



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

**Condensed Interim Financial Statements  
for the Six Months Ended  
30 June 2025**

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

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## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group For the half year ended 30 Jun		
	1HY2025 (\$'000)	1HY2024 (\$'000)	Increase/ (decrease) (%)
<b>Revenue</b>	<b>25,012</b>	25,461	(2)
Cost of sales	<b>(18,210)</b>	(19,351)	(6)
<b>Gross profit</b>	<b>6,802</b>	6,110	11
Other gains – net			
- Interest income- bank deposit	<b>18</b>	35	(49)
- Loss of allowance on trade and non-trade receivables	<b>(1,334)</b>	-	NM
- Other	<b>1,736</b>	1,880	(8)
Expenses			
- Administrative	<b>(5,268)</b>	(5,030)	5
- Finance	<b>(2,452)</b>	(3,358)	(27)
Loss before income tax	<b>(498)</b>	(363)	37
Income tax credit/(expense)	<b>254</b>	(137)	NM
<b>Net loss</b>	<b>(244)</b>	(500)	(51)
<b>Other comprehensive loss, net of tax</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences for foreign operations <sup>(1)</sup>	<b>(54)</b>	(26)	108
- Loss			
Items that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on financial assets, at FVOCI	<b>(8)</b>	22	NM
<b>Total comprehensive loss</b>	<b>(306)</b>	(504)	(39)
<b>Net loss attributable to:</b>			
Equity holders of the Company	<b>(144)</b>	(416)	(65)
Non-controlling interests	<b>(100)</b>	(84)	19
	<b>(244)</b>	(500)	(51)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company	<b>(206)</b>	(419)	(51)
Non-controlling interests	<b>(100)</b>	(85)	18
	<b>(306)</b>	(504)	(39)
<b>Loss per share ("LPS") attributable to equity holders of the Company (cents per share)</b>			
- Basic and diluted	<b>(0.03)</b>	(0.09)	(67)

(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	
	1HY2025 (\$'000)	FY2024 (\$'000)	1HY2025 (\$'000)	FY2024 (\$'000)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	9,309	10,163	1,601	1,343
Trade and other receivables	10,782	14,407	33,826	34,614
Inventories	4,403	5,020	-	-
Contract assets	255	1,214	664	727
	<b>24,749</b>	<b>30,804</b>	<b>36,091</b>	<b>36,684</b>
Assets of disposal group classified as held-for-sale	70,544	70,544	-	-
	<b>95,293</b>	<b>101,348</b>	<b>36,091</b>	<b>36,684</b>
<b>Non-current assets</b>				
Financial assets, at FVOCI	109	117	-	-
Investments in subsidiary corporations	-	-	44,121	44,121
Investment in an associated company	-	-	-	-
Property, plant, and equipment	64,703	68,078	367	9
Deposits for purchase of property, plant, and equipment	2,339	1,440	-	-
Intangible assets	4,781	4,781	-	-
	<b>71,932</b>	<b>74,416</b>	<b>44,488</b>	<b>44,130</b>
<b>Total assets</b>	<b>167,225</b>	<b>175,764</b>	<b>80,579</b>	<b>80,814</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	8,136	9,660	19,575	17,854
Contract liabilities	1,819	2,661	-	-
Borrowings	7,271	7,696	2,918	2,872
Current income tax liabilities	-	474	-	-
	<b>17,226</b>	<b>20,491</b>	<b>22,493</b>	<b>20,726</b>
Liabilities directly associated with disposal group classified as held-for-sale	66,491	66,745	-	-
	<b>83,717</b>	<b>87,236</b>	<b>22,493</b>	<b>20,726</b>
<b>Non-current liabilities</b>				
Borrowings	46,904	51,536	33,968	35,132
Deferred income tax liabilities	1,825	2,079	-	-
	<b>48,729</b>	<b>53,615</b>	<b>33,968</b>	<b>35,132</b>
<b>Total liabilities</b>	<b>132,446</b>	<b>140,851</b>	<b>56,461</b>	<b>55,858</b>
<b>NET ASSETS</b>	<b>34,779</b>	<b>34,913</b>	<b>24,118</b>	<b>24,956</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	93,592	93,420	93,592	93,420
Fair value reserve	32	40	-	-
Translation reserve	(1,013)	(959)	-	-
Accumulated losses	(59,294)	(59,150)	(69,474)	(68,464)
	<b>33,317</b>	<b>33,351</b>	<b>24,118</b>	<b>24,956</b>
Non-controlling interests	1,462	1,562	-	-
<b>Total equity</b>	<b>34,779</b>	<b>34,913</b>	<b>24,118</b>	<b>24,956</b>

