

IPO Fact Sheet

ES Group (Holdings) Ltd

ISSUE STATISTICS

Offer Size: 21.2m new shares
Placement Tranche: 21.2m shares
Price: S\$0.24
NTA per Share (post-IPO): S\$0.17
Historical PE: 4.4x (FY09)
Market Cap (Post-IPO): S\$33.9m
Open: 1 Jul 10
Close: 7 Jul 10, 12.00 noon
Trading: 9 Jul 10 (on "ready" basis)
Lead Manager: Collins Stewart

Revenue	S\$'000	yoy % chg
FY08	51,736	+26.7
FY09	52,668	+1.8
Net profit	S\$'000	yoy % chg
FY08	8,165	+94.5
FY09	6,343	-22.3

Background

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's customers are primarily shipyard operators in Singapore involved in the construction and repair of seaborne vessels, offshore rigs and semi-submersibles. Its customers include Sembawang Shipyard, Keppel FELS and ST Marine. The company operates out of a workshop and repair facilities at 10 Kwong Min Road and site offices at the premises of shipyard customers. It also owns a shipyard in Thailand (through a 50%-owned subsidiary in Thailand).

Orderbook

As of latest available data, the Group has secured approximately S\$7.6m orders in new building and conversion business, and S\$9.7m in repair business. These include a crane pedestal fabrication and installation project valued at S\$2.2m, an FDPSO conversion project valued at S\$2.0m and a fall pipe rock dumper project valued at S\$1.0m. The repair projects are typically short-term contracts of less than one-year duration.

List of recent new building, conversion and repair project completed with contract value above S\$2m

Project/Vessel	Project description	Awarded by	Approximate contract value (S\$'000)	Year of completion
B299	Building of Oil-rig blocks	Keppel FELS	2,634	2009
B302	Building of Oil-rig blocks	Keppel FELS	5,092	2009
B304	Building of Oil-rig blocks	Keppel FELS	5,794	2009
B311	Building of Oil-rig blocks	Keppel FELS	6,746	2009
B312	Building of Oil-rig blocks	Keppel FELS	6,363	2009
Java Constructor	Lengthening and upgrading of derrick pipelay vessel	ST Marine	2,926	2009
Aban Abraham	Repair of drill ship	Sembawang Shipyard	2,305	2009

Business Strategy and Future Plans

ES Group intends to expand the scope of business by developing its engineering capabilities to undertake EPC projects, specifically the building of product tankers and bunker vessels. The company also intends to enter the ship-owning and chartering businesses. As of the latest practicable date, it is in the process of securing charter orders for the construction of two bunker vessels. The company also plans to invest in or acquire other companies with businesses similar or complementary to its business. It is also ready to form joint ventures with suitable parties when opportunities arise.

Use of Proceeds

The net proceeds from the issue of new shares are approximately S\$3.8m after deducting the estimated expenses of S\$1.3m incurred in the placement. The intended use of proceeds is as below:

Use of Proceeds	S\$'000	As a percentage of gross proceeds from the placement (%)
Expansion of projects into EPC projects and ship chartering	2,000	39.3
Strategic investments, joint ventures, acquisitions and/or strategic alliances, and general working capital purposes	1,788	35.1
Net Proceeds	3,788	74.4
Expenses		
Listing and processing fees	43	0.9
Professional fees and expenses	996	19.6
Placement commission and brokerage	163	3.2
Miscellaneous expenses	98	1.9
Gross proceeds from the placement	5,088	100

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MICA (P) 236/03/2010
RCB Regn. No. 198700235E