



## **ES GROUP (HOLDINGS) LIMITED**

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

### **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Advisors Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by 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.*

*The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.*



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

### PART 1 – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

**1(a)(i) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Increase/ (Decrease) %
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000	
<b>Revenue</b>	<b>23,455</b>	<b>22,717</b>	<b>3.2</b>
Cost of services	(19,279)	(19,309)	(0.2)
<b>Gross profit</b>	<b>4,176</b>	<b>3,408</b>	<b>22.5</b>
Other operating income	982	1,513	(35.1)
Administrative expenses	(6,143)	(7,200)	(14.7)
Other operating expenses	(2,491)	(3,120)	(20.2)
Finance costs	(261)	(64)	307.8
<b>Loss before income tax</b>	<b>(3,737)</b>	<b>(5,463)</b>	<b>(31.6)</b>
Income tax expense	(14)	-	n/m
<b>Loss for the year</b>	<b>(3,751)</b>	<b>(5,463)</b>	<b>(31.3)</b>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	78	161	(51.6)
<b>Total comprehensive income for the year</b>	<b>(3,673)</b>	<b>(5,302)</b>	<b>(30.7)</b>
<b>(Loss) / profit attributable to:</b>			
Owners of the Company	(2,599)	(4,835)	(46.2)
Non-controlling interests	(1,152)	(628)	83.4
	<u>(3,751)</u>	<u>(5,463)</u>	(31.3)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(2,561)	(4,753)	(46.1)
Non-controlling interests	(1,112)	(549)	102.6
	<u>(3,673)</u>	<u>(5,302)</u>	(30.7)

n/m: not meaningful

**1(a)(ii) Notes to consolidated statement of comprehensive income.**

Loss for the year is arrived at after charging / (crediting) the following items:

	Group		Increase/ (Decrease) %
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000	
Allowance for impairment of amount due from an associate	-	6	n/m
Allowance for impairment of third parties trade receivables	72	466	(84.5)
Allowance for impairment of third parties other receivables	-	329	n/m
Depreciation of property, plant and equipment	2,365	1,811	30.6
Loss / (gain) on disposal of property, plant and equipment	20	(43)	n/m
Interest expenses	261	64	307.8
Interest income	(36)	(59)	(39.0)
Impairment of property, plant and equipment	406	444	(8.6)
Net foreign exchange loss	5	44	(88.6)
Property, plant and equipment written off	-	5	n/m

n/m: not meaningful



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

### 1(b)(i) A statement of financial position (for the issuer and the Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited 31/12/2017 S\$'000	Audited 31/12/2016 S\$'000	Unaudited 31/12/2017 S\$'000	Audited 31/12/2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	8,506	4,979	42	126
Trade receivables	17,680	10,356	1	-
Finance lease receivable	-	2,346	-	-
Work-in-progress	1,410	8,691	-	-
Other receivables	832	1,141	17,759	19,353
Inventories	619	585	-	-
Total current assets	<u>29,047</u>	<u>28,098</u>	<u>17,802</u>	<u>19,479</u>
<b>Non-current assets</b>				
Deposits	7	4	-	-
Finance lease receivable	-	3,212	-	-
Associate	-	-	-	-
Subsidiaries	-	-	20,158	17,342
Club membership	50	50	-	-
Property, plant and equipment	19,249	15,988	-	-
Total non-current assets	<u>19,306</u>	<u>19,254</u>	<u>20,158</u>	<u>17,342</u>
<b>Total assets</b>	<b><u>48,353</u></b>	<b><u>47,352</u></b>	<b><u>37,960</u></b>	<b><u>36,821</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	4,272	5,491	-	-
Trade payables	1,754	1,432	-	-
Other payables	6,167	7,950	10,641	12,636
Finance leases payables	38	91	-	-
Income tax payables	-	-	-	-
Total current liabilities	<u>12,231</u>	<u>14,964</u>	<u>10,641</u>	<u>12,636</u>
<b>Non-current liabilities</b>				
Bank loans	8,362	1,133	-	-
Finance leases payables	214	57	-	-
Total non-current liabilities	<u>8,576</u>	<u>1,190</u>	<u>-</u>	<u>-</u>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	23,698	23,698	23,698	23,698
Retained earnings	21,107	23,693	3,621	487
Statutory surplus reserve	409	404	-	-
Currency translation reserve	(252)	(293)	-	-
Merger reserve	(18,570)	(18,570)	-	-
Equity attributable to owners of the Company	26,392	28,932	27,319	24,185
Non-controlling interests	1,154	2,266	-	-
Total equity	<u>27,546</u>	<u>31,198</u>	<u>27,319</u>	<u>24,185</u>
<b>Total liabilities and equity</b>	<b><u>48,353</u></b>	<b><u>47,352</u></b>	<b><u>37,960</u></b>	<b><u>36,821</u></b>



