



Company registration number: 201224643D

BOLDTEK HOLDINGS LIMITED

**Condensed interim financial statements
For the half year ended 31 December 2022**



Company registration number: 201224643D

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Change
		6 months ended		%
		31-Dec-22 ("1HFY2023") S\$'000	31-Dec-21 ("1HFY2022") S\$'000	
Revenue	5	20,635	30,500	(32.3)
Cost of works		(18,281)	(27,532)	(33.6)
Gross profit		2,354	2,968	(20.7)
Other income	6	297	1,719	(82.7)
Other expenses	7	(586)	(208)	NM
Distribution and marketing costs		(5)	(25)	(80.0)
Administrative expenses		(2,469)	(3,736)	(33.9)
Finance costs	8	(332)	(474)	(30.0)
Share of result of a joint venture company		(124)	(59)	NM
(Loss)/Profit before income tax	9	(865)	185	NM
Income tax expense	10	-	-	NM
(Loss)/Profit for the period		(865)	185	NM
<u>Profit attributable to:</u>				
Owners of the Company		(863)	192	NM
Non-controlling interests		(2)	(7)	(71.4)
		(865)	185	NM
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		323	1	NM
Total comprehensive income for the period		(542)	186	NM
Total comprehensive income attributable to:				
Owners of the Company		(540)	193	NM
Non-controlling interests		(2)	(7)	(71.4)
		(542)	186	NM
Earnings per share for profit attributable to the owners of the company:				
Basic & diluted (cents/share) *		(0.42)	0.09	

* Earnings per share is calculated based on the Company's weighted average number of share capital of 207,595,000 Shares in FY2022 and 353,666,000 Shares in FY2023, respectively.

NM denotes not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-22 S\$'000	30-Jun-22 S\$'000	31-Dec-22 S\$'000	30-Jun-22 S\$'000
ASSETS					
Current assets					
Cash and bank balances		811	774	4	10
Trade and other receivables	11	8,860	8,737	5,951	4,917
Inventories		5	5	-	-
Contract assets		61,078	59,334	-	-
Completed properties for sale		5,032	5,206	-	-
Grant receivable		-	-	-	-
Other current assets		641	940	24	14
Total current assets		76,427	74,996	5,979	4,941
Non-current assets					
Investments in subsidiaries		-	-	-	-
Investment in a joint venture company		177	301	500	500
Property, plant and equipment	12	7,444	7,811	-	-
Investment properties	13	13,898	14,215	-	-
Deferred tax assets		-	-	-	-
Total non-current assets		21,519	22,327	500	500
Total		97,946	97,323	6,479	5,441
LIABILITIES					
Current liabilities					
Trade and other payables	14	41,116	38,228	3,290	2,372
Contract liabilities		451	381	-	-
Lease liabilities		89	174	-	-
Borrowings	15	22,225	23,341	1,000	1,100
Deferred grant		-	-	-	-
Current tax payable		-	-	-	-
Total current liabilities		63,881	62,124	4,290	3,472
Non-current liabilities					
Borrowings	15	5,401	5,930	-	-
Lease liabilities		1,716	1,779	-	-
Deferred tax liabilities		-	-	-	-
Total non-current liabilities		7,117	7,709	-	-
Total liabilities		70,998	69,833	4,290	3,472
NET ASSETS		26,948	27,490	2,189	1,969
Equity					
Share capital	16	26,518	26,518	26,518	26,518
Retained profits		2,401	3,264	(24,725)	(24,945)
Currency translation reserve		312	(11)	-	-
Property revaluation reserve		424	424	-	-
Capital reserve		(876)	(876)	-	-
Share option reserve		396	396	396	396
Merger reserve		(2,014)	(2,014)	-	-
Equity attributable to owner of the Company		27,161	27,701	2,189	1,969
Non-controlling interests		(213)	(211)	-	-
Total		26,948	27,490	2,189	1,969

