

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

DISPOSAL OF THE FREEHOLD PROPERTY AT 30 SHAW ROAD, #06-06 ROCHE BUILDING, SINGAPORE 367957

The Board of Directors of the Company (the “**Board**”) wishes to announce that the Company has, via its wholly-owned subsidiary, Wang Fatt Oil & Gas Construction Pte Ltd (“**Wang Fatt**”), granted an option to purchase dated 2 March 2011 (the “**Option to Purchase**”) in respect of the disposal of the freehold property at 30 Shaw Road #06-06 Roche Building, Singapore 367957 (the “**Property**”), for a purchase consideration of S\$1,050,000 (the “**Property**”) to JJA Investments LLP (the “**Purchaser**”) (the “**Disposal**”) which was exercised on 16 March 2011.

Description of the Property

The Property is an office premise and comprises a freehold title. The Property has an aggregate gross floor area (“**GFA**”) of approximately 2,336 square feet.

Rationale for the Disposal

The Disposal will allow the Company to partly finance the relocation of their existing corporate office at the Property to a larger corporate office at 8 Ubi Road 2 #06-23, #06-24, #06-25 and #06-26, Zervex, Singapore 408538, with a GFA of approximately 4,563 square feet (the “**New Premises**”), to meet the future expansion needs of the Company and its subsidiaries (the “**Group**”). The acquisition of the New Premises was announced by the Company on 28 February 2011.

Purchase consideration for the Disposal

The purchase consideration for the Disposal shall be satisfied by the cash payment of an aggregate sum of S\$1,050,000 to Wang Fatt (the “**Consideration Sum**”).

The Consideration Sum is exclusive of goods and services tax (“**GST**”), and the Purchaser shall also pay all GST on the Consideration Sum to Wang Fatt.

Expected completion and terms of payment for the Disposal

Under the terms of the Disposal, the Option to Purchase was granted to the Purchaser in consideration of the sum of S\$10,700 (the “**Option Money**”), 5% of the respective Consideration Sum (less the Option Money) was payable upon the exercise of the Option to Purchase, and the balance is payable before or upon completion which is expected to take place on 1 August 2011. In the event that the Company’s New Premises are not delivered by the developer by 1 August 2011, the Company shall be entitled to remain in occupation of the Property after completion from 2 August 2011 for a maximum of two (2) months at an agreed rental rate.

Basis for determining the Consideration Sum

The Consideration Sum for the Disposal was arrived on an arm’s length and willing buyer-willing seller basis after taking into account the open market value of the Property.

According to a valuation report dated 26 January 2011 (the “**Valuation Report**”) issued by GSK Global Group, which was commissioned by the Company, the open market value of the Property was S\$820,000.

Intended Use of the Sale Proceeds

The proceeds due to Wang Fatt from the Disposal, when made available to the Group, will be used for the purchase of the New Premises.

Financial effects of the Disposal

The net book value of the Property as at 31 December 2010 was approximately S\$744,000. Accordingly, the Disposal will result in a gain on disposal of approximately S\$306,000.

For illustration only, and based on the unaudited financial statements of the Group for the year ended 31 December 2010, the Disposal is expected to have the following financial effects:-

(i) Net Tangible Assets ("NTA")

For illustration purposes, had the Disposal taken place on 31 December 2010 (being the end of the most recently completed financial year) and based on the unaudited consolidated financial statements of the Company as at 31 December 2010, the Disposal would not have any material impact on the consolidated NTA of the Company. The table below illustrates the effect of the Disposal on the consolidated NTA of the Company:-

For FY2010	Before the Disposal	After the Disposal
NTA (S\$'000)	26,651	26,957
Number of ordinary shares in issue during the financial year ('000)	141,200	141,200
NTA per share (cents)	18.9	19.1

(ii) Earnings per Share ("EPS")

For illustration purposes, had the Disposal been completed on 1 January 2010 (being the beginning of the most recently completed financial year) and based on the unaudited consolidated financial statements of the Company for the year ended 31 December 2010, the Disposal would have the following effects on the consolidated EPS of the Company:-

For FY2010	Before the Disposal	After the Disposal
Earnings attributable to equity holders of the Company (S\$'000)	1,579	1,887
Number of ordinary shares in issue during the financial year ('000)	141,200	141,200
EPS (cents):		
Basic	1.1	1.3
Diluted	1.1	1.3

Relative figures under Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “Catalist Rules”)

The relative figures under Rule 1006 of the Catalyst Rules based on the latest announced unaudited consolidated financial statements of the Group for the year ended 31 December 2010 are:-

Rule 1006 (a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	2.8%
Rule 1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits	Not applicable ⁽¹⁾
Rule 1006 (c)	Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	3.6% ⁽²⁾
Rule 1006 (d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006 (e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:-

(1) No profit is attributable to this Property as it has been used to house our corporate office.

(2) Based on the Consideration Sum of S\$1,050,000 and the market capitalisation of the Company as at 16 March 2011 of S\$28,946,000.

As none of the relative figures under Rule 1006 of the Catalyst Rules exceeds 5%, the Company is not required to announce the Disposal nor convene a general meeting of the Shareholders to seek specific approval on the Disposal. Notwithstanding the aforesaid, the Company made this announcement to keep its investors abreast of the developments of the Group.

Material terms and conditions of the Option to Purchase

- (a) The title of the Property shall be in order and free from encumbrances on completion, save and except for existing easements reservations restrictions and other covenants or conditions or rights affecting the same (if any); and
- (b) The Property is sold subject to there being no notice of acquisition or intended acquisition in whole or in part of the Property by the Government or other competent authority.

Interests of Directors and controlling shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal. No person will be appointed to the Board in connection with the Disposal and no service contracts in relation thereto will be entered into by the Company.

Documents available for inspection

Copies of the Option to Purchase and Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 30 Shaw Road #06-06, Roche Building, Singapore 367957 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 March 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Collins Stewart Pte. Limited 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 Mr. Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.