loss	-	-	(144)	(8)	(54)	(206)	(100)	(306)
Share issue pursuant to:								
- Share Awards under the PSAS 2021[2]	172	-	-	-	-	172	-	172
Balance as at 30 June 2025	93,795	(203)	(59,294)	32	(1,013)	33,317	1,462	34,779

[1] *Fair value and translation reserves are not available for distribution.*
[2] *PSAS 2021 – Mencast Performance Share Award Scheme 2021 was approved and adopted on 30 April 2021, subject to a maximum period of ten (10) years from the adoption date.*

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital ($'000)	Treasury shares ($'000)	Translation reserve[1] ($'000)	Accumulated losses ($'000)	Total equity ($'000)
Company					
Balance as at 1 January 2026	**93,795**	**(203)**	**-**	**(70,249)**	**23,343**
Total comprehensive loss	**-**	**-**	**-**	**(891)**	**(891)**
Share issue pursuant to:					
- Share Awards under the PSAS 2021[2]	**281**	**-**	**-**	**-**	**281**
Balance as at 30 June 2026	**94,076**	**(203)**	**-**	**(71,140)**	**22,733**
Balance as at 1 January 2025	93,623	(203)	-	(68,464)	24,956
Total comprehensive loss	-	-	-	(1,010)	(1,010)
Share issue pursuant to:					
- Share Awards under the PSAS 2021[2]	172	-	-	-	172
Balance as at 30 June 2025	93,795	(203)	-	(69,474)	24,118

(1) *Translation reserve is not available for distribution.*
(2) *PSAS 2021 – Mencast Performance Share Award Scheme 2021 was approved and adopted on 30 April 2021, subject to a maximum period of ten (10) years from the adoption date.*

Mencast

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group For the half year ended 30 June	
	1HY2026	1HY2025
	($'000)	($'000)
Cash flows from operating activities		
Net profit/(loss)	**1,176**	(244)
Adjustments for:		
- Income tax credit	**(115)**	(254)
- Depreciation of property, plant and equipment	**3,642**	3,808
- Dividend income from financial assets, at FVOCI	**-**	(8)
- Gain on disposal of property, plant, and equipment	**(83)**	(137)
- Impairment loss on assets held for sale	**48**	-
- Loss on disposal of assets held for sale	**40**	-
- Loss on allowance on trade and non-trade receivables	**-**	1,334
- Share Awards under the PSAS 2021	**167**	172
- Write-down of long outstanding payables and accruals	**(219)**	(37)
- Interest income	**(5)**	(18)
- Interest expense	**1,707**	2,452
- Currency translation differences	**(50)**	(44)
	6,308	7,024
Changes in working capital:		
- Trade and other receivables	**1,054**	2,342
- Inventories	**(861)**	617
- Contract assets	**(208)**	959
- Trade and other payables	**(1,223)**	(1,347)
- Contract liabilities	**776**	(842)
Cash generated from operations	**5,846**	8,753
Interest received	**5**	18
Income tax paid	**(4)**	(474)
Net cash provided by operating activities	**5,847**	8,297
Cash flows from investing activities		
Dividend income from financial assets, at FVOCI	**-**	8
Proceeds from disposal of assets held for sale	**67**	-
Proceeds from disposal of property, plant and equipment	**289**	955
Purchase of property, plant, and equipment	**(927)**	(1,804)
Short-term bank deposits pledged	**(2)**	(5)
Net cash used in investing activities	**(573)**	(846)
Cash flows from financing activities		
Interest paid	**(1,758)**	(2,600)
Increase/(decrease) of trade financing	**672**	(279)
Proceeds from issuance of convertible bonds	**2,850**	-
Repayment of bank borrowings	**(3,120)**	(4,667)
Repayment of lease liabilities	**(797)**	(764)
Net cash used in financing activities	**(2,153)**	(8,310)
Net increase/(decrease) in cash and cash equivalents	**3,121**	(859)
Cash and cash equivalents at the beginning of the financial period	**7,323**	9,638
Cash and cash equivalents at the end of the financial period	**10,444**	8,779

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

	As at 30 June 2026 ($'000)	As at 30 June 2025 ($'000)
Cash and cash equivalents	**10,981**	9,309
Short-term bank deposits pledged	**(537)**	(530)
	10,444	8,779

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiary corporations (collectively, the "**Group**").

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

The principal activities of its subsidiary corporations are as follows:
a. Manufacture, supply, refurbishment and reconditioning of stern gear;
b. Collection of waste (including treatment and disposal of waste and recycling of non-metal waste);
c. Fabrication of steel structure, shipbuilding, and repairs;
d. Manufacturing and precision machining services for parts used in machines and equipment; and
e. Marketing, distribution and installation of eco-building materials and products.

2. Basis of preparation

The interim financial statements for the six months ended 30 June 2026 ("**1HY2026**") have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim/annual financial statements for the period/year ended 30 June 2025 ("**1HY2025**")/31 December 2025 ("**FY2025**").

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

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial period/year ended 1HY2025/FY2025.

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 4.2 – Construction Contracts

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period is included in the following notes:

- Note 8 – Provision for expected credit losses of trade receivables, contract assets, and other receivables
- Note 11 – Impairment of disposal group classified as held-for-sale
- Note 13 – Depreciation and impairment of property, plant and equipment
- Note 14 – Impairment test of goodwill: key assumptions underlying recoverable amounts

3. Seasonal operations

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

4. Segment and revenue information

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

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

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

The Group's activities comprise the following segments:

(a) Offshore & Engineering ("**O&E**")	-	Includes the provision of precision engineering, inspection, and maintenance services for offshore structures.
(b) Marine	-	Includes stern gear manufacturing and refurbishment works, ship inspection, repair and maintenance services, and engineering and fabrication work.
(c) Energy services	-	Includes waste treatment and recovery waste system. Capabilities of waste treatment plants include treatment of wastewater, oily sludge, slop, mud oil, contaminated soil, solid wastes, and filter cakes.
(d) Building materials	-	Includes the marketing, distribution and installation of eco-building materials and products. It was introduced following shareholders' approval of the Group's business diversification in September 2025. While certain pilot projects were undertaken in prior periods, the new business had not yet operated substantively or contributed materially to the Group as at 1HY2026; accordingly, they are not presented as reportable segments below.