**ES GROUP (HOLDINGS) LIMITED**

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.**

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

<b>Group as at 31/12/2017</b>		<b>Group as at 31/12/2016</b>	
<b>Unaudited</b>		<b>Audited</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,310	-	5,582	-

**Amount repayable after one year**

<b>Group as at 31/12/2017</b>		<b>Group as at 31/12/2016</b>	
<b>Unaudited</b>		<b>Audited</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,576	-	1,190	-

**Details of any collateral**

The Group's borrowings are secured by legal mortgage of the Group's leasehold land and property, a leased vessel and corporate guarantees.

Obligations under finance leases are secured over the leased assets.



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000
<b>Operating activities</b>		
Loss before income tax	(3,737)	(5,462)
Adjustments for:		
Interest income	(36)	(59)
Interest expenses	261	64
Property, plant and equipment written off	-	5
Depreciation of property, plant and equipment	2,365	1,811
Allowance for impairment of third parties trade receivables	72	466
Allowance for impairment of third parties other receivables	-	329
Allowance for impairment of amount due from an associate	-	6
Impairment of property, plant and equipment	406	444
Loss / (gain) on disposal of property, plant and equipment	<u>20</u>	<u>(43)</u>
Operating cash flows before movements in working capital	(649)	(2,439)
Trade receivables	(7,412)	5,924
Work-in-progress	7,268	(2,399)
Other receivables	310	(340)
Inventories	(35)	338
Trade payables	713	(1,498)
Other payables	635	(943)
Finance lease receivable	<u>1,540</u>	<u>2,141</u>
Cash generated from operations	2,370	784
Interest received	36	59
Income tax paid	<u>(14)</u>	<u>(6)</u>
Net cash from operating activities	<u>2,392</u>	<u>837</u>
<b>Investing activities</b>		
Incorporation of subsidiary	17	-
Proceeds on disposal of property, plant and equipment	2	54
Purchases of property, plant and equipment (Note A)	<u>(1,723)</u>	<u>(5,162)</u>
Net cash used in investing activities	<u>(1,704)</u>	<u>(5,108)</u>
<b>Financing activities</b>		
Interest paid	(261)	(64)
Proceeds from term loans	12,000	1,600
Repayments of loan from a director of subsidiary	(2,785)	-
Repayments of term loans	(5,556)	(1,343)
Repayment of obligations under finance leases	<u>(108)</u>	<u>(372)</u>
Net cash from / (used in) financing activities	<u>3,290</u>	<u>(179)</u>
Net increase / (decrease) in cash and cash equivalents	3,978	(4,450)
Cash and cash equivalents at the beginning of the year	4,445	8,845
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(18)</u>	<u>50</u>
<b>Cash and cash equivalents at end of the year (Note B)</b>	<b><u>8,405</u></b>	<b><u>4,445</u></b>



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

### Notes to consolidated statement of cash flows

A) Cash payments on purchases of property, plant and equipment:

	<b>FY2017</b>	<b>FY2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Purchases of property, plant and equipment	1,932	5,226
Less: Property, plant and equipment acquired under finance lease arrangements	<u>(209)</u>	<u>(64)</u>
	<u><b>1,723</b></u>	<u><b>5,162</b></u>

B) Cash and cash equivalents comprise:

	<b>As at</b>	<b>As at</b>
	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash at bank and on hand	6,953	1,435
Fixed deposits	<u>1,553</u>	<u>3,544</u>
Cash and cash equivalents in Statement of Financial Position	8,506	4,979
Fixed deposit pledged	(101)	(100)
Bank overdraft	<u>-</u>	<u>(434)</u>
Cash and cash equivalents in Statement of Cash Flows	<u><b>8,405</b></u>	<u><b>4,445</b></u>