# C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital (\$'000)	Treasury shares (\$'000)	Accumulated losses (\$'000)	Fair value reserve <sup>(1)</sup> (\$'000)	Translation reserve <sup>(1)</sup> (\$'000)	Total (\$'000)	Non-controlling interests (\$'000)	Total equity (\$'000)
<b>Balance as at 1 January 2025</b>	<b>93,623</b>	<b>(203)</b>	<b>(59,150)</b>	<b>40</b>	<b>(959)</b>	<b>33,351</b>	<b>1,562</b>	<b>34,913</b>
Total comprehensive loss	-	-	(144)	(8)	(54)	(206)	(100)	(306)
Share issue pursuant to:								
- Share Awards under the PSAS 2021 <sup>(3)</sup>	172	-	-	-	-	172	-	172
<b>Balance as at 30 June 2025</b>	<b>93,795</b>	<b>(203)</b>	<b>(59,294)</b>	<b>32</b>	<b>(1,013)</b>	<b>33,317</b>	<b>1,462</b>	<b>34,779</b>
Balance as at 1 January 2024	93,470	(203)	(61,527)	14	(986)	30,768	1,594	32,362
Total comprehensive (loss)/income	-	-	(416)	22	(25)	(419)	(85)	(504)
Incorporation of a new subsidiary corporation	-	-	-	-	-	-	80	80
Write-off of translation reserve from an associated company <sup>(2)</sup>	-	-	(42)	-	42	-	-	-
Share issue pursuant to:								
- Share Awards under the PSAS 2021 <sup>(3)</sup>	153	-	-	-	-	153	-	153
<b>Balance as at 30 June 2024</b>	<b>93,623</b>	<b>(203)</b>	<b>(61,985)</b>	<b>36</b>	<b>(969)</b>	<b>30,502</b>	<b>1,589</b>	<b>32,091</b>

<sup>(1)</sup> Fair value and translation reserves are not available for distribution.

<sup>(2)</sup> Resulted from the internal reorganisation of Menji Technology Development (Shanghai) Co., Ltd. as announced on 23 January 2024.

<sup>(3)</sup> 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)

Company	Share capital (\$'000)	Treasury shares (\$'000)	Translation reserve <sup>(1)</sup> (\$'000)	Accumulated losses (\$'000)	Total equity (\$'000)
<b>Balance as at 1 January 2025</b>	<b>93,623</b>	<b>(203)</b>	<b>-</b>	<b>(68,464)</b>	<b>24,956</b>
Total comprehensive loss	-	-	-	(1,010)	(1,010)
Share issue pursuant to:					
- Share Awards under the PSAS 2021 <sup>(3)</sup>	172	-	-	-	172
<b>Balance as at 30 June 2025</b>	<b>93,795</b>	<b>(203)</b>	<b>-</b>	<b>(69,474)</b>	<b>24,118</b>
 Balance as at 1 January 2024	 93,470	 (203)	 (42)	 (64,395)	 28,830
Total comprehensive loss	-	-	-	(1,592)	(1,592)
Write-off of translation reserve from an associated company <sup>(2)</sup>	-	-	42	(42)	-
Share issue pursuant to:					
- Share Awards under the PSAS 2021 <sup>(3)</sup>	153	-	-	-	153
<b>Balance as at 30 June 2024</b>	<b>93,623</b>	<b>(203)</b>	<b>-</b>	<b>(66,029)</b>	<b>27,391</b>

<sup>(1)</sup> Translation reserve is not available for distribution.

<sup>(2)</sup> Resulted from the internal reorganisation of Menji Technology Development (Shanghai) Co., Ltd. as announced on 23 January 2024.

<sup>(3)</sup> PSAS 2021 – Mencast Performance Share Award Scheme 2021 was approved and adopted on 30 April 2021, subject to a maximum period of ten (10) years from the adoption date.

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group For the half year ended 30 June	
	1HY2025 (\$'000)	1HY2024 (\$'000)
<b>Cash flows from operating activities</b>		
Net loss	(244)	(500)
Adjustments for:		
- Income tax (credit)/expense	(254)	137
- Depreciation of property, plant and equipment	3,808	3,934
- Dividend income from financial assets, at FVOCI	(8)	-
- (Gain)/loss on disposal of property, plant, and equipment	(137)	54
- Loss on disposal of non-current assets held-for-sale	-	61
- Share Awards under the PSAS 2021	172	153
- Interest income	(18)	(35)
- Interest expense	2,452	3,358
- Currency translation differences	(44)	(23)
	<b>5,727</b>	<b>7,139</b>
Changes in working capital:		
- Trade and other receivables	3,676	49
- Inventories	617	(1,347)
- Contract assets	959	55
- Trade and other payables	(1,384)	(1,676)
- Contract liabilities	(842)	2,587
Cash generated from operations	<b>8,753</b>	<b>6,807</b>
Interest received	18	35
Income tax paid	(474)	-
<b>Net cash provided by operating activities</b>	<b>8,297</b>	<b>6,842</b>
<b>Cash flows from investing activities</b>		
Dividend income from financial assets, at FVOCI	8	-
Acquisition of a subsidiary, net of cash acquired	-	191
Proceeds from the disposal of non-current assets classified as held-for-sale	-	1,034
Proceeds from the disposal of property, plant and equipment	955	30
Purchase of property, plant, and equipment	(1,804)	(734)
Short-term bank deposits pledged	(5)	(6)
<b>Net cash (used in)/provided by investing activities</b>	<b>(846)</b>	<b>515</b>
<b>Cash flows from financing activities</b>		
Interest paid	(2,600)	(3,366)
Repayment of bank borrowings	(4,667)	(5,436)
Repayment of lease liabilities	(764)	(679)
(Decrease)/increase of trade financing	(279)	1,657
<b>Net cash used in financing activities</b>	<b>(8,310)</b>	<b>(7,824)</b>
Net decrease in cash and cash equivalents	(859)	(467)
Cash and cash equivalents at the beginning of the financial period	9,638	9,958
<b>Cash and cash equivalents at the end of the financial period</b>	<b>8,779</b>	<b>9,491</b>

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

	As at 30 June 2025 (\$'000)	As at 30 June 2024 (\$'000)
Cash and cash equivalents	9,309	10,009
Short-term bank deposits pledged	(530)	(518)
	<b>8,779</b>	<b>9,491</b>

## 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 2025 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. Manufacture of electrical machinery, apparatus, appliances, and supplies.