4.1 The reportable segment information is as follows:

	The Group			
	Offshore & Engineering ($'000)	**Marine ($'000)**	**Energy Services ($'000)**	**Total ($'000)**
1HY2026				
Revenue				
Total segment revenue	1,516	10,256	10,252	22,024
Inter-segment revenue	-	(624)	(9)	(633)
Revenue from external parties	1,516	9,632	10,243	21,391
Gross (loss)/profit	(79)	3,589	2,912	6,422
Other gains – net				2,016
Expenses				
- Administrative				(5,670)
- Finance				(1,707)
Profit before income tax				1,061
Income tax credit				115
Net profit				1,176

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Segment and revenue information (continued)

4.1 Reportable Segments (continued)

	The Group			
	Offshore & Engineering ($'000)	Marine ($'000)	Energy Services ($'000)	Total ($'000)
1HY2025				
Revenue				
Total segment revenue	1,340	15,721	10,345	27,406
Inter-segment revenue	-	(2,379)	(15)	(2,394)
Revenue from external parties	1,340	13,342	10,330	25,012
Gross (loss)/profit	(753)	4,980	2,575	6,802
Other gains – net				420
Expenses				
- Administrative				(5,268)
- Finance				(2,452)
Loss before income tax				(498)
Income tax credit				254
Net loss				(244)

4.2 Disaggregation of revenue

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

	At a point in time $'000	**Over time $'000**	**Total $'000**
1HY2026			
Construction contracts			
- Singapore	**-**	**16**	**16**
- Asia	**-**	**406**	**406**
- Rest of the world	**-**	**-**	**-**
	-	**422**	**422**
Sale of goods			
- Singapore	**5,783**	**-**	**5,783**
- Asia	**4,886**	**-**	**4,886**
- Rest of the world	**328**	**-**	**328**
	10,997	**-**	**10,997**
Services income from maintenance, repair and overhaul and waste management			
- Singapore	**7,101**	**1,240**	**8,341**
- Asia	**320**	**-**	**320**
- Rest of the world	**1,311**	**-**	**1,311**
	8,732	**1,240**	**9,972**
Total	**19,729**	**1,662**	**21,391**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Segment and revenue information (continued)

4.2 Disaggregation of revenue (continued)

	At a point in time $'000	Over time $'000	Total $'000
1HY2025			
Construction contracts			
- Singapore	-	-	-
- Asia	-	451	451
- Rest of the world	-	-	-
	-	451	451
Sale of goods			
- Singapore	8,895	-	8,895
- Asia	3,999	-	3,999
- Rest of the world	45	-	45
	12,939	-	12,939
Services income from maintenance, repair and overhaul and waste management			
- Singapore	9,225	1,189	10,414
- Asia	316	-	316
- Rest of the world	892	-	892
	10,433	1,189	11,622
Total	23,372	1,640	25,012

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 specialised equipment. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("**input method**").

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

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

5. Profit/(loss) before income tax

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

	For the half year ended 30 June		
	1HY2026 ($'000)	1HY2025 ($'000)	Increase/ (decrease) (%)
Included in other credits/(charges) – net:			
- Foreign exchange loss, net[(1)]	**(39)**	(190)	(79)
- Government grants[(2)]	**112**	129	(13)
- Gain on sale of property, plant and equipment[(3)]	**83**	137	(39)
- Impairment loss on assets held for sale[(4)]	**(48)**	-	NM
- Loss on disposal of assets held for sale[(4)]	**(40)**	-	NM
- Rental income[(5)]	**1,296**	1,288	1
- Sale of scrap metals[(6)]	**383**	296	29
- Write-back of long outstanding payables and accruals[(7)]	**219**	37	492
- Other income, net[(8)]	**45**	39	15
	2,011	1,736	16

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Profit/(loss) before income tax (continued)

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

	For the half year ended 30 June		
	1HY2026 ($'000)	1HY2025 ($'000)	Increase/ (decrease) (%)
Included under finance expenses:			
Interest expenses on:			
- Bank borrowings	**1,352**	2,101	(36)
- Convertible Bonds	**21**	-	NM
- Trade financing	**42**	62	(32)
- Lease liabilities - leasehold land	**274**	271	1
- Lease liabilities - leasehold building	**1**	3	(67)
- Lease liabilities - hire purchase	**17**	15	13
	1,707	2,452	(30)
Included under cost of sales and administrative expenses:			
- Depreciation of property, plant and equipment	**3,076**	3,270	(6)
- Depreciation of ROU assets - leasehold land	**422**	422	-
- Depreciation of ROU assets - leasehold building	**44**	43	2
- Depreciation of ROU assets - hire purchase	**100**	73	37
	3,642	3,808	(4)
Included under income tax (credit)/expense:			
- Deferred income tax charged to profit and loss	**18**	-	NM
- Overprovision of deferred income tax in prior financial years	**(133)**	(254)	(48)
	(115)	(254)	(55)

Note:

(1) In 1HY2026, the Group recorded a lower foreign exchange loss of $39,000 (1HY2025: $190,000), mainly attributable to the strengthening of the US dollar ("USD") against the Singapore dollar ("SGD"). The loss arose primarily from the translation of USD-denominated payables at higher exchange rates and realised exchange losses from USD bank balances, partially offset by exchange gains on USD-denominated receivables.