**ES GROUP (HOLDINGS) LIMITED**  
 (Company Registration No. 200410497Z)  
 (Incorporated in the Republic of Singapore)

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Share capital</u> S\$'000	<u>Currency Translation reserve</u> S\$'000	<u>Merger reserve</u> S\$'000	<u>Statutory surplus reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Attributable to owners of the Company</u> S\$'000	<u>Non-controlling interests</u> S\$'000	<u>Total</u> S\$'000
<b>Group</b>								
Balance at 1 January 2016	23,698	(375)	(18,570)	392	28,664	33,809	2,691	36,500
Total comprehensive income for the year								
- Loss for the year	-	-	-	-	(4,835)	(4,835)	(628)	(5,463)
- Other comprehensive income	-	82	-	-	-	82	79	161
Appropriations	-	-	-	12	(12)	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	-	-	(124)	(124)	124	-
Balance at 31 December 2016	23,698	(293)	(18,570)	404	23,693	28,932	2,266	31,198
Total comprehensive income for the year								
- Loss for the year	-	-	-	-	(2,599)	(2,599)	(1,152)	(3,751)
- Other comprehensive income	-	38	-	-	-	38	40	78
Appropriations	-	-	-	5	(5)	-	-	-
Acquisition of non-controlling interest without a change in control	-	3	-	-	18	21	-	21
Balance at 31 December 2017	<u>23,698</u>	<u>(252)</u>	<u>(18,570)</u>	<u>409</u>	<u>21,107</u>	<u>26,392</u>	<u>1,154</u>	<u>27,546</u>

	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Total</u> S\$'000
<b>Company</b>			
Balance at 1 January 2016	23,698	3,971	27,669
Loss for the year, representing total comprehensive income for the year	-	(3,484)	(3,484)
Balance at 31 December 2016	23,698	487	24,185
Profit for the year, representing total comprehensive income for the year	-	3,134	3,134
Balance at 31 December 2017	<u>23,698</u>	<u>3,621</u>	<u>27,319</u>



**ES GROUP (HOLDINGS) LIMITED**

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

- 1(d)(ii) Details of any changes in the Company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and the number of subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<u>Company</u>		
	Issued and paid-up share capital S\$		
	No. of shares		
Balance as at 30 June 2017 and 31 December 2017	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; text-align: center;">141,200,000</td> <td style="width: 50%; border-bottom: 1px solid black; text-align: center;">23,698,348</td> </tr> </table>	141,200,000	23,698,348
141,200,000	23,698,348		

There were no changes in the Company’s share capital during FY2017.

As at 31 December 2017 and 31 December 2016, the Company has no outstanding options, convertibles, treasury shares and subsidiary holdings.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>Company</u>	
	31/12/2017	31/12/2016
Total number of issued shares (excluding treasury shares)	141,200,000	141,200,000

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported.**

Not applicable as the Company has no treasury shares.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company has no subsidiary holdings.

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

The figures in this announcement have not been audited or reviewed by the Company’s auditors.

- 3 Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of a matter).**

Not applicable.



**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the accounting policies and methods of computation applied by the Group in the financial statements FY2017 are consistent with those used in its most recently audited financial statements FY2016.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant for its operations and are effective for the financial year beginning on or after 1 January 2017. The adoption of these new/revised FRSs and INT FRS is not expected to have any significant impact on the Group's financial statements.

**6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Unaudited FY2017	Audited FY2016
Loss per share		
(i) Based on the weighted average number of shares	(1.84) cents <sup>(a)</sup>	(3.42) cents <sup>(a)</sup>
(ii) On a fully diluted basis	(1.84) cents	(3.42) cents
Weighted average number of shares in issue	141,200,000	141,200,000

a) Loss per share for the financial years ended 31 December 2017 and 2016 have been computed based on net loss attributable to the owners of the Company divided by the weighted average number of shares in issue.

As at 31 December 2017 and 31 December 2016, the Company did not have any dilutive instruments. Hence, the basic and fully diluted loss per ordinary share in both periods under review are the same.

**7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	Unaudited 31/12/2017	Audited 31/12/2016	Unaudited 31/12/2017	Audited 31/12/2016
Net asset value per share based on the number of issued shares	18.69 cents <sup>(a)</sup>	20.49 cents <sup>(b)</sup>	19.35 cents <sup>(a)</sup>	17.13 cents <sup>(b)</sup>
Number of shares	141,200,000	141,200,000	141,200,000	141,200,000

a) Net asset value per share as at 31 December 2017 has been computed based on equity attributable to owners of the Company for the financial year ended 31 December 2017 divided by the number of shares as at 31 December 2017.

b) Net asset value per share as at 31 December 2016 has been computed based on equity attributable to owners of the Company for the financial year ended 31 December 2016 divided by the number of shares issued as at 31 December 2016.