### 2. Basis of preparation

The interim financial statements for the six months (“**1HY2025**”) ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim 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 annual financial statements for the year ended 31 December 2024 (“**FY2024**”).

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 expense. 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 year ended /FY2024.

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.



## 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 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

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 are included in the following notes:

- Note 8 – Provision for expected credit losses of trade receivables, contract assets, and other receivables
- Note 10 – Impairment of disposal group classified as held-for-sale
- Note 12 – Depreciation and impairment of property, plant and equipment
- Note 13 – Impairment test of goodwill: key assumptions underlying recoverable amounts

### 3. Seasonal operations

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

### 4. Segment and revenue information

The Management has determined the operating segments based on the reports reviewed by the Board of Directors, which 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.

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

	Offshore & Engineering (\$'000)	The Group		Total (\$'000)
		Marine (\$'000)	Energy services (\$'000)	
<b>1HY2025</b>				
<b>Revenue</b>				
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
<b>Gross (loss)/profit</b>	(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
<b>Net loss</b>				(244)

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

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

#### 4.1 Reportable Segments (continued)

	<u>The Group</u>		
	Offshore & Engineering (\$'000)	Marine (\$'000)	Energy services (\$'000)
<u>1HY2024</u>			
Revenue			
Total segment revenue	2,496	12,635	11,174
Inter-segment revenue	-	(828)	(16)
Revenue from external parties	2,496	11,807	11,158
Gross (loss)/profit	(10)	5,251	869
Other gains – net			1,915
Expenses			
- Administrative			(5,030)
- Finance			(3,358)
Loss before income tax			(363)
Income tax expense			(137)
Net loss			(500)

#### 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
<u>1HY2025</u>			
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	10,414	-	10,414
- Asia	316	-	316
- Rest of the world	892	-	892
	11,622	-	11,622
Total	24,561	451	25,012

## 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
<u>1HY2024</u>			
Construction contracts			
- Singapore	-	32	32
- Asia	-	859	859
- Rest of the world	-	-	-
	-	891	891
Sale of goods			
- Singapore	5,412	-	5,412
- Asia	1,006	-	1,006
- Rest of the world	221	-	221
	6,639	-	6,639
Services income from maintenance, repair and overhaul, and waste management			
- Singapore	15,742	-	15,742
- Asia	1,237	-	1,237
- Rest of the world	952	-	952
	17,931	-	17,931
Total	24,570	891	25,461

#### 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.

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

### 5. Loss before income tax

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

	For the half year ended 30 June		Increase/ (decrease)
	1HY2025 (\$'000)	1HY2024 (\$'000)	(%)
<u>Included in other credits/(charges) – net:</u>			
- Foreign exchange (loss)/gain, net <sup>(1)</sup>	(190)	48	NM
- Government grants <sup>(2)</sup>	129	102	26
- Gain/(loss) on sale of property, plant and equipment <sup>(3)</sup>	137	(54)	NM
- Loss on disposal of non-current assets held-for-sale <sup>(4)</sup>	-	(61)	NM
- Rental income <sup>(5)</sup>	1,288	1,250	3
- Sale of scrap metals <sup>(6)</sup>	296	575	(49)
- Write-back of long outstanding payables and accruals <sup>(7)</sup>	37	-	NM
- Other income, net <sup>(8)</sup>	39	20	95
	<b>1,736</b>	<b>1,880</b>	<b>(8)</b>
<u>Included under finance expenses:</u>			
Interest expenses on:			
- Bank borrowings	2,101	3,028	(31)
- Trade financing	62	55	13
- Lease liabilities - leasehold land	271	263	3
- Lease liabilities - leasehold building	3	5	(40)
- Lease liabilities - hire purchase	15	7	114
	<b>2,452</b>	<b>3,358</b>	<b>(27)</b>
<u>Included under cost of sales and administrative expenses:</u>			
- Depreciation of property, plant and equipment	3,270	3,440	(5)
- Depreciation of ROU assets - leasehold land	422	422	-
- Depreciation of ROU assets - leasehold building	43	41	5
- Depreciation of ROU assets - hire purchase	73	31	135
	<b>3,808</b>	<b>3,934</b>	<b>(3)</b>
<u>Included under income tax (credit)/expense:</u>			
- (Over) provision of current income tax in prior financial years	-	(320)	NM
- (Over)/under provision of deferred income tax in prior financial years	(254)	327	NM

#### Note:

- (1) In 1HY2025, the Group recorded a foreign exchange loss of \$190,000, primarily due to the weakening of the US dollar (USD) against the Singapore dollar (SGD). This impacted net receivables, collections, and bank balances denominated in USD, resulting in negative exchange rate movements upon revaluation.  
  