In 1HY2025, the Group recorded a foreign exchange loss of $190,000, primarily due to the weakening of the USD against the SGD. This mainly affected USD-denominated receivables, collections and bank balances, resulting in unfavourable exchange differences upon revaluation.

(2) Government grant income decreased by 13% to $112,000 in 1HY2026 (1HY2025: $129,000). The decrease was mainly due to lower wage support grants recognised during the period, partially offset by higher grants recognised for workforce development and productivity improvement initiatives.

(3) In 1HY2026, the Group recognised a gain on sale of property, plant and equipment of $83,000, mainly attributable to the disposal of an anchor boat and motor vehicles during the period.

The gain of $137,000 recognised in 1HY2025 primarily arose from the disposal of a fully depreciated motor vehicle.

(4) Impairment loss on assets held for sale and loss on disposal of assets held for sale relate to 11 parking lots at Hushan Yueyuan, Suzhou, the People's Republic of China, received by the Group in May 2026 in non-cash settlement of a construction contract receivable of RMB1,320,000 (approximately $243,000) arising from construction services rendered in earlier financial years. Legal title to the parking lots does not transfer to the Group; upon sale, title passes directly from the original developer to the third-party purchaser.

As at 30 June 2026, 5 of the 11 units had been sold to third parties for aggregate proceeds of RMB357,798 (approximately $67,000), resulting in a loss on disposal of $40,000 after deducting the carrying amount of the units sold and related selling commission. The remaining 6 units have been written down to their estimated fair value less costs to sell, determined by reference to the sale prices achieved on the units already sold, resulting in an impairment loss of $48,000. These parking lots are not held for use in the Group's operations and are presented within other current assets (Part E Note 9) pending completion of sale.

(5) Rental income remained consistent at $1.3 million in both 1HY2026 and 1HY2025, supported by steady occupancy levels and lease arrangements.

(6) Revenue from the sale of scrap metals increased by 29% to $383,000 in 1HY2026 (1HY2025: $296,000), mainly driven by higher scrap metal sales from the Marine segment, partially offset by lower scrap sales from the Energy Services and Offshore & Engineering segments.

(7) In 1HY2026 and 1HY2025, the Group wrote back long outstanding payables and accrued liabilities following a review of outstanding balances, where no further obligations were expected, and the liabilities were determined no longer payable.

(8) Other income comprised various miscellaneous income.

In 1HY2026, it mainly comprised VPC parking income of $32,000 and an insurance refund of $11,000 relating to a vessel disposed of in 4Q2025.

In 1HY2025, it mainly comprised VPC parking income of $22,000, dividend income of $8,000 from financial assets measured at FVOCI, and interest income of $8,000 on overdue customer invoices.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Related party transactions

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

Nature of Transactions with an associated company - Menji Pte. Ltd.	**1HY2026 $'000**	1HY2025 $'000
Sale of goods and/or services	**-**	34
Purchases of products and services	**-**	(21)
Recharges of common costs	**-**	2

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.

7. Income tax credit

For 1HY2026, the Group recognised an income tax credit of $115,000 (1HY2025: $254,000). The lower tax credit compared to 1HY2025 was mainly attributable to the following:

i. **Current income tax**
No current income tax expense was recognised in 1HY2026 (1HY2025: $Nil), as the Group continues to have sufficient unutilised tax losses and capital allowances available to offset taxable profits.

ii. **Deferred income tax**
a. A deferred income tax expense of $18,000 was recognised in 1HY2026 (1HY2025: $Nil), mainly due to taxable temporary differences on property, plant and equipment in the Marine segment.

b. The Group recognised a $133,000 reversal of deferred tax liabilities arising from over-provision in the prior financial year (1HY2025: $254,000). The reversal was mainly due to the crystallisation and reduction of taxable temporary differences relating to property, plant and equipment.

8. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group at amortised cost as at 30 June 2026 and 31 December 2025:

	Group		Company	
	1HY2026 $'000	FY2025 $'000	**1HY2026 $'000**	FY2025 $'000
Financial assets				
Financial assets, at FVOCI	**122**	122	**-**	-
Cash and cash equivalents[1]	**10,981**	7,858	**3,305**	1,140
Trade and other receivables[2,3]	**8,633**	9,941	**32,674**	32,724
Contract assets[4]	**262**	54	**568**	511
	19,998	17,975	**36,547**	34,375
Financial liabilities				
Trade and other payables[3]	**7,028**	8,641	**18,532**	17,285
Borrowings[5]	**116,197**	116,446	**37,043**	35,529
	123,225	125,087	**55,575**	52,814

Note:
1. Please see the significant restrictions below.
2. Excludes the Group's prepayments of $0.285 million and advances to suppliers of $0.254 million (FY2025: prepayments of $0.218 million and advances to suppliers of $0.162 million), and the Company's prepayments of $52,000 and advances to suppliers of $2,000 (FY2025: prepayments of $34,000 and advances to suppliers of $1,000).
3. Including the Group's receivables from and payables to an associated company amounting to $1.93 million and $58,000, respectively (FY2025: $1.93 million and $58,000). The Company has receivables from an associated company amounting to $1.12 million (FY2025: $1.12 million).
4. The Group and the Company have no deferred costs for 1HY2026 and FY2025.
5. Including the liabilities under the disposal group classified as held-for-sale.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Financial assets and financial liabilities (continued)

Significant restrictions

Cash in bank of $32,000 as at 30 June 2026 (FY2025: $6,000) is held in the People's Republic of China ("**PRC**") and is subject to local exchange control regulations. These local exchange regulations provide for restrictions on remitting capital from the country, other than through normal dividends.