- 8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**(a) Review of Financial Performance of the Group**

Revenue increased by S\$0.8 million or 3.2% to S\$23.5 million in FY2017 from S\$22.7 million in FY2016, mainly due to an additional segment "shipping" during the year, which consists of ship chartering and related activities. The Company had back in 2012, launched its first charter vessel for a charter period of 5 years from the second half of 2012, and had not pursued further chartering business activities since. As such, the chartering business only accounted for a small portion of revenue to the Group. This charter agreement had been terminated with effect from 11 September 2017 due to the counterparty's default on the charter contract. However, during the third quarter of this financial year ended 31 December 2017, the Company had incorporated 2 new subsidiaries, ES Chartering Pte. Ltd. and ES Aspire Pte. Ltd. (as announced on 15 September 2017), through which the Company pursued new businesses in the ship chartering segment. As the chartering business revenue increased significantly and the Group has plans to continue to grow the chartering business, the revenue derived from the chartering business had been recorded separately under "shipping".

Revenue from the new building and conversion segment decreased by S\$4.9 million or 25.5% to S\$14.2 million in FY2017 from S\$19.1 million in FY2016, mainly due to lower revenue contribution from the Group's subsidiary in Thailand. Revenue from the repair segment increased by S\$1.1 million or 30.1% to S\$4.7 million in FY2017 from S\$3.6 million in FY2016 mainly due to more projects in FY2017. Revenue from the shipping segment was S\$4.5 million in FY2017.

Revenue from Singapore increased by S\$3.3 million or 16.6% to S\$22.8 million in FY2017 from S\$19.5 million in FY2016 mainly due to the additional revenue from the shipping segment. Revenue from Thailand decreased by S\$2.5 million or 83.8% to S\$0.5 million in FY2017 from S\$3.0 million in FY2016 mainly due to fewer projects in FY2017.

As a result, gross profit increased by S\$0.8 million or 22.5% to S\$4.2 million in FY2017 from S\$3.4 million in FY2016. Gross profit margin increased by 2.8 percentage points to 17.8% in FY2017 from 15.0% in FY2016 mainly due to improved economies of scale. This was partly offset by the increase in depreciation of S\$0.6 million due to the Group's vessels.

Other operating income decreased by S\$0.5 million or 35.1% to S\$1.0 million in FY2017 from S\$1.5 million in FY2016 mainly due to lower rental income of S\$0.3 million, lesser government grants of S\$0.1 million and reduction in miscellaneous income of S\$0.1 million.

Administrative expenses decreased by S\$1.1 million or 14.7% to S\$6.1 million in FY2017 from S\$7.2 million in FY2016 mainly due to: (i) decrease in allowance for impairment of third party trade receivables of S\$0.4 million; (ii) absence of allowance for impairment of third party other receivables of S\$0.3 million; (iii) decrease in salary related expenses of S\$0.2 million; and (iv) reduction in miscellaneous expenses of S\$0.2 million.

Other operating expenses decreased by S\$0.6 million or 20.2% to S\$2.5 million in FY2017 from S\$3.1 million in FY2016 due to reduction: (i) in repair and maintenance expense for vessels of S\$0.1 million; (ii) staff training and welfare related expenses of S\$0.3 million; and (iii) dormitory and workshop rental expenses of S\$0.2 million, from the Group's cost control initiatives.



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

Finance costs increased by S\$0.2 million or 307.8% to S\$0.3 million in FY2017 from S\$0.1 million in FY2016 due to drawdown of additional borrowings.

The Group's loss for the year also decreased to S\$3.7 million in FY2017 from S\$5.5 million in FY2016. Net loss attributable to owners of the Company decreased to S\$2.6 million in FY2017 from S\$4.8 million in FY2016.

### **(b) Review of Financial Position of the Group**

The Group recorded positive working capital of S\$16.8 million as at 31 December 2017 compared to S\$13.1 million as at 31 December 2016.

#### Assets

##### Current assets

The Group's current assets increased by S\$0.9 million to S\$29.0 million as at 31 December 2017 from S\$28.1 million as at 31 December 2016 contributed by the following:

- a) increase in trade receivables of S\$7.3 million mainly due to translation of more completed work orders in the new building and conversion business segment from work-in-progress during the year; and
- b) increase in cash and cash equivalents of S\$3.5 million (as explained in paragraph 8(c) under "Review of Statement of Cash Flows of the Group").

The above were partially offset by (i) absence of finance lease receivable of S\$2.3 million being reclassified to property, plant and equipment following the termination of the charter contract; (ii) decrease in other receivables of S\$0.3 million; and (iii) decrease in work-in-progress of S\$7.3 million as explained in (a) above.

