



BOLDTEK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201224643D)

**ENTRY INTO LEASE AGREEMENT IN RELATION TO PROPERTY ON PRIVATE LOT A3007347
LOCATED AT 72 SENOKO DRIVE SINGAPORE 758240**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Boldtek Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Logistics Construction Pte Ltd (“**Logistics Construction**”) had on 30 January 2019 received a letter of offer from JTC Corporation (“**JTC**”) for the lease of the building and land (the “**Property**”) situated at Private Lot A3007347 at 72 Senoko Drive Singapore 758240 to Logistics Construction (“**Offer**”). Logistics Construction had on 19 February 2019 accepted the Offer which constitute a binding agreement for the lease of the Property between Logistics Construction and JTC (“**Lease**”) (“**Lease Agreement**”).

2. RATIONALE FOR THE LEASE

The Company intends to vacate its current operating premises located at 25 Sungei Kadut Street 1, Singapore 729330 used for general building and construction works related activities including storage of materials and shift these operations to the Property (“**Relocation**”). It is expected that the Relocation will help the Group to achieve cost savings from a lower rental rate.

3. SALIENT TERMS OF THE LEASE AGREEMENT

(i) Lease Term

The Lease is for a term of twenty (20) years, commencing on 1 May 2019 (“**Commencement Date**”) and expiring on 30 April 2039 (“**Lease Term**”).

(ii) Amounts Payable

Under the Lease Agreement, the amounts payable by Logistics Construction is as follows:

- Rental of land at S\$11,681 per month; and
- Premium payable for the building of S\$6,190,000 (“**Building Premium**”).

Logistics Construction must also fulfill certain investment on plant and machinery (“**PPE Investment**”) stipulated by JTC within 3 years from the Commencement Date.

Logistics Construction will fund the Building Premium and PPE Investment via internal resources and bank borrowings.

4. FINANCIAL EFFECTS

The entry into the Lease Agreement is not expected to have a material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 30 June 2019.

For illustration purposes only, assuming that the bank borrowings required for the Building Premium and/or PPE Investment had existed on:

- (i) 1 July 2017, the gearing of the Group as at 30 June 2018 would have increased from 63.1% to 66.8%; or
- (ii) 1 July 2018, the gearing of the Group as at 31 December 2018 would have increased from 60.9% to 65.0%.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Lease Agreement, other than through their respective shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer

21 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGXST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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