Provision for expected credit losses ("ECL") of:

i. Trade receivables and contract assets

The Group applies the simplified approach under SFRS(I) 9 to measure ECL for trade receivables and contract assets, whereby lifetime ECL is recognised from initial recognition.

Trade receivables and contract assets are grouped based on days past due and shared credit risk characteristics, and categorised into (i) non-credit-impaired debtors and (ii) credit-impaired debtors, such as those in liquidation, bankruptcy, or legal proceedings.

For non-credit-impaired debtors, the Group applies an allowance matrix based on historically observed default rates over a 36-month period, adjusted for forward-looking information. The historical default rates and forward-looking assumptions are reviewed and updated at each balance sheet date.

For credit-impaired debtors, impairment is assessed on a debtor-specific basis, taking into consideration settlement arrangements (including instalment plans and contra arrangements) and reasonable forward-looking information, including actual or expected adverse changes in business, financial, or economic conditions that could materially affect the debtor's ability to meet its obligations.

For 1HY2026, the Group recognised a loss allowance of $Nil for trade receivables from non-related parties (1HY2025: $1.31 million), mainly due to a specific customer undergoing compulsory liquidation in 1HY2025.

No loss allowance for trade receivables was written off on 1HY2026 and 1HY2025.

ii. Other receivables

The Group and the Company apply the general approach to measure ECL for other receivables. At initial recognition, loss allowance is measured at an amount equal to 12-month ECL. Where credit risk has increased significantly since initial recognition, the allowance is measured at lifetime ECL.

In assessing ECL, the Group and the Company consider reasonable and supportable quantitative and qualitative information, including historical experience and informed credit assessments.

For 1HY2026, the Group recognised a loss allowance of $Nil for other receivables from non-related parties (1HY2025: $23,000, mainly due to a specific customer undergoing compulsory liquidation in 1HY2025.

No loss allowance for other receivables was written off in 1HY2026 and 1HY2025.

As at 30 June 2026, the Group assessed that the ECL provision recorded is adequate.

9. Other current assets

Other current assets of $77,000 (FY2025: $Nil) comprised the remaining six parking lots held for sale at Hushan Yueyuan, Suzhou, PRC, measured at their estimated fair value less costs to sell.

Please refer to Part E Note 5, footnote (4) for further details of the transaction, including the impairment loss and disposal loss recognised during the financial period.

10. Financial assets, at FVOCI

Fair value measurements

The following table 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).

	Group	
	1HY2026	FY2025
	$'000	$'000
Financial assets, at FVOCI	**122**	122

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

During the financial period ended 30 June 2026, the Group recognised a fair value loss of $Nil (1HY2025: fair value loss of $8,000).

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

11. Disposal group classified as held-for-sale

As at 30 June 2026, the carrying amounts of assets and liabilities classified as held-for-sale were $70,544,000 and $65,972,000, respectively (FY2025: $70,544,000 and $66,230,000).

Following the Group's exit from the debt restructuring arrangements on 14 April 2026, Management reassessed the classification of the disposal group under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Management concluded that the disposal group continues to meet the classification criteria as at 30 June 2026, as the Group remains committed to the disposal, the assets are available for immediate sale in their present condition, and the sale remains highly probable.

Impairment testing

Management exercised judgement in assessing the disposal group at the lower of its carrying amount and fair value less costs to sell, as required by SFRS(I) 5.

No impairment loss was recognised for the financial period ended 30 June 2026 or the financial year ended 31 December 2025.

12. Investment in an associated company

	Group		Company	
	1HY2026	FY2025	**1HY2026**	FY2025
	$'000	$'000	**$'000**	$'000
Equity investment				
Beginning and end of financial period/year	**-**	-	**-**	-

As at 30 June 2026 and 31 December 2025, the Group had one associated company, Menji Pte. Ltd. ("**Menji Singapore**"). The carrying amount of the investment was $Nil following full recognition of the Group's share of losses in the prior financial year.

12. Investment in an associated company (continued)

Menji Singapore

As at 30 June 2026, the carrying amount of the Group's and the Company's interest in Menji Singapore was $Nil (FY2025: $Nil), as their share of losses had exceeded their interest in the associate. Accordingly, no further share of losses has been recognised.

For the financial period ended 30 June 2026, the Group's unrecognised share of losses in Menji Singapore amounted to $30,000 (FY2025: $81,000). As at 30 June 2026, the Group's accumulated unrecognised share of losses amounted to $777,000 (FY2025: $747,000).

There were no contingent liabilities relating to the Group's interest in the associate.

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

As at 30 June 2026, the Group registered a net book value of $57.544 million (FY2025: $60.878 million).

The decrease in PPE was mainly attributable to the:

a. depreciation on PPE and right-of-use ("ROU") assets of $3.642 million;
b. asset-related government grant receivable of $0.129 million under the Enterprise Development grant for the Development of an AI-Driven Additive Manufacturing Cell for Advanced Production of Marine Propeller. The grant application was approved on 30 June 2026, and the grant proceeds were received after the balance sheet date.
c. the disposal and write-off of PPE with an aggregate net book value of approximately $206,000, resulting in a gain on disposal of $83,000, as disclosed in Part E Note 5, footnote (3);
d. a foreign currency translation loss of $8,000 on PPE held by foreign subsidiaries;
e. additions to PPE and ROU assets totalled $0.651 million, primarily comprising machinery and equipment, motor vehicles, computer equipment and capitalised vessel-related expenditure to support the Marine segment's new-build propeller business and the Energy Services segment's operational expansion.

