BOLDTEK HOLDINGS LIMITED

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

ENTRY INTO A NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED DIVESTMENT OF A WHOLLY-OWNED SUBSIDIARY

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 had, on 16 November 2023, entered into a non-binding term sheet (the "**Term Sheet**") with Mr Ee Chin Keong ("**Mr Ee**" or the "**Purchaser Representative**"), in relation to the divestment of Logistics Construction Pte Ltd (the "**Proposed Divestment**"), a wholly-owned subsidiary of the Company (the "**Target**"), to the Purchaser Representative and/or his group of nominees and investors (the "**Purchaser Group**").

2. RATIONALE FOR THE PROPOSED DIVESTMENT

2.1. The Company understands that Mr Ee is a businessman from Malaysia who is active in the construction and material handling equipment industry. His businesses are mainly involved in steel fabrication engineering works, mechanical and electrical engineering works, custom-made overhead crane, gantry crane, goods hoist, scissor lifter, service and maintenance of lifting equipment. Mr Ee is interested in investing in a Singapore-based construction company with a construction license that is able to bid for large scale projects. From Mr Ee's perspective, this is a relevant business vertical along the value chain and would allow him to diversify his portfolio of businesses into a different region with lower risk in South-east Asia. The Target fits this profile.

2.2. As announced by the Company on 15 August 2023, the Target had been granted a moratorium under Section 64 of the Insolvency Restructuring and Dissolution Act 2018 (Act 40 of 2018) by the High Court of Singapore (the "**Moratorium**"). The Moratorium has however, since expired on 14 November 2023.

2.3. At the time of this announcement, Mr Ee represents the sole investment interest in the Target. Mr Ee is also fully aware that the Target is presently insolvent, and intends to undertake, with the Purchaser Group, a restructuring of the liabilities of the Target following the Proposed Divestment. Accordingly, the Term Sheet represents an opportunity for the Company to monetise its interest in the Target notwithstanding the insolvency status of the Target, and at the same time provide a better prospect of recovery to the Target's creditors.

3. SALIENT TERMS OF THE TERM SHEET

3.1. <u>Consideration</u>

The consideration payable by the Purchaser Group for the Proposed Divestment shall be a fair consideration to be agreed between the Company and the Purchaser Group.

3.2. Conditions precedent

The completion of the Proposed Divestment is subject to the satisfactory completion of the following conditions precedent:

(a) the result of financial and legal due diligence being satisfactory to the Purchaser Representative, provided that all necessary material information is shared with the Purchaser Group under a non-disclosure agreement;

(b) the agreement on the terms of a restructuring plan between the Company and its creditors, which shall include the liabilities of all creditors of the Target (save for the trade creditors of the Target) in respect of which the Company had provided corporate guarantee(s) (the "**Company Restructuring Plan**");

(c) all relevant corporate approvals having been obtained, and not having been withdrawn or revoked prior to the completion of the acquisition of the Target, including the approval of the Board of Directors of the Company and if required, the shareholders of the Company;

(d) all relevant regulatory approvals from any governmental, semi-governmental, administrative, regulatory, fiscal or judicial, local or statutory agency, authority, body, commission, department, exchange, tribunal, entity or agency instrumentality entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power within the relevant jurisdiction ("**Governmental Authority**") having been obtained, and not having been withdrawn or revoked prior to the completion of the acquisition of the Target, and if any such regulatory approval is subject to fulfilment of any condition, the performance of such condition if such condition is required to be satisfied prior to the completion of the acquisition of the Target, and if such condition is required to be satisfied after the completion of the acquisition of the Target, the agreement of the Purchaser Group to such condition; and

(e) other customary conditions precedent of a transaction of such nature.

3.3. Restructuring subsequent to the Proposed Divestment

(a) Following the completion of the Proposed Divestment, the Purchaser Group intends to work together with the Target to propose the following non-exhaustive restructuring terms to the trade creditors of the Target (on the assumption that the secured and non-trade creditors of the Target will be fully resolved as part of the Company Restructuring Plan) on the following broad basis (with the detailed terms and definitive documents to be agreed later) (the "**Trade Creditors Restructuring Plan**"):

(i) the Purchaser Group shall provide a S$1 million loan facility to the Target, to be drawn down as and when required by the Target, to be used as working capital to continue ongoing projects for the purpose of realising the existing contract assets of the Target (the "**Working Capital Facility**");

(ii) the Purchaser Group understands from the management of the Target that it is estimated that, with the benefit of the Working Capital Facility, approximately S$3 million in value of the Target's contract asset can be realised within a time period of up to 2 years. The proceeds from the realisation from the existing contract assets, up to a maximum value of S$3 million, shall be set aside and deposited in a trust account (the "**Trust Account**") and held for the benefit of the trade creditors. At the end of up to 2 years after the first drawdown of the Working Capital Facility, or upon the proceeds in the Trust Account being more than S$3 million, the proceeds in the Trust Account (subject to the maximum amount of S$3 million) shall be distributed to the trade creditors on pro-rated basis, and any amount in excess of S$3 million shall be disbursed in such manner as the Purchaser Group may determine;

(iii) all liabilities owing to trade creditors shall be discharged in full upon approval of the Trade Creditors Restructuring Plan, in place of the obligation to distribute up to S$3 million on a pro-rated basis, in accordance with the terms above; and

(iv) the Trade Creditors Restructuring Plan shall be conditional upon the secured and non-trade creditors releasing the Target from all liabilities, whether via the restructuring plan of the Company or otherwise (the "**Company Restructuring Plan**").

(b) As a condition subsequent to the Proposed Divestment, the Company Restructuring Plan is to be approved by the secured and non-trade creditors to release all their liabilities against the Target and such creditors, where the Company had provided corporate guarantee(s) in respect of the liabilities of the Target, to be restructured as part of the Company Restructuring Plan.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Divestment, other than through their respective shareholdings in the Company, where applicable.

5. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate, when a definitive agreement has been entered into in relation to the Proposed Divestment.

6. CAUTIONARY STATEMENT

6.1. The Term Sheet is not intended to be legally binding between the Company and the Purchaser Group. As such, the Proposed Divestment remains subject to the entry into the definitive agreement after negotiations between the Company and the Purchaser Group. There is no certainty or assurance that such definitive agreement will be entered into at this juncture, and if entered into, whether the transactions contemplated therein can or will proceed.

6.2. Trading in the shares of the Company has been halted since 12 January 2023 and subsequently suspended since 16 January 2023 for reasons set out in the Company's announcements on 14 January 2023.

Although the Company's shares are under suspension, shareholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares of the Company. Shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares in the Company.

By Order of the Board

Phua Lam Soon
Chief Executive Officer
19 November 2023

---

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**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 the 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. Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd. 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.