In contrast, a foreign exchange gain of \$48,000 was recorded in 1HY2024, mainly attributable to the strengthening of the USD against the SGD. The appreciation of the USD positively affected the value of USD-denominated receivables and bank balances, leading to favourable exchange rate gains.
- (2) Government grant receipts in both 1HY2025 and 1HY2024 were mainly attributable to payouts under the Progressive Wage Credit Scheme.
- (3) In 1HY2025, a gain of \$137,000 was recognised from the disposal of a fully depreciated motor vehicle.  
  
In comparison, a loss of \$54,000 in 1HY2024, primarily arising from the disposal of an obsolete lathe machine under the Marine segment.
- (4) An adjustment of \$61,000 for loss on disposal of non-current assets held-for-sale was recognised in 1HY2024, following the finalisation of net cash and net working capital adjustments. This relates to the third and final payment tranche under the sale and purchase agreement ("SPA") for the disposal of the Group's remaining 20% equity interest in Vac-Tech Engineering Pte Ltd ("Vac-Tech"), which was legally completed on 1 February 2023. The Group ceased to hold any interest in Vac-Tech thereafter.
- (5) Rental income for 1HY2025 amounted to \$1.29 million, slightly higher than the \$1.25 million recorded in 1HY2024. The slight increase was attributed to stable occupancy levels and consistent leasing terms across both periods.
- (6) Scrap sales in 1HY2025 declined by \$279,000 to \$53,000, compared to \$332,000 in 1HY2024. The reduction was largely attributable to lower scrap output across major segments, in line with reduced disposal activity and reduced operational activities in the Offshore & Engineering segment.
- (7) The Group wrote back accruals of \$37,000 in 1HY2025, mainly due to over-accrual of certain expenses in prior years that were found to be no longer payable after review.
- (8) Other income relates to miscellaneous income and expenses.  
  
In 1HY2025, other income mainly comprised VPC parking income of \$22,000 and dividend income of \$8,000 from financial assets measured at FVOCI.  
  
In 1HY2024, other income was mainly attributable to VPC parking income of \$19,000.

## 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. –	1HY2025 \$'000	1HY2024 \$'000
Sale of goods and/or services	34	17
Purchases of products and services	(21)	-
Recharges of common costs	2	-
Consideration for the reorganisation of Menji Shanghai <sup>(1)</sup>	-	91

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

<sup>(1)</sup> The nature of transactions with an associated company is explained as follows:

On 23 January 2024, the Group conducted an internal reorganisation exercise involving Menji Pte. Ltd. ("Menji Singapore"), transferring its entire equity interests in Menji Technology Development (Shanghai) Co., Ltd., ("Menji Shanghai") to Menji Development Pte. Ltd. ("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 of 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.

### 7. Income tax credit/(expense)

For 1HY2025, the Group recognised an income tax credit of \$254,000, compared to an income tax expense of \$137,000 in 1HY2024. The variance was mainly due to the following:

#### i. Current income tax

No provision for current income tax was made in 1HY2025 (1HY2024: \$130,000), as the remaining chargeable income in the Marine segment was fully offset by available group relief.

#### ii. Deferred income tax

An over-provision of deferred income tax of \$254,000 from the prior financial year was recognised in 1HY2025 (1HY2024: under-provision of \$327,000), primarily due to timing differences arising from the depreciation and impairment of certain machinery and equipment in the precision engineering business.

#### iii. Under/(Over)-provision of current income tax

There was no under/(over)-provision of current income tax in prior years in 1HY2025.

In 1HY2024, \$320,000 over-provision of current income tax in prior years was recognised. The over-provision arose from prior years' tax provisions that were subsequently reversed, as the Group consistently utilised available group relief.

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

### 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 2025 and 31 December 2024:

	<u>Group</u>		<u>Company</u>	
	1HY2025 \$'000	FY2024 \$'000	1HY2025 \$'000	FY2024 \$'000
<b>Financial assets</b>				
Financial assets, at FVOCI	109	117	-	-
Cash and cash equivalents <sup>1</sup>	9,309	10,163	1,601	1,343
Trade and other receivables <sup>2,3</sup>	10,231	13,552	33,786	34,557
Contract assets <sup>4</sup>	255	1,214	664	727
	<u>19,904</u>	<u>25,046</u>	<u>36,051</u>	<u>36,627</u>
<b>Financial liabilities</b>				
Trade and other payables <sup>3</sup>	8,136	9,660	19,575	17,854
Borrowings <sup>5</sup>	120,666	125,977	36,886	38,004
	<u>128,802</u>	<u>135,637</u>	<u>56,461</u>	<u>55,858</u>

**Note:**

1. Please see the significant restrictions below.
2. Excluding the prepayment and advances to suppliers.
3. Including the Group's receivables from/payables to associated companies, amounting to \$1.21 million and \$68,000 (FY2024: \$1.88 million and \$68,000) respectively.
4. The Group and the Company have no deferred costs for 1HY2025 and FY2024.
5. Including the liabilities under the disposal group classified as held-for-sale.

#### Significant restrictions

Cash in bank of \$2,000 as at 30 June 2025 (FY2024: \$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

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

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

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

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

For 1HY2025, a loss allowance of \$1.31 million was recognised for trade receivables (1HY2024: \$Nil), mainly due to a specific customer currently undergoing compulsory liquidation.

No loss allowance for trade receivables was written off on 1HY2025 and 1HY2024.

