

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

---

- (1) **FURTHER UPDATES ON THE IMPACT OF COVID-19; AND**  
(2) **ACQUISITION OF PROXESS ENGINEERING PTE LTD**
- 

The board of directors (the “**Board**” or “**Directors**”) of ES Group (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide the following general business and corporate updates to shareholders of the Company (the “**Shareholders**”):

**1. FURTHER UPDATES ON THE IMPACT OF COVID-19**

The Board refers to the Company’s announcement dated 27 May 2020 (the “**Announcement**”) in relation to update on the impact of the COVID-19 pandemic on the Group’s business operations and financials.

Further to the Announcement, the Board is pleased to announce that the Group has resumed its shipyard activities for all ongoing projects with approval to work obtained from Ministry of Manpower (“**MOM**”). The Group is to strictly adhere to the requirements issued by MOM for safe management measures at the workplace, which require the Group to ensure, among other things, safe worksite, safe workforce, safe accommodation and safe transportation for its business operations in the marine and offshore sector.

Despite the challenging business environment as a result of the COVID-19 pandemic, the Group managed to ink several contracts in its ordinary course of business, which amounted to an aggregate of S\$1.1 million (the “**Contracts**”). Barring any unforeseen circumstances, the Contracts are expected to contribute positively to, but has no material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2020.

The Board will continue to assess the impact of the COVID-19 pandemic on the Group and update Shareholders as and when there are any material developments.

**2. ACQUISITION OF PROXESS ENGINEERING PTE LTD**

The Board wishes to announce that Wang Fatt Oil & Gas Construction Pte. Ltd. (“**WFO**”), a wholly-owned subsidiary of the Company, has acquired a 51% shareholding interest in Proxess Engineering Pte Ltd (“**Proxess**”) from an unrelated third party corporate entity (the “**Vendor**”) on the terms and subject to the conditions set out in the share purchase and share subscription agreement entered into between WFO and the Vendor (the “**Acquisition**”). Following completion of the Acquisition, and as at 1 October 2020, Proxess is owned by WFO (51%) and the Vendor (49%).

The consideration for the Acquisition amounted to S\$250,000 (the "**Consideration**"), and was arrived at following arm's length negotiations, on a willing buyer willing seller basis, and taking into consideration the unaudited net tangible assets of Proxess as at 31 December 2019 of S\$332,269.

No independent valuation of the 51% shareholding interest in Proxess was conducted for the purpose of the Acquisition.

The Consideration was satisfied wholly in cash, upon completion of the Acquisition, through the utilisation of internal resources of the Group. The Consideration is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2020.

As the relative figures computed on the bases set out under Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") do not exceed 5.0%, the Acquisition is considered a "non-discloseable" transaction under Chapter 10 of the Catalist Rules. Accordingly, the disclosure requirements of this announcement have been made in accordance to Rule 1008 of the Catalist Rules for the voluntary announcement of "non-discloseable" transactions.

#### **INFORMATION ON PROXESS**

Proxess is an exempt private limited company established in Singapore on 18 February 2011. Its principal activities are the sales and marketing of actuator and related solutions, penstock, sluice gate and stoplog, as well as valves and related products for oil and gas, water and marine industries.

In connection with the Acquisition, WFO has entered into a joint venture agreement with the Vendor and Proxess, which sets out the rights and obligations as shareholders of Proxess, *inter se*, and in the conduct of the business and affairs of Proxess.

To the best knowledge of the Directors, the Vendor and the shareholders of the Vendor are independent of the Directors or controlling Shareholders and their respective associates.

#### **RATIONALE FOR THE ACQUISITION**

The Acquisition will enable the Group to diversify its operating scope to offer actuator and valves related solutions of Proxess to the Group's clientele, both in Singapore and ASEAN region. The Acquisition is also part of the Group's efforts in recalibrating its strategy to explore opportunities with long-term aim of enhancing Shareholders' value while continuing to strengthen the Group's presence in the market and provide additional revenue streams under its components business division, which is complemented by the Acquisition.

The Group plans to continue to look for opportunities to acquire and operate more strategically businesses with a view to diversify and enhance Shareholders' value in the long run.

## INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders and their respective associates has any interest, direct or indirect, in the Acquisition and/or Contracts, other than through their respective directorships and shareholdings (if any) in the Company.

## CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. If in doubt about the action that they should take, Shareholders and potential investors should consult their stockbrokers, bankers, solicitors, accountants, tax advisers and/or other professional advisers.

BY ORDER OF THE BOARD  
**ES GROUP (HOLDINGS) LIMITED**

LOW CHEE WEE  
Executive Director and Chief Executive Officer  
2 October 2020

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*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 of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*