In addition, the Group recognised deposits for the purchase of PPE of $2.562 million as at 30 June 2026 (FY2025: $2.146 million), mainly relating to the Marine segment's new-build propeller business and supporting infrastructure and production systems for the Energy Services segment to enhance the Group's waste treatment and environmental solutions capabilities.

Impairment testing

PPE are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For 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 cash-generating unit to which the asset belongs.

During the financial period ended 30 June 2026, no impairment charge was recognised on PPE (FY2025: $1,543,000).

Capital commitment

As at 30 June 2026, the Group has a capital commitment of approximately $2,400,000 (FY2025: $1,529,000), mainly relating to the expansion of the Marine segment's new-build propeller business and investments in supporting infrastructure and production systems for the Energy Services segment to enhance the Group's waste treatment and environmental solutions capabilities.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Goodwill

	Group	
	1HY2026	FY2025
	$'000	$'000
Cost		
Beginning and end of financial period/year	**27,523**	27,523
Accumulated impairment		
Beginning and end of financial period/year	**(22,742)**	(22,742)
Net book value	**4,781**	4,781

Impairment testing

No impairment indicators were identified as at 30 June 2026 following Management's assessment of the relevant cash-generating unit ("CGU"). Accordingly, no interim impairment test was required.

The Group performed its annual impairment test as at 31 December 2025. The key assumptions used in determining the recoverable amount of the CGU are disclosed in the annual consolidated financial statements for the financial year ended 31 December 2025.

15. Borrowings

Amount repayable in one year or less, or on demand

	1HY2026		FY2025	
Borrowings	**Secured ($'000)**	**Unsecured ($'000)**	Secured ($'000)	Unsecured ($'000)
Bank borrowings	**6,290**	**-**	6,297	-
Lease liabilities – hire purchase	**202**	**-**	184	-
Current borrowings	**6,492**	**-**	6,481	-
Included in the disposal group classified as held-for-sale:				
- Bank borrowings	**62,717**	**-**	62,717	-
	69,209	**-**	69,198	-

Amount repayable after one year

	1HY2026		FY2025	
Borrowings	**Secured ($'000)**	**Unsecured ($'000)**	Secured ($'000)	Unsecured ($'000)
Bank borrowings	**28,331**	**-**	30,772	-
Convertible bonds[1]	**-**	**2,871**	-	-
Lease liabilities – hire purchase	**505**	**-**	509	-
Non-current borrowings	**28,836**	**2,871**	31,281	-

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

	Leasehold land		**Leasehold building**	
Group	**1HY2026 ($'000)**	FY2025 ($'000)	**1HY2026 ($'000)**	FY2025 ($'000)
Lease liabilities on:				
Current borrowings	**784**	771	**16**	61
Disposal group classified as held-for-sale	**3,255**	3,513	**-**	-
Non-current borrowings	**11,226**	11,622	**-**	-
	15,265	15,906	**16**	61

15. Borrowings (continued)

[1]Convertible bonds

On 20 May 2026, the Company completed the issuance of unsecured convertible bonds with an aggregate principal amount of $3.0 million at an issue price of 95% of the principal amount.

The convertible bonds bear interest at 4.75% per annum, payable semi-annually, and mature on 20 May 2029, unless redeemed or converted earlier in accordance with the terms of the Subscription Agreement. The bondholder is entitled to convert the outstanding principal amount into ordinary shares of the Company at a fixed conversion price of $0.14 per share, representing a maximum of 21,428,571 new ordinary shares upon full conversion.

As at 30 June 2026, no convertible bonds had been converted.

The Group recognised the convertible bonds as financial liabilities and measured them at amortised cost using the effective interest method. As at 30 June 2026, the carrying amount of the convertible bonds was $2.871 million.

As at 30 June 2026, none of the net proceeds had been utilised. The Company confirms that the net proceeds will be utilised in accordance with the intended use as disclosed in the Company's announcement dated 17 April 2026.

Security granted

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

The Group's hire purchase lease liabilities are secured by the underlying motor vehicles, with legal title retained by the respective lessors until full settlement of the obligations.

Financial covenants

The Group's bank borrowings are subject to financial covenant clauses whereby the Group is required to meet certain key financial ratios, any breach of which would result in an event of default under the relevant existing facility agreements.

As announced by the Company on 14 April 2026, the Debt Restructuring Agreement ("**DRA**") was terminated. Following the termination, the Group's existing loan facilities continue in accordance with their respective existing facility agreements, and the related security and guarantees remain in force.

Notwithstanding the termination of the DRA, the waiver of compliance with the financial covenants has been extended to 31 March 2028.

16. Share capital

	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						
1HY2026						
Beginning of financial period	469,829	(455)	469,374	93,795	(203)	93,592
Share issue pursuant to:						
- Share Awards under the PSAS 2021	2,884	-	2,884	281	-	281
End of financial period	472,713	(455)	472,258	94,076	(203)	93,873

16. Share capital (continued)

	No. of ordinary shares			Amount		
	Issued share capital	Treasury shares	Total	Share capital	Treasury shares	Total
	'000	'000	'000	$'000	$'000	$'000
Group and Company						
FY2025						
Beginning of financial year	461,640	(455)	461,185	93,623	(203)	93,420
Share issue pursuant to:						
- Share Awards under the PSAS 2021	8,189	-	8,189	172	-	172
End of financial year	469,829	(455)	469,374	93,795	(203)	93,592

The Group and the Company have a total of 472,258,000 issued and outstanding shares as at 30 June 2026 (FY2025: 469,374,000 shares).