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

### 8. Financial assets and financial liabilities (continued)

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

##### ii. Other receivables

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

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

For 1HY2025, a loss allowance of \$23,000 was recognised for non-trade receivables (1HY2024: \$Nil), mainly due to a specific customer currently undergoing compulsory liquidation.

No loss allowance for trade receivables was written off on 1HY2025 and 1HY2024.

As at 30 June 2025, the Group assessed that the ECL provision recorded is adequate.

### 9. 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).

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

	<b>Group</b>	
	<b>1HY2025</b>	<b>FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial assets, at FVOCI	<b>109</b>	<b>117</b>

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

During the financial period ended 30 June 2025, the Group recognised a fair value loss of \$8,000 (1HY2024: fair value gain of \$22,000).

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.

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

### 10. Disposal group classified as held-for-sale

As at 30 June 2025, the carrying amounts of assets and liabilities classified as held-for-sale were \$70,544,000 and \$66,491,000, respectively (FY2024: \$70,544,000 and \$66,745,000).

These balances form part of the Further Amended Debt Restructuring Agreement ("Further Amended DRA"), under which the Group is committed to disposing of a key property to reduce its outstanding debt.

For both 1HY2025 and FY2024, Management has reviewed and concluded that the classification criteria under SFRS(I) 5 *Non-Current Assets Held-for-Sale and Discontinued Operations* were met.

#### Impairment testing

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

No impairment charge was recognised for the financial period ended 30 June 2025 and the financial year ended 31 December 2024.

### 11. Investment in an associated company

#### Impairment testing

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

The Management had assessed and concluded that there was no indication of impairment as at 30 June 2025 (FY2024: Nil).

	<u>Group</u>		<u>Company</u>	
	1HY2025	FY2024	1HY2024	FY2024
	\$'000	\$'000	\$'000	\$'000
<i>Equity investment</i>				
Beginning and end of financial period/year	-	-	-	-

As at 30 June 2025 and 31 December 2024, the Group has one associated company, namely Menji Pte. Ltd ("Menji Singapore").

#### **Menji Singapore**

As explained in Part E, Note 6, on 23 January 2024, following the reorganisation, Menji Shanghai is no longer a subsidiary corporation of Menji Singapore. The Group continues to hold 49.73% equity interest in Menji Singapore, which remains an associated company of the Group.

As at 30 June 2025, the carrying amount of the investment in Menji Singapore is \$Nil (FY2024: \$Nil), as the Group and Company's share of losses in Menji Singapore has exceeded its interest, hence, the Group and the Company have not recognised further losses. For the financial period ended 30 June 2025, the Group has an unrecognised share of losses in Menji Group amounting to \$42,000 (FY2024: \$194,000). As of 30 June 2025, the Group's accumulated unrecognised share of losses amounts to \$708,000 (FY2024: \$666,000\*).

There are no contingent liabilities relating to the Group's interests in an associated company.

\*Restated due to an unrecognised share of \$38,000 on translation gains in FY2024 to be offset with the accumulated unrecognised share of losses in an associated company as at 31 December 2024 of \$704,000.



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

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

As at 30 June 2025, the Group registered a net book value of \$64.70 million (FY2024: \$68.08 million).

The decrease in PPE was mainly attributable to the:

- depreciation expense on PPE and ROU assets amounting to \$3.81 million;
- disposal and written off of PPE with a net book value of approximately \$818,000, which resulted in a gain on disposal of PPE for \$137,000 as explained in Part E Note 5.(3);
- loss on foreign currency translation of PPE from foreign subsidiaries, \$17,000; offset with
- addition in PPE and ROU assets totalled \$1.27 million. These purchases were primarily for machinery and equipment, with approximately \$258,000 for the Marine propulsion business, \$583,000 for the Energy Services segment, and a motor vehicle costing \$386,000 recorded under corporate assets.

Also, the Group recognised deposits for the purchase of property, plant, and equipment of \$2.34 million as at 30 June 2025 (FY2024: \$1.44 million), mainly for the Marine segment.

#### Impairment testing

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

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

During the financial period ended 30 June 2025, impairment charges of \$Nil (FY2024: \$805,000) were recognised for property, plant, and equipment as the estimated recoverable amounts are less than the carrying value and/or fair value less costs to sell.

#### Capital commitment

As at 30 June 2025, the Group has a capital commitment of approximately \$2,002,000 (FY2024: \$2,603,000) mainly for the new build propellers business of the Marine segment.

### 13. Goodwill

	<u>Group</u>	
	<b>1HY2025</b>	<b>FY2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Cost</i>		
Beginning and end of financial period/year	<u>27,523</u>	<u>27,523</u>
<i>Accumulated impairment</i>		
Beginning and end of financial period/year	<u>(22,742)</u>	<u>(22,742)</u>
<b>Net book value</b>	<u><b>4,781</b></u>	<u><b>4,781</b></u>

#### Impairment testing

No impairment indicators were identified as at 30 June 2025 based on the CGU's business performance. The Group performed its annual impairment test in December 2024. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

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

### 14. Borrowings

#### Amount repayable in one year or less, or on demand

Borrowings	1HY2025		FY2024	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Bank borrowings	6,221	-	6,166	559
Lease liabilities – hire purchase	205	-	137	-
Current borrowings	6,426	-	6,303	559
Included in the disposal group classified as held-for-sale:				
- Bank borrowings	62,717	-	62,717	-
	69,143	-	69,020	559

#### Amount repayable after one year

Borrowings	1HY2025		FY2024	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Bank borrowings	34,331	-	38,773	-
Lease liabilities – hire purchase	548	-	308	-
Non-current borrowings	34,879	-	39,081	-

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:

Group	Leasehold land		Leasehold building	
	1HY2025 (\$'000)	FY2024 (\$'000)	1HY2025 (\$'000)	FY2024 (\$'000)
<b>Lease liabilities on:</b>				
Current borrowings	757	744	88	90
Disposal group classified as held-for-sale	3,774	4,028	-	-
Non-current borrowings	12,010	12,393	15	62
	16,541	17,165	103	152

#### Security granted

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

The Group's hire purchase lease liabilities are secured by the leased motor vehicles, with legal title retained by the lessor and transferred to the Group upon full settlement.

