



**ES GROUP (HOLDINGS) LIMITED**

(Company Registration No.: 200410497Z)

(Incorporated in the Republic of Singapore on 19 August 2004)

**Press Release**

**ES Group's FY2014 Net Profit Attributable to Owners of the Company increased to S\$2.6 Million; Proposes 0.25 Cents Final Dividend**

In S\$ millions for the year ended 31 December	FY2014	FY2013	Change	Change (%)
Revenue	55.4	67.8	(12.4)	(18.3)
Gross profit	16.6	11.8	4.8	40.7
GP margin	29.9%	17.4%	-	12.5*
Profit att. to owners of the Company	2.6	2.0	0.6	32.5
EPS (cents)	1.87	1.41	0.46	32.5
NAV (cents)	25.64	24.01	1.63	6.8

\* percentage point change

**SINGAPORE, 27 February 2015:** ES Group (Holdings) Limited (“the **Company**”, together with its subsidiaries, “**ES Group**” or the “**Group**”) announced today that its net profit attributable to owners of the Company increased 32.5% to S\$2.6 million in the financial year ended 31 December 2014 (“**FY2014**”) from S\$2.0 million in the financial year ended 31 December 2013 (“**FY2013**”).

SGX Catalist-listed ES Group, which builds, converts and repairs tugs, barges, rigs, offshore support vessels, oil tankers and cargo ships, said its profits increased despite a 18.3% fall in revenue to S\$55.4 million in FY2014 from S\$67.8 million in the FY2013 mainly due to the absence of the one-off sale and demise charter of the two bunker vessels which took place in FY2013.

Gross profit rose to S\$16.6 million in FY2014 from S\$11.8 million in FY2013, lifting gross profit margin to 29.9% from 17.4%. This was mainly due to the absence of the one-off sale and demise charter of the two bunker vessels in FY2014, which had a lower gross profit margin.



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Total operating expenses rose to S\$12.7 million in FY2014 from S\$11.6 million in FY2013 due to higher payroll and training related expenses, repair and maintenance, travelling expenses and foreign exchange losses, partially offset by lower rental costs.

As a result of the above, the Group's net profit after tax increased to S\$5.6 million in FY2014 from S\$2.1 million in FY2013.

The Group recorded positive working capital of S\$26.5 million with cash and cash equivalents of S\$11.5 million as at 31 December 2014. Total borrowings stood at S\$9.3 million with gearing ratio at 0.2 times.

The Group generated net cash from operating activities of S\$18.2 million, partially offset by net cash used in investing activities of S\$3.1 million (mainly resulting from an increase in property, plant and equipment) and S\$6.1 million net cash used in financing activities (mainly due to overall reduction in borrowings).

Earnings per share increased to 1.87 cents in FY2014 from 1.41 cents in FY2013 while net asset value per share increased to 25.64 cents as at 31 December 2014 from 24.01 cents as at 31 December 2013.

The board of directors (the "**Board**") has proposed a final dividend of 0.25 cents per share, in addition to the interim dividend of 0.20 cents paid on 4 September 2014. If approved, this would bring the total dividend to 0.45 cents for FY2014 compared to 0.25 cents for FY2013.

Mr Christopher Low, Chief Executive Officer of ES Group said, "The Group continues to operate in a challenging environment as the global offshore, marine and shipping industry continues to be impacted by the fall in global oil prices.

Notwithstanding the above, in view of the backlog of orders and pipeline of customers' enquiries, the Group remains cautiously optimistic about its operations in the first half of 2015."

The Group remains on the lookout for opportunities to expand its core business while exploring possible mergers and acquisitions to enhance shareholders' value.



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Barring any unforeseen circumstances, the Board expects the Group to remain profitable in the financial year ending 31 December 2015.

**#End of Release#**

*Issued on behalf of the Company by WeR1 Consultants Pte Ltd Investor Relations*

### **WeR1 Consultants Pte Ltd:**

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### **About ES Group (Holdings) Limited**

ES Group is a Singapore-headquartered marine and offshore group involved in new building, conversion and repair of ocean-going vessels. The company builds, converts and repairs a wide range of vessels, such as tugs, barges, rigs offshore support vessels, oil tankers and cargo ships. The company performs repairs on marine and offshore structure and vessels of all types and sizes, whether afloat or drydocked. ES Group completed and delivered its first pair of bunker vessels in 2013 as part of its strategic shift to build a vessel fleet for chartering and generate a stable stream of recurring revenue for the Group.

For more information, visit us at [www.esgroup.com.sg](http://www.esgroup.com.sg)

This press release 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**"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release. The contact person for the Sponsor is Mr. Alex Tan, CEO, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.