The Company has no outstanding options as at 30 June 2026 and 30 June 2025. As at 30 June 2026, the Company had outstanding Convertible Bonds with an aggregate principal amount of $3,000,000 (1HY2025: Nil), which are convertible into up to 21,428,571 new ordinary shares at a conversion price of $0.14 per share. The Convertible Bonds will be convertible from 20 May 2027 and, accordingly, were not convertible as at 30 June 2026. Save as disclosed, the Company has no other outstanding convertibles as at 30 June 2026 and 30 June 2025.

The Company's subsidiary corporations do not hold any shares in the Company as at 30 June 2026 and 30 June 2025.

As at 30 June 2026, the total number of treasury shares held was 455,000 (1HY2025: 455,000).

There were no sales, transfers, disposals, cancellations and/or uses of treasury shares as at the end of 30 June 2026.

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

1HY2026

On 7 May 2026, the Company announced the grant of 2,884,000 ordinary shares under the PSAS 2021 in respect of FY2025 performance. The awards comprised 582,500 shares to a Controlling Shareholder and Executive Director, 562,500 shares to an Executive Director, and 1,739,000 shares to other eligible employees of the Group. The shares, with an aggregate fair value of approximately $281,000, were allotted and issued on 11 May 2026.

FY2025

On 30 May 2025, the Company announced the grant of a total of 8,189,000 ordinary shares under PSAS 2021 to eligible employees of the Group. The shares were subsequently allotted and issued on 4 June 2025.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Net asset value ("NAV")

	Group		Company	
	1HY2026	FY2025	**1HY2026**	FY2025
NAV per ordinary share (SGD cents)	**6.67**	6.39	**4.81**	4.97
Number of shares used in the computation of NAV per share ('000)	**472,258**	469,374	**472,258**	469,374

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share was calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during 1HY2026 of 470,171,000 shares (1HY2025: 462,361,000 shares).

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) 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.

The potential conversion of the Company's $3,000,000 Convertible Bonds into up to 21,428,571 new ordinary shares has been excluded from the diluted earnings per share calculation as the Convertible Bonds were not yet convertible as at 30 June 2026. The conversion period commences on 20 May 2027. There were no other dilutive potential ordinary shares for 1HY2026 (1HY2025: Nil).

18. Contingencies

Group

As at 30 June 2026, the Group had contingent liabilities amounting to $180,000 in respect of banker's guarantees issued in lieu of cash deposits. These guarantees are in favour of third parties and are set to expire at various dates between October 2026 and April 2028. No provision has been made in the financial statements as the Board of Directors is of the opinion that the probability of a claim under these guarantees is remote.

Company

The Company has given undertakings to provide continued financial support to certain subsidiary corporations and an associated company in the normal course of business.

The Company has also provided corporate guarantees in respect of bank borrowings and hire-purchase lease liabilities of certain subsidiary corporations. The bank borrowings are secured by the subsidiary corporations' assets, and the hire-purchase lease liabilities are secured by the underlying motor vehicles. Accordingly, no contingent liability has been recognised in respect of these guarantees in the financial statements.

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

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

The condensed interim statements of the financial position of Mencast Holdings Ltd. and its subsidiary corporations as at 30 June 2026 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity, and condensed interim consolidated statement of cash flows for 1HY2026 and certain explanatory notes have not been audited or reviewed.

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

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Comprehensive Income

Revenue

The Group recorded revenue of $21.391 million in 1HY2026, a decrease of $3.621 million or 14% from $25.012 million in 1HY2025. The decline was mainly attributable to lower contributions from the Marine segment, partially offset by improved performance from the Offshore & Engineering ("**O&E**") segment. The movement by segment was as follows:

- O&E segment: Increased by $0.176 million.
- Marine segment: Decreased by $3.710 million.
- Energy Services segment: Decreased by $87,000.

<u>O&E segment</u>

Revenue from the O&E segment represented 7% of total revenue for 1HY2026 (1HY2025: 6%).

Revenue from the O&E segment increased by $0.176 million, or 13%, to $1.516 million in 1HY2026. The increase was mainly attributable to the following:

- Precision engineering activities: Revenue increased by $0.246 million, supported by higher average selling prices despite lower delivery volumes.
- Offshore structure and steel fabrication: Revenue decreased marginally by $29,000, reflecting lower project activity as operations in Indonesia continued to be gradually scaled down.
- Revenue contributed by Menji decreased due to the absence of revenue recognised in 1HY2026 as compared to S$41,000 in 1HY2025.

<u>Marine segment</u>

Revenue from the Marine segment represented 45% of total revenue in 1HY2026 (1HY2025: 53%).

Revenue from the Marine segment decreased by $3.710 million, or 28%, to $9.632 million in 1HY2026. The decline was mainly attributable to the following:

- New-build propellers: Revenue decreased by $3.763 million, primarily due to lower deliveries of high-value new-build propellers during the period.
- Maintenance, repair and overhaul ("MRO") services: Revenue increased by $0.734 million, or 20%, mainly due to the commencement of projects for a new overseas customer during the period.
- Shipyard activities: Revenue decreased by $0.681 million, or 46%, mainly due to lower project activity, including the absence of a one-off project that contributed approximately $370,000 of revenue in 1HY2025.

<u>Energy Services segment</u>

Revenue from the Energy Services segment represents 48% of total revenue for 1HY2026 (1HY2025: 41%).

Revenue from the Energy Services segment remained relatively stable at $10.243 million in 1HY2026, representing a marginal decrease of $87,000 from 1HY2025. The movement was mainly attributable to the following:

- Waste treatment and collection activities: Revenue decreased by $1.663 million, or 26%, mainly due to lower wastewater treatment volumes.
- Sale of by-products: Revenue increased by $1.576 million, or 39%, primarily driven by higher sales of recovered oil, which largely offset the decline in waste treatment and collection revenue.