The Group has fully repaid certain borrowings and, as a result, on 12 June 2025, entered into a Deed of Removal of Parties with the lenders. Pursuant to the deed, Ethoz Capital Ltd., RHB Bank Berhad, Standard Chartered Bank (Singapore) Limited, and Recon Propeller & Engineering Pte Ltd ("Recon") ceased to be parties to the Debt Restructuring Agreement ("DRA"). United Overseas Bank Limited ("UOB") remains the sole lender under the DRA. Notwithstanding Recon's removal as a party, the remaining Mencast parties remain responsible for fulfilling any obligations that the DRA purports to impose on Recon. All securities, guarantees, and subordination deeds granted to UOB under the existing facility agreements remain in full force and effect.

#### 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.

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

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

### 15. Share capital

	← No. of ordinary shares →			← Amount →		
	Issued share capital ‘000	Treasury shares ‘000	Total ‘000	Share capital \$‘000	Treasury shares \$‘000	Total \$‘000
<u>Group and Company</u>						
<b>1HY2025</b>						
Beginning of financial period	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 period	<u>469,829</u>	<u>(455)</u>	<u>469,374</u>	<u>93,795</u>	<u>(203)</u>	<u>93,592</u>

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

The Group and the Company have a total issued and outstanding shares of 469,374,000 as at 30 June 2025 (31 December 2024: 461,185,000 shares).

The Company has no outstanding options or convertibles as at 30 June 2025 and 30 June 2024.

The Company's subsidiary corporations do not hold any shares in the Company as at 30 June 2025 and 30 June 2024.

As at 30 June 2025, the total number of treasury shares held was 455,000 (30 June 2024: 455,000).

There were no sales, transfers, disposals, cancellations and/or uses of treasury shares as at the end of 30 June 2025.

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.

#### 1HY2025

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.

#### FY2024

On 28 May 2024, the Company announced the grant of a total of 5,099,000 ordinary shares under PSAS 2021 to eligible employees of the Group. The shares were subsequently allotted and issued on 30 May 2024.

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

### 16. Net asset value and (Loss)/earnings per share

#### Net asset value ("NAV")

	Group		Company	
	1HY2025	FY2024	1HY2025	FY2024
NAV per ordinary share (SGD cents)	7.10	7.23	5.14	5.41
Number of shares used in the computation of NAV per share ('000)	469,374	461,185	469,374	461,185

#### Loss per share ("LPS")

##### (a) Basic loss per share

The basic loss per share was calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during 1HY2025 of 462,361,000 shares (1HY2024: 456,954,000 shares).

##### (b) Diluted loss per share

For the purpose of calculating diluted loss per share, 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.

There are no dilutive potential ordinary shares for 1HY2025 (1HY2024: Nil).

### 17. Contingencies

#### Group

As at 30 June 2025, the Group had contingent liabilities amounting to \$216,000 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 2025 and October 2026. No provision has been made in the financial statements as the Board of Directors are of the opinion that the probability of a claim under these guarantees is remote.

#### Company

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

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

## 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 interim statements of the financial position of Mencast Holdings Ltd. and its subsidiary corporations as at 30 June 2025 and the related 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 1HY2025 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**

Revenue for 1HY2025 declined by 2%, or \$0.45 million, from \$25.46 million in 1HY2024 to \$25.01 million in 1HY2025. The decrease was mainly due to lower contributions from the Offshore & Engineering and Energy services segments, partially offset by an increase in the Marine segment:

- Offshore & Engineering segment ("O&E") – decreased by \$1.16 million; and
- Energy services segment – decreased by \$0.83 million;
- Marine segment – increased by \$1.54 million.

Offshore & Engineering segment

Revenue from the O&E segment represented 6% of total revenue for 1HY2025 (1HY2024: 10%).

Revenue from the O&E segment was \$1.34 million in 1HY2025, down from \$2.50 million in 1HY2024. This represents a decrease of \$1.16 million, or 46%, compared to 1HY2024. The decline was mainly due to the absence of charter income from two dredger vessels during 1HY2025.

Marine segment

Revenue from the Marine segment represented 53% of total revenue in 1HY2025 (1HY2024: 46%).

The Marine segment generated revenue of \$13.34 million in 1HY2025, up from \$11.81 million in 1HY2024. The increase was mainly due to the following:

- Higher deliveries of new-build propellers, which increased by \$2.38 million, from \$5.80 million in 1HY2024 to \$8.18 million in 1HY2025;

Partially offset by

- lower revenue from the segment's maintenance, repair, and overhaul (MRO) services, which decreased from \$3.21 million in 1HY2024 to \$2.66 million in 1HY2025.

