

**UPDATE ON THE IMPACT OF THE COVID-19 PANDEMIC ON THE GROUP'S
BUSINESS OPERATIONS AND FINANCIALS**

The board of directors (the “**Board**” or “**Directors**”) of ES Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to update shareholders of the Company (“**Shareholders**”) on the impact of the coronavirus disease 2019 (“**COVID-19**”) pandemic on the business operations and financials of the Group.

On 3 April 2020, the Singapore Government announced and implemented an elevated set of safe distancing measures as “circuit breakers” to curb the further spread of COVID-19 (“**Circuit Breaker Measures**”). Under the Circuit Breaker Measures, all activities at workplace premises, except for those providing essential services and their related supply chains and service providers, are suspended from 7 April 2020 to 4 May 2020 (“**Circuit Breaker Period**”).

A further tightening of the Circuit Breaker Measures announced by the Singapore Government on 21 April 2020 include, among others, further reducing the list of companies permitted to operate during the Circuit Breaker Period so as to reduce the number of onsite workers, minimise the movement and interaction of people, and curb the spread of COVID-19. The Circuit Breaker Period is also extended by another 4 weeks until 1 June 2020.

Impact on the Group's Business Operations and Financials

The Board wishes to update Shareholders that most of the Group's foreign workers have not been able to work due to the imposed movement restriction measures by the Ministry of Manpower on 21 April 2020, which has been extended to 1 June 2020. As a result, the majority of the Group's business operations have been temporarily halted.

This has resulted in lower overall business volume for the Group, which in turn impacted the Group's revenue recognition and overall bottom line financial performance for the current financial period/year ending 30 June 2020/31 December 2020.

Although the Singapore Government has provided relief and support measures in response to the COVID-19 pandemic, there are uncertainties over the extent of the impact of the COVID-19 pandemic on the economy as well as the Group's business operations.

In light of the challenging and deteriorating business environment, the Group's current priority is to ensure that it has adequate liquidity to sustain the Group's business operations and ride through this downturn.

The Group's financial position remains relatively strong. As at 31 December 2019, the Group had cash and cash equivalents amounting to SGD 15.47 million, which exceeded the Group's total liabilities (comprising both current and non-current liabilities) amounting to SGD 14.21 million. In addition, as announced by the Company in February 2020, the Group had successfully completed the disposal of a vessel after receiving the balance of the cash consideration for the aforesaid disposal of approximately SGD 5.03 million after the year end.

As at the date of this announcement, the Group has unutilised banking facilities amounting to SGD 4.2 million. Notwithstanding the above, the Group is taking a prudent approach in

managing its cash flow and is also exploring financing options, should the need arises, to further improve its liquidity, such as the newly announced government-assisted loan with lower financing cost.

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.

Further Updates

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. In the meanwhile, the Board wishes all employees, stakeholders and Shareholders good health and to stay safe in this time of pandemic.

By Order of the Board
ES GROUP (HOLDINGS) LIMITED

LOW CHEE WEE
Executive Director and Chief Executive Officer
27 May 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 Catalist.

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.