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

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

Review of Statement of Comprehensive Income (continued)

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

Cost of sales decreased by $3.241 million, or 18%, from $18.210 million in 1HY2025 to $14.969 million in 1HY2026, primarily due to the lower level of business activities during the period. As a result, gross profit decreased by $0.380 million, or 6%, from $6.802 million in 1HY2025 to $6.422 million in 1HY2026.

Despite the decline in gross profit, the Group's gross profit margin improved from 27% in 1HY2025 to 30% in 1HY2026, mainly due to the lower cost of sales relative to revenue during the period.

The movement in gross profit by segment was as follows:

- **O&E segment:** Gross loss improved by $0.674 million, or 90%, from a gross loss of $0.753 million in 1HY2025 to a gross loss of $0.079 million in 1HY2026. The improvement was mainly attributable to improved performance from the precision engineering business, coupled with the continued scaling down of operations in Indonesia, which reduced losses from the offshore structure and steel fabrication business.
- **Marine segment:** Gross profit decreased by $1.391 million, or 28%, from $4.980 million in 1HY2025 to $3.589 million in 1HY2026, mainly due to the lower contribution from high-value new-build propellers during the period.
- **Energy Services segment:** Gross profit increased by $0.337 million, or 13%, from $2.575 million in 1HY2025 to $2.912 million in 1HY2026, mainly reflecting improved profitability despite relatively stable segment revenue.

Other gains/(losses) - net

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

Administrative expenses

Administrative expenses increased by 8% from $5.268 million in 1HY2025 to $5.670 million in 1HY2026. The increase was mainly attributable to higher employee compensation expenses arising from increased headcount within the Marine and Energy Services segments.

Finance expenses

Finance expenses decreased by 30% from $2.452 million in 1HY2025 to $1.707 million in 1HY2026. The reduction was mainly attributable to lower outstanding borrowings following regular repayments, coupled with lower effective interest rates on the Group's bank borrowings. This was partially offset by interest expenses recognised on the convertible bonds issued during the period.

Share of loss of an associated company

The Group and the Company did not recognise any share of loss of the associated company in 1HY2026, as the cumulative share of losses had exceeded the carrying amount of the investment as at FY2023. Accordingly, no further losses were recognised during the period.

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

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

Review of Statement of Comprehensive Income (continued)

Profit/(loss) before income tax

The Group recorded a profit before income tax of $1.061 million in 1HY2026, compared to a loss before income tax of $0.498 million in 1HY2025.

The turnaround was primarily attributable to:
- Improved gross profit margin resulting from lower cost of sales relative to the decline in revenue;
- Improved performance of the Offshore & Engineering segment, driven by higher profitability from the precision engineering business and reduced losses following the continued scaling down of operations in Indonesia;
- Higher other gains, mainly attributable to the absence of impairment losses on trade and non-trade receivables recognised in the corresponding period;
- Lower finance expenses following regular principal repayments, coupled with lower effective interest rates on the Group's bank borrowings.

These improvements were partially offset by lower gross profit from the Marine segment and higher administrative expenses during the period.

Income tax credit

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

Net profit attributable to equity holders of the Company

As a result of the above, the Group recorded a net profit attributable to equity holders of the Company of $1.278 million in 1HY2026, compared to a net loss of $0.144 million in 1HY2025.

Review of Balance Sheet

Current assets

Current assets increased by $3.120 million, or 3%, from $92.402 million as at 31 December 2025 to $95.522 million as at 30 June 2026.
The increase was mainly due to the following factors:
- Cash and cash equivalents: increased by 40% to $10.981 million as at 30 June 2026 (31 December 2025: S$7.858 million), as detailed in the *Review of Condensed Interim Consolidated Statement of Cash Flows*.
- Trade and other receivables: decreased by $1.149 million, or 11%, to $9.172 million (31 December 2025: $10.321 million), mainly due to a decrease in trade receivables of $1.455 million arising from collections from customers during the period and lower revenue generated in 1HY2026. The decrease was partially offset by an increase in government grant receivables of $0.129 million, as explained in Part E, Note 13.b and advances to suppliers of $91,000 for the purchase of materials for the Energy Services segment.
- Inventories: increased by 24% to $4.486 million as at 30 June 2026 (31 December 2025: $3.625 million), mainly due to higher inventory holdings arising from ongoing projects and operational requirements.
- Contract assets: increased by $208,000 to $262,000 (31 December 2025: $54,000), mainly due to revenue recognised from completed projects under the O&E segment's steel fabrication business for which invoices had not been issued to customers as at 30 June 2026.
- Other current assets: increased to $77,000 as at 30 June 2026 (31 December 2025: Nil), mainly due to the matters disclosed in Part E, Note 5, footnote (4) and Note 9.
- The asset of disposal group classified as held-for-sale: remained unchanged at $70.544 million as at 30 June 2026.

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

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

Review of Balance Sheet (continued)

Non-current assets

Non-current assets decreased by $2.918 million, or 4%, to $65.009 million as at 30 June 2026 (31 December 2025: $67.927 million), mainly due to a decrease in PPE, as detailed in Part E, Note 13. This was partially offset by an increase in deposits for PPE relating to capital investments in the Energy Services segment.

Current liabilities

The Group's current liabilities decreased by $1,120,000, or 1%, to $83.074 million as at 30 June 2026 (31 December 2025: $84.194 million).

