

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

ENTRY OF JOINT VENTURE AGREEMENT

The board of directors (the “**Board**” or “**Directors**”) of ES Group (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 12 August 2015 in relation to the incorporation of a joint venture company, ESW Automation Pte. Ltd. (the “**JV Company**”), in Singapore (the “**Announcement**”).

Unless otherwise defined, all capitalised items used in this announcement shall have the same meaning ascribed to them in the Announcement.

Further to the Announcement, the Board wishes to announce that ES Oil & Gas has entered into a definitive joint venture agreement dated 17 August 2015 (the “**JV Agreement**”) with the JV Partner, E-Waves Offshore Automation Pte. Ltd. (“**E-Waves**”) and the JV Company in relation to the provision of marine and offshore electrical installation and automation services.

Information on E-Waves and the JV Partner

E-Waves was incorporated in Singapore on 18 August 2006. E-Waves is principally engaged in the business of electrical engineering and automation works in the marine, offshore, oil and gas industry. The JV Partner, Mr. Tang Wei, is a director and shareholder of E-Waves, who has 60% interest in E-Waves. Mr. Tang Wei has more than 25 years of experience in the marine and offshore electrical installation and automation business.

The shareholders of E-Waves (including Mr. Tang Wei) are not related to any of the Directors or controlling shareholders of the Company, and their respective associates.

Call Option under the JV Agreement

Under the JV Agreement, the JV Partner irrevocably grants to the JV Company an option (the “**Call Option**”), at any time during the Option Period (defined as the period commencing from the date of the JV Agreement to the expiry of 30 days from the date that the outstanding liabilities of E-Waves as set out in the JV Agreement is extinguished in its entirety), to acquire all of the ordinary shares in the capital of E-Waves (the “**Option Shares**”) (the “**Proposed Acquisition**”).

The Call Option may be exercised by the JV Company in respect of all of the Option Shares by serving a notice in the stipulated form (the “**Call Option Notice**”) on the JV Partner during the Option Period, failing which the Call Option will lapse and cease to have any further effect.

The purchase consideration for the Proposed Acquisition shall be the amount equivalent to the net tangible assets of E-Waves as at the date of the Call Option Notice, to be determined in accordance with the Singapore Financial Reporting Standards, and where requested by the JV Partner or the JV Company, supported by a certification by an approved accounting firm as defined in the JV Agreement.

Funding Requirements of the JV Company

Under the terms of the JV Agreement, upon the occurrence of certain pre-determined milestones, the following events will take place:-

- (i) the paid-up share capital of the JV Company shall increase to an aggregate amount of S\$100,000 via the subscription in cash by each of the shareholders of the JV Company for such

number of new ordinary shares in the capital of the JV Company *pro-rata* to their respective shareholdings of the JV Company, at an issue price of S\$1.00 per share; and

- (ii) ES Oil & Gas will secure loan facilities for the working capital purposes of the JV Company, (collectively, the “**Funding Requirements**”).

The Group’s portion of the Funding Requirements will be funded through the Group’s internal resources and are not expected to have any material impact on the consolidated net tangible assets per share or consolidated earnings per share of the Group, for the current financial year ending 31 December 2015.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the JV Agreement, other than through their respective shareholding interests in the Company (if any).

Document available for Inspection

A copy of the JV Agreement is available for inspection during normal business hours at the registered office of the Company at 8 Ubi Road 2 #06-26 Zervex Singapore 408538, for a period of three (3) months from the date of this announcement.

By Order of the Board

Christopher Low Chee Leng
Chief Executive Officer

17 August 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), Canaccord Genuity Singapore Pte. Ltd., 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. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.