Within the segment's MRO services:

- ❖ Revenue from the propulsion system MRO services decreased by \$0.76 million from \$4.45 million in 1HY2024.
- ❖ Revenue from shipyard activities remained relatively stable, at \$1.48 million in 1HY2025 compared to \$1.56 million in 1HY2024.

Energy Services segment

Revenue from the Energy Services segment represents 41% of total revenue for 1HY2025 (1HY2024: 44%).

The revenue declined to \$10.33 million, from \$11.16 million in 1HY2024, a decrease of \$0.83 million or 7%, mainly due to:

- a fast-track trading contract of \$4.46 million recognised in 1HY2024, as compared to only \$0.50 million in 1HY2025;
- Revenue from toxic waste collection remains comparable for both reporting periods, 1HY2025 and 1HY2024, at approximately \$6.33 million.

Offset with

- Higher revenue from the conversion of waste to by-products for sale, which increased by \$3.15 million from \$0.36 million during 1HY2024 to \$3.50 million in 1HY2025.

**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**

**Cost of sales, gross profit (“GP”) and gross profit margin**

Despite the relatively flat revenue for both periods, 1HY2025 and 1HY2024, as explained above, the Group’s cost of sales (COGS) decreased by 6%, from \$19.35 million in 1HY2024 to \$18.21 million in 1HY2025. The decrease in cost of sales is in line with the costs associated with a fast-track oil trading contract with a particular customer from the Energy Services segment. As a result, gross profit improved from \$6.11 million to \$6.80 million, an increase of \$0.69 million or 11%.

Consequently, the Group’s gross profit margin (GP%) also rose from 24% in 1HY2024 to 27% in 1HY2025.

The following factors contributed to the increase in gross profit:

**Energy services segment:** Gross profit increased by \$1.71 million, from \$0.87 million in 1HY2024 to \$2.58 million in 1HY2025. This increase was in line with:

- the higher revenue contribution from by-product sales; and
- lower volume of transactions in 1HY2025 from a fast-track oil trading contract, which contributed to a single-digit GP%.

**Marine segment:** The Marine segment recorded a slight decline in gross profit of \$0.27 million, from \$5.25 million in 1HY2024 to \$4.98 million in 1HY2025. As a result, the gross profit margin fell from 44% to 37%. The reduction in this segment’s GP margin was mainly due to lower revenue from the propulsion system MRO services.

**Offshore & Engineering segment:** The increase in the gross loss of the O&E segment was mainly due to the lower revenue in 1HY2025, as explained above. Despite the absence of charter income, the Group continued to incur depreciation and upkeep costs for the two dredger vessels. In addition, certain relocation and handling expenses were incurred during the period, further contributing to the segment’s gross loss.

**Other gains/(losses) - net**

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

**Administrative expenses**

Administrative expenses for 1HY2025 amounted to \$5.27 million, remaining broadly in line with the \$5.03 million recorded in 1HY2024. The slight increase was attributed to a higher headcount in the Marine segment, supporting the ongoing transformation of the propulsion business.

**Finance expenses**

Finance expenses for 1HY2025 amounted to \$2.45 million, a 27% decrease, or approximately \$0.91 million, from \$3.36 million in 1HY2024. This reduction was mainly attributable to the gradual decrease in borrowings through monthly principal repayments, coupled with lower effective interest rates on bank borrowings.

**Share of loss of an associated company**

The Group and the Company’s share of losses in its associated company have already exceeded its interest as of FY2023, hence the Group and the Company have not recognised further losses in 1HY2025.

**Income tax expense**

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

**Net loss**

Despite the improved gross margin and reduced financing costs on bank borrowings, bottom-line performance remained weak due to lower other income recognised during 1HY2025, slightly higher operating expenses and a \$1.33 million loss allowance on trade and non-trade receivables, as disclosed in Part E Note 8.i and 8.ii.

**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**

**Current assets**

As at 30 June 2025, the Group's current assets stood at \$95.29 million, representing a decrease of \$6.06 million or 6% compared to \$101.35 million as at FY2024. This decline was mainly attributable to the following factors:

- A decrease in cash and cash equivalents of \$0.85 million, as detailed in the *Review of Condensed Interim Consolidated Statement of Cash Flows*.
- A net decrease in trade and other receivables of \$3.63 million, from \$14.41 million in FY2024 to \$10.78 million in 1HY2025. This was largely due to higher collection of trade receivables, and a loss allowance of \$1.33 million recognised following the compulsory liquidation of a customer from the Offshore & Engineering segment.
- Inventories declined by \$0.62 million, mainly due to a lower volume of secured and ongoing orders for new-build propellers in the Marine segment.
- Contract assets decreased, as certain work that was completed prior to year-end FY2024 was subsequently billed and collected in January 2025, amounting to approximately \$0.78 million.

**Non-current assets**

As at 30 June 2025, the Group's non-current assets stood at \$71.93 million, representing a 3% decrease, or \$2.49 million, from \$74.42 million as at 31 December 2024. The decline was mainly due to the following:

- A net decrease in property, plant, and equipment (PPE) of \$3.38 million, as detailed in Part E, Note 12. This was partially offset by an increase in deposits for the purchase of PPE, primarily related to capital investments in the Marine segment.
- A fair value loss of \$8,000 on financial assets measured at fair value through other comprehensive income (FVOCI), as disclosed in Part E, Note 9.