This overall movement was driven by:

- Trade and other payables: decreased by $1.613 million, or 19%, to $7.028 million as at 30 June 2026 (31 December 2025: $8.641 million), mainly due to payments made to suppliers and contractors during the period.
- Current Borrowings: remained relatively stable at $7.292 million as at 30 June 2026 (31 December 2025: $7.313 million).
- Current income tax liabilities: decreased to nil as at 30 June 2026 (31 December 2025: $4,000), mainly due to tax payments made during the period. The Group has unrecognised tax losses and capital allowances as at 30 June 2026, resulting in no current income tax liabilities recognised during the period.
- Contract liabilities: increased by $776,000, or 39%, to $2.782 million as at 30 June 2026 (31 December 2025: $2.006 million), mainly due to higher advances received from customers for ongoing projects in the Marine segment.
- Liabilities directly associated with the disposal group classified as held-for-sale: decreased by $0.258 million, mainly due to payment of leasehold rental.

Non-current liabilities

Non-current liabilities remained relatively stable at $44.640 million as at 30 June 2026 (31 December 2025: $44.725 million), with a marginal decrease of $85,000.

- Borrowings: remained relatively stable at $42.933 million as at 30 June 2026 (31 December 2025: $42.903 million), with a marginal increase of $30,000. The Group recognised $2.871 million of Convertible Bonds issued during the period, which was partially offset by repayments of bank borrowings and lease liabilities.
- Deferred income tax liabilities: decreased by $115,000, or 6%, to $1.707 million as at 30 June 2026 (31 December 2025: $1.822 million), mainly due to the recognition of deferred tax credit during the period.

Review of Condensed Interim Statement of Cash Flows

Cash and cash equivalents of the Group increased by $3.121 million, from $7.323 million as at 1 January 2026 to $10.444 million as at 30 June 2026, mainly due to the following:

- **Operating activities:** The Group recorded a net cash inflow from operating activities of $5.847 million. This was mainly attributable to net profit of $1.176 million generated during the period, adjusted for non-cash items and other reconciling items amounting to $5.132 million, comprising mainly depreciation expenses, share awards under the PSAS 2021, write-back of long outstanding payables and accruals, and interest expenses. Changes in working capital resulted in a net cash outflow of $0.462 million, mainly due to an increase in inventories and contract assets, as well as a decrease in trade and other payables. This is partially offset by collections from trade and other receivables and an increase in contract liabilities.

- **Investing activities:** The Group recorded net cash used in investing activities of $0.573 million, mainly due to additions of property, plant and equipment amounting to $0.927 million and short-term bank deposits pledged of $0.002 million, partially offset by proceeds from disposal of property, plant and equipment of $0.289 million and proceeds from disposal of assets held for sale of $0.067 million.

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

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

Review of Condensed Interim Statement of Cash Flows (continued)

- **Financing activities:** The Group recorded net cash outflow from financing activities of $2.153 million, mainly due to repayment of bank borrowings of $3.120 million, repayment of lease liabilities of $0.797 million, and interest payments of $1.758 million during the period. This was partially offset by proceeds from the issuance of convertible bonds amounting to $2.850 million and an increase in trade financing of $0.672 million.

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

Not applicable.

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

Business conditions remain mixed amid continued geopolitical uncertainties and cost volatility, which may influence customer procurement decisions and the timing of project activities across the Group's operating segments. While the Group recorded an improvement in profitability in 1H2026, overall demand conditions remain uneven, and Management continues to maintain a cautious outlook for the next 12 months.

Offshore & Engineering ("O&E")

The segment remains focused on engineering, inspection and maintenance services for offshore structures, together with selected precision engineering activities. The improvement in the precision engineering business during 1H2026 was encouraging, and the Group will continue to take measured steps to pursue sales opportunities in this area where margins are relatively favourable. Contribution from the segment is nevertheless expected to remain modest in the near term given its current operational scope.

Marine

Activity in the Marine segment is expected to continue to be influenced by the timing and value of new-build propeller orders and deliveries. While contribution from high-value new-build propellers was lower in 1H2026, the Group continues to pursue opportunities in this area and invest in its production capabilities.

For propulsion MRO services, activity improved during 1H2026, supported by projects from a new overseas customer. Looking ahead, demand may continue to be influenced by vessel operating requirements, docking schedules and customers' maintenance planning cycles. The Group will continue to broaden its customer base and pursue MRO opportunities in both local and overseas markets.

Energy Services

Waste treatment and collection activities and waste-to-by-product recovery remain the primary drivers of the segment. While lower wastewater treatment volumes were recorded in 1H2026, this was largely offset by higher by-product sales. The Group will continue to focus on improving plant efficiency, managing disposal costs and optimising by-product recovery, while progressively enhancing its treatment capacity and supporting infrastructure.

Group priorities

Business conditions for the next 12 months are expected to remain challenging, with performance influenced by market demand, project timing and movements in materials and operating costs. The Group will continue to exercise discipline in managing working capital and capital expenditure while pursuing commercially viable opportunities across its core businesses.

Mencast

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

5. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared or recommended for the current reporting period ended 30 June 2026, as the Company has no distributable reserves.

7. 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 1HY2026 were as follows:

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

* Amount is less than $100,000

** 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. Ole Motorsports Pte Ltd is owned by the brother of Sim Soon Ngee Glenndle, director and controlling shareholder of Mencast Holdings Ltd.

*** There is no subsisting shareholders mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

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

8. Negative confirmation by the Board on Interim Financial Statements pursuant to Rule 705(5) of the Catalist Rules

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the unaudited financial statements of the Group and the Company for the half year ended 30 June 2026 to be false or misleading in any material aspect.

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

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

10. Disclosure pursuant to Rule 706A of the Catalist Rules

There was no acquisition or sale of shares by the Company in 1HY2026, which requires disclosure pursuant to Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Sim Soon Ngee Glenndle
Executive Chairman and Chief Executive Officer

14 August 2026