

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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The board of directors (the “**Board**”) of Boldtek Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results for the financial year ended 30 June 2022 (“**FY2022**”) that was released by the Company on 28 October 2022 (the “**Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Board wishes to highlight that following the finalization and completion of the audit by the Company’s external auditor, certain adjustments and reclassifications were made resulting in variances between the Unaudited Results and the audited financial statements for FY2022 (“**Audited Results**”). Save as set out below, there are no other material variances or reclassifications to the Unaudited Results.

Shareholders are advised to read this announcement in conjunction with the Audited Results which are set out in the Company’s annual report for FY2022 to be released on SGXNET in due course.

Details of the material variances with the relevant explanatory notes are shown below:

(A) Consolidated statement of profit or loss and other comprehensive income

	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)	Notes
Revenue	53,382	52,651	(731)	1
Cost of sales	(48,837)	(49,398)	561	2
Gross profit	4,545	3,253	(1,292)	1,2
Other income	1,842	1,829	(13)	NM
Other expenses	(1,107)	(3,292)	2,185	3
Distribution and marketing costs	(12)	(75)	63	NM
Administrative expenses	(7,728)	(7,804)	76	NM
Reversal impairment of financial assets and contract assets	-	95	(95)	NM
Bad debts written off	-	(210)	210	4
Finance costs	(915)	(942)	27	NM
Share of result of joint venture company	(241)	(195)	(46)	NM
Taxation	88	667	579	5
Loss for the year	(3,528)	(6,674)	3,146	6

NM: Not material

Notes:-

1. Revenue

	S\$'000
Reversal of project retention sum – see note 3 (contract assets)	(450)
Reclassify to cost of sales – see note 2	(262)
Total	(712)

2. Cost of sales

	S\$'000
Accruals and subcontractor's costs to be taken up – see Note 5 Trade and other payables	942
Over provision of costs – see Note 4 trade and other payables	(120)
Reclassify to revenue – see note 1	(262)
Total	560

3. Impairment made on investment properties belonging to Malaysia subsidiary of \$2.2 million to better reflect its fair value (See Note 4 in (B) Consolidated Statement of financial position)
4. Trade debts written off for a debtor which was liquidated – see Note 2 Trade and other receivables in (B) Consolidated Statement of financial position)
5. Reversal of deferred tax liabilities resulted from impairment made on investment properties
6. Difference of \$3,146,000 is mainly made up of item 1, 2, 3, 4 and 5.

(B) Consolidated statement of financial position (Group)

	Group		Variance (S\$'000)	Notes
	Unaudited (S\$'000)	Audited (S\$'000)		
ASSETS				
Currents Assets				
Cash and bank balances	242	774	532	1
Trade and other receivables	8,875	8,737	(138)	2
Contract assets	57,930	59,334	1,404	3
Other current assets	-	940	940	2
Total current assets	72,258	74,996	2,738	7
Non current assets				
Investment properties	16,427	14,215	(2,212)	4
Total non current assets	24,493	22,327	(2,166)	7
LIABILITIES				
Current liabilities				
Trade and other payables	34,428	38,224	3,796	5
Borrowings	22,386	23,341	955	1,6
Total current liabilities	57,295	62,124	4,316	7
Non current liabilities				
Borrowings	6,389	5,930	(459)	1
Deferred tax liabilities	579	-	(579)	7
Total non current liabilities	8,821	7,709	(1,112)	8

Notes: -

1. For Cash and Bank balances, the difference was mainly due to reclassification of overdraft of \$532,000 to borrowings.

Borrowings increased by \$955,000 mainly due to reclassification of \$532,000 of bank overdraft from Cash and Bank balances, and non-current borrowings of \$439,000.

2. Trade and other receivables and Other Current Assets (Net variance of \$802,000)

	S\$'000
Reclassify credit balance to trade and other payables	1,111
Bad debts written off – see Note 4	(210)
Total	901

3. Contract assets:

	S\$'000
Reversal of project retention sum – see Note 1 revenue	(450)
Reclassify from accruals (See Note 5 below)	2,412
Contra with payables (See Note 5 below)	(266)
Total	1,696

4. Impairment on the investment properties amounting to \$2,211,000 to better reflect its fair value.

5. Trade and other payables

	S\$'000
Reclassify from contract assets (See Note 3 above)	2,412
Reclassify credit balances from trade and other receivables (See Note 2 above)	1,111
Contra with contract assets (See Note 3 above)	(266)
Accruals and subcontractor's costs to be taken up – (see Note 2 in (A) Consolidated statement of profit or loss and other comprehensive income)	942
Reversal of overprovision of costs – see Note 2 cost of sales in Note 2 in (A) Consolidated statement of profit or loss and other comprehensive income	(120)
Total	4,079

6. Reversal of deferred tax liabilities resulting from impairment of investment properties.

7. Variances are mainly due to explanations in the above notes

(B) Consolidated statement of financial position (Company)

	Company		Variance (S\$'000)	Notes
	Unaudited (S\$'000)	Audited (S\$'000)		
ASSETS				
<u>Currents Assets</u>				
Trade and other receivables	8,690	4,917	(3,773)	1
Total current assets	8,700	4,941	(3,759)	1
<u>Non current assets</u>				
Investment in subsidiaries	16,972	-	(16,972)	2
Total non current assets	17,473	500	(16,973)	2

Notes: -

1. Mainly due to impairment made on amounts due from subsidiaries

2. Mainly due to impairment of \$16.9 million made on investment in subsidiary

(C) Condensed consolidated statement of cash flows

	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)	Notes
Net cash from operating activities	(2,669)	(5,304)	2,635	1
Net cash from investing activities	(78)	(129)	51	NM
Net cash from financing activities	2,588	4,781	2,193	1

The variances in consolidated statement of cash flows are mainly due to reclassification of advances from directors reclassified from operating to financing cashflow.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer
14 January 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

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.

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