##### Non-current assets

Non-current assets remained relatively constant at approximately S\$19.3 million as at 31 December 2017 and 31 December 2016 mainly due to the reclassification from finance lease receivables (current and non-current) to property plant and equipment and offset by depreciation of property, plant and equipment recorded during the year.

#### Liabilities

##### Current liabilities

Current liabilities decreased by S\$2.7 million to S\$12.2 million as at 31 December 2017 from S\$14.9 million as at 31 December 2016. The decrease was contributed by the followings:

- a) decrease in other payables of S\$1.8 million mainly due to repayment of shareholders' loans; and
- b) repayment of bank borrowings of S\$1.2 million.

The above were partially offset by an increase in trade payables of S\$0.3 million mainly incurred by the additional shipping segment.

##### Non-current liabilities

Non-current liabilities increased by S\$7.4 million to S\$8.6 million as at 31 December 2017 from S\$1.2 million as at 31 December 2016 mainly due additional vessel and working capital loans.



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

### Total equity

Total equity of the Group decreased by S\$3.7 million, from S\$31.2 million as at 31 December 2016 to S\$27.5 million as at 31 December 2017 due to the net loss reported in FY2017. The Group's equity attributable to owners of the Company decreased by S\$2.5 million to S\$26.4 million as at 31 December 2017 from S\$28.9 million as at 31 December 2016.

### **(c) Review of Statement of Cash Flows of the Group**

In FY2017, net cash from operating activities amounted to S\$2.4 million, due to operating cash outflow before changes in working capital of S\$0.6 million offset by net cash inflow from working capital of S\$3.0 million.

The net cash generated from working capital of S\$3.0 million in FY2017 was mainly due to (i) a decrease in work-in-progress of S\$7.3 million; (ii) a decrease in other receivables of S\$0.3 million; (iii) an increase in trade payables of S\$0.7 million; (iv) an increase in other payables of S\$0.6 million; and (v) a decrease in finance lease receivables of S\$1.5 million, which were partly offset by an increase in trade receivables of S\$7.4 million.

Net cash used in investing activities of S\$1.7 million in FY2017 was mainly due to additional property, plant and equipment which comprised of vessel docking expenses of S\$1.6 million which were capitalised and the acquisition of other assets of S\$0.1 million.

Net cash provided by financing activities of S\$3.3 million in FY2017 was due to S\$12.0 million proceed from bank loans partly offset by (i) S\$5.6 million repayments of term loans and finance leases payables; (ii) S\$2.8 million repayments of loan from a director of subsidiary and (iii) interest payment of S\$0.3 million.

As a result of the above cash and cash equivalents increased by S\$4.0 million to S\$8.4 million as at 31 December 2017 from S\$4.4 million as at 31 December 2016.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

**10 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 year and the next 12 months.**

While there is some recovery in the offshore, marine and shipping industry, operating conditions remain challenging. The Group will stay prudent and continue its efforts in lean cost management. Concurrently, the Group shall carry on its efforts to diversify and generate new revenue sources and assess strategic alliance opportunities.



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

### 11 Dividend

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

No dividend has been declared or recommended for FY2017.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) Date payable**

Not applicable.

**(e) Books closure date**

Not applicable.

### 12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for FY2017.

### 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S\$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 S\$100,000)
	S\$'000	S\$'000
Low Chye Hin <sup>(1)</sup> Provision of consultancy services and allowance	204	-
Eric Neo Chiang Yee Insurance broker services	122	-
Total	326	-

Note:-

- (1) Low Chye Hin, the Group's consultant, is the father of Low Chee Wee ("CEO") cum Chief Operating Officer ("COO").
- (2) Eric Neo Chiang Yee, is the brother of Mr Eddy Neo Chiang Swee (Executive Director) and cousin of Mr Low Chee Wee (CEO cum COO)



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

**15 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segments**

31/12/2017 (Unaudited)	New building and conversion S\$'000	Repair S\$'000	Shipping S\$'000	Total S\$'000
<b>Revenue</b>				
Segment revenue	<u>14,201</u>	<u>4,743</u>	<u>4,511</u>	<u>23,455</u>
<b>Results</b>				
Gross profit	3,754	1,540	(1,118)	4,176
Other operating income				982
Administrative expenses				(6,143)
Other operating expenses				(2,491)
Finance costs				(261)
Loss before income tax				(3,737)
Income tax expense				(14)
Loss for the year				<u>(3,751)</u>
<b>Other information</b>				
Capital expenditure				1,932
Allowance for impairment of third parties trade receivables				72
Depreciation of property, plant and equipment				2,365
Impairment of property, plant and equipment				406
Loss on disposal of property, plant and equipment				<u>20</u>
<b>Assets and Liabilities</b>				
Segment assets	19,681	4,444	10,475	34,600
Unallocated corporate assets				<u>13,753</u>
Total assets				<u>48,353</u>
Segment liabilities	280	-	5,497	5,777
Unallocated corporate liabilities				<u>15,030</u>
Total liabilities				<u>20,807</u>