**Current liabilities**

As at 30 June 2025, the Group's current liabilities decreased by \$3.52 million, or 4%, from \$87.24 million at 31 December 2024 to \$83.72 million. The decline was primarily due to the following factors:

- A reduction in trade and other payables of \$1.53 million, mainly due to the settlement of outstanding payables and accrued expenses during 1HY2025.
- A \$0.84 million decrease in contract liabilities, or 32%, from \$2.66 million to \$1.82 million, as revenue was recognised from previously deferred customer advances under the Marine segment.
- A net decrease in current borrowings of \$0.43 million, primarily due to the full repayment of \$0.56 million in unsecured borrowings that were outstanding as at FY2024 (refer to Part E, Note 14).
- Current income tax liabilities reduced to nil, from \$0.47 million, following tax payments made during the period and the absence of new tax provisions in 1HY2025.
- A slight reduction in liabilities directly associated with the disposal group held-for-sale by approximately \$0.25 million, mainly due to leasehold rental payments and monthly repayments of borrowings tied to the disposal group.

**Non-current liabilities**

As at 30 June 2025, the Group's non-current liabilities decreased by \$4.89 million, or 9%, from \$53.62 million at 31 December 2024 to \$48.73 million. This reduction in long-term obligations reflects the Group's ongoing efforts to deleverage its balance sheet and improve its financial position.

The decline was mainly attributed to:

- A reduction in non-current borrowings of \$4.63 million, from \$51.54 million to \$46.91 million, due to scheduled repayments of long-term loans and lease liabilities.
- A decrease in deferred income tax liabilities of \$0.25 million, from \$2.08 million to \$1.83 million, reflecting changes in temporary differences and tax provisions. Please refer to Part E Note 7.ii for further information.



**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**

The Group reported a net cash outflow of \$0.86 million, ending 1HY2025 with \$8.78 million in cash and cash equivalents, down from \$9.49 million in 1HY2024.

In 1HY2025, the Group generated net cash from operating activities of \$8.30 million as compared to \$6.84 million in 1HY2024. This was due to an improvement in working capital movements arising from receivables, inventories, contract assets and non-cash adjustments, such as depreciation and allowances. The cash inflow from operations was partially offset by an income tax payment of \$0.47 million. This payment relates to income tax payable recorded in FY2024 for Year of Assessment 2023, primarily attributable to taxable profits from the Marine segment.

Net cash used in investing activities was \$0.85 million, compared to a net inflow of \$0.52 million in 1HY2024. The decline was due to lower asset disposals and higher capital expenditures (up from \$0.73 million to \$1.80 million). There was no disposal of non-current assets classified as held-for-sale and or acquisition of a subsidiary in 1HY2025, unlike in 1HY2024.

Financing activities amounted to \$8.31 million, slightly more than \$7.82 million in 1HY2024, largely driven by repayments of bank borrowings and lease liabilities, and interest payments. The Group also reduced trade financing facilities by \$0.28 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.**

**Outlook**

Macro conditions remain mixed and complex. Geopolitical tensions and persistent cost volatility continue to influence customer sentiment and procurement timing across our served industries. Near-term demand is therefore expected to be uneven across segments, with customers staying selective on project starts and maintenance scheduling.

**Offshore & Engineering (O&E).** The Group has been gradually scaling down activities in this segment and is focusing on the provision of engineering, inspection, and maintenance services for offshore structures, with operations primarily based in Singapore and Batam. Activities in this segment have been streamlined to these core service areas in tandem with the scaling up of the Group's waste management business. Near-term contribution is expected to remain modest, in line with the segment's smaller scope of operations.

**Marine.** Deliveries of new-build propellers supported 1HY2025 performance. Looking ahead, order visibility exists but remains uneven and may fluctuate with broader market conditions. For propulsion MRO services, a weaker operating environment could prompt customers to defer or tighten discretionary MRO spending, which may in turn weigh on segment volumes.

**Energy Services.** Steady waste collection volumes and continued optimisation of waste-to-by-product recovery remain the core drivers. Revenue may, however, fluctuate between quarters depending on the timing of orders fulfilled. Management will keep prioritising plant efficiency, by-product yields and capacity enhancement initiatives.

**Group priorities.** We remain focused on cost discipline, cash generation and working-capital management. The Group continues to maintain active engagement with customers and partners to pursue commercial opportunities. Overall business conditions over the next 12 months are expected to remain challenging, with performance vulnerable to market demand patterns and input-cost movements.



**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 2025, 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 1HY2025 were as follows:

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
McLink Asia Pte Ltd MPS Solutions Pte Ltd Sigi Beauty Pte Ltd Ole Investment Pte Ltd Ole Motorsports Pte Ltd	Associates	Nil*	Nil**

\* Amount is less than \$100,000

\*\* 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 2025 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**

Save as disclosed in the Company's announcement dated 25 February 2025 with the incorporation of Mencast Environment Pte. Ltd. and the striking off of dormant subsidiary corporations, namely, S & W Pte. Ltd. and Virestorm Pte. Ltd., as disclosed in the Company's Annual Report FY2024 Note 35, Events occurring after the balance sheet date, there was no acquisition or sale of shares by the Company in 1HY2025, 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

13 August 2025