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)  
(Incorporated in the Republic of Singapore)

31/12/2016 (Unaudited)	New building and conversion S\$'000	Repair S\$'000	Shipping S\$'000	Total S\$'000
<b>Revenue</b>				
Segment revenue	<u>19,073</u>	<u>3,644</u>	-	<u>22,717</u>
<b>Results</b>				
Gross profit	2,850	558	-	3,408
Other operating income				1,513
Administrative expenses				(7,200)
Other operating expenses				(3,120)
Finance costs				(64)
Loss before income tax				(5,463)
Income tax expense				-
Loss for the year				<u>(5,463)</u>
<b>Other information</b>				
Capital expenditure				5,226
Allowance for impairment of amount due from an associate				6
Allowance for impairment of third parties trade receivables				466
Allowance for impairment of third parties other receivables				329
Depreciation of property, plant and equipment				1,811
Impairment of property, plant and equipment				444
Property, plant and equipment written off				5
Gain on disposal of property, plant and equipment				<u>(43)</u>
<b>Assets and Liabilities</b>				
Segment assets	29,197	2,510	-	31,707
Unallocated corporate assets				15,645
Total assets				<u>47,352</u>
Segment liabilities	3,792	-	-	3,792
Unallocated corporate liabilities				<u>12,362</u>
Total liabilities				<u>16,154</u>

### (b) Geographical segments

The Group operates in three main geographical areas – Singapore (country of domicile), Thailand and the People's Republic of China ("PRC").

The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical location are detailed below:

Geographical segments	Revenue		Non-current assets*	
	Unaudited FY2017 S\$'000	Audited FY2016 S\$'000	Unaudited 31/12/2017 S\$'000	Audited 31/12/2016 S\$'000
Singapore	22,770	19,533	13,858	9,174
Thailand	488	3,004	5,436	6,858
PRC	<u>197</u>	<u>180</u>	<u>5</u>	<u>6</u>
Total	<u>23,455</u>	<u>22,717</u>	<u>19,299</u>	<u>16,038</u>

\* Non-current assets other than financial instruments.



## ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above for further details.

- 17 A breakdown of sales as follows:**

<u>Group</u>	<b>FY2017 S\$'000</b>	<b>FY2016 S\$'000</b>	<b>Increase/ (Decrease) %</b>
(a) Sales reported for first half year	9,622	10,378	(7.3)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(3,181)	(3,355)	(5.2)
(c) Sales reported for second half year	13,833	12,339	12.1
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	<u>(570)</u>	<u>(2,108)</u>	(73.0)

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

	<b>FY2017 S\$'000</b>	<b>FY2016 S\$'000</b>
Ordinary and preference	<u>-</u>	<u>-</u>

No dividend has been declared or paid by the Company for FY2017 and FY2016.



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

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, chief executive officer and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of any change in duties and position held, if any, during the year</b>
Christopher Low Chee Leng	45	Brother of Mr Low Chee Wee (CEO cum COO), son of Mdm Neo Peck Keow (Substantial Shareholder) and cousin of Mr Eddy Neo Chiang Swee (Executive Director)	Business Development Manager of the Company since 27 April 2016 (Responsible for overseeing the Group's overseas business developments.)	Nil
Low Chye Huek	61	Uncle of Mr Low Chee Wee (CEO cum COO) and Mr Christopher Low Chee Leng (Substantial Shareholder) and Mr Eddy Neo Chiang Swee (Executive Director)	Manager – Human Resources of the Company since 1 April 2002. (Responsible for human resource which includes recruitment, performance management and staff welfare and training.)	Nil
Leow Yuen Chuan	42	Brother-in-law of Mr Christopher Low Chee Leng (Substantial Shareholder)	Manager – Operations of the Company since 6 June 2012. (Responsible for project co-ordination between clients and project team.)	Nil

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Low Chee Wee**  
**Chief Executive Officer**  
**28 February 2018**