C. Condensed interim statements of changes in equity

	Share capital S\$'000	Retained profits S\$'000	Currency translation reserve S\$'000	Property revaluation reserve S\$'000	Capital reserve S\$'000	Share options reserve S\$'000	Merger reserve S\$'000	Equity attributable to owner of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Group										
At 1 July 2022	26,518	3,264	(11)	424	(876)	396	(2,014)	27,701	(211)	27,490
Total comprehensive income for the period:										
Profit for the period	-	(863)	-	-	-	-	-	(863)	(2)	(865)
Other comprehensive income for the period	-	-	323	-	-	-	-	323	-	323
Total	-	(863)	323	-	-	-	-	(540)	(2)	(542)
Issue of share capital, net of transaction costs	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments, representing transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-
At 31 December 2022	26,518	2,401	312	424	(876)	396	(2,014)	27,161	(213)	26,948
At 1 July 2021	17,676	9,806	(59)	424	(876)	396	(2,014)	25,353	(79)	25,274
Total comprehensive income for the period:										
Profit for the period	-	192	-	-	-	-	-	192	(7)	185
Other comprehensive income	-	-	1	-	-	-	-	1	-	1
Total	-	192	1	-	-	-	-	193	(7)	186
Issue of share capital, net of transactions costs	5,442	-	-	-	-	-	-	5,442	-	5,442
Recognition of share-based payments, representing transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-
At 31 December 2021	23,118	9,998	(58)	424	(876)	396	(2,014)	30,988	(86)	30,902
The Company										
At 1 July 2022	26,518	(24,945)	-	-	-	396	-	1,969	-	1,969
Profit for the year, representing total comprehensive loss for the year	-	220	-	-	-	-	-	220	-	220
Issue of share capital, net of transaction costs	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments, representing transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-
At 31 December 2022	26,518	(24,725)	-	-	-	396	-	2,189	-	2,189
At 1 July 2021	17,676	(467)	-	-	-	396	-	17,605	-	17,605
Profit for the year, representing total comprehensive loss for the year	-	166	-	-	-	-	-	166	-	166
Issue of share capital, net of transaction costs	5,442	-	-	-	-	-	-	5,442	-	5,442
At 31 December 2021	23,118	(301)	-	-	-	396	-	23,213	-	23,213

* denotes amount less than \$1,000

D. Condensed interim consolidated statement of cash flows

	Group	
	Half Year ended	
	31-Dec-22 ("1HFY2023") S\$'000	30-Dec-21 ("1HFY2022") S\$'000
Operating activities		
(Loss)/Profit before income tax	(865)	185
<u>Adjustments for:</u>		
Depreciation for property, plant and equipment	358	486
Changes in fair value of investment properties	-	180
Interest expense	332	474
Share of result of a joint venture company	124	59
Government grants	-	(219)
Unrealised currency translation differences	824	25
Operating cash flows before movements in working capital	773	1,190
Trade and other receivables	(123)	3,286
Contract assets	(1,744)	(3,995)
Other current assets	299	(15)
Trade and other payables	2,138	(2,278)
Contract liabilities	70	(121)
Inventories	-	(13)
Government grants received	-	80
Cash used in operations	1,413	(1,866)
Income tax paid	-	(59)
Net cash used in operating activities	1,413	(1,925)
Investing activities		
Investment in a joint venture company	-	-
Advances for working capital to joint venture company	-	(523)
Purchase of property, plant and equipment	-	(27)
Proceeds from disposal of investment properties	-	520
Net cash used in investing activities	-	(30)
Financing activities		
Proceeds from Rights Shares	-	1,838
Advances from directors	750	1,849
Repayment of leases liabilities	(148)	(152)
Proceeds from borrowings	3,519	21,257
Repayment of borrowings	(5,164)	(21,989)
Interest paid	(332)	(474)
Net cash from financing activities	(1,375)	2,329
Net increase / (decrease) in cash and bank balances	38	374
Cash and bank balances at beginning of financial period	(257)	404
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1)	(1)
Cash and bank balances at end of financial period	(220)	777

Cash and cash equivalents include cash and bank balances, fixed deposits less overdrafts.

E. Notes to the condensed interim consolidated financial statements

1 Corporation information

Boldtek Holdings Limited is listed on the Catalist, the sponsor-supervised listing platform of The Singapore Exchange Securities Trading Limited ("SGX-ST"), and incorporated and domiciled in Singapore.

The registered office is located at 72 Senoko Drive, Singapore 758240.

The principal activities of the Company is an investment holding company. The principal activities of its subsidiaries are general contractors, real estate developers, manufacture of articles of cement, concrete and plaster, soil investigation and manufacture of fire-rated door.

2 Basis of Preparation

2.1 Statement of compliance

The condensed interim financial statements for the first half year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last annual financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

2.2 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for annual period beginning on or after 1 January 2021. The adoption of the new and revised standards and interpretations is assessed to have no material financial effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

2.3 Functional and presentation currencies

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Uses of estimates and judgements

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

E. Notes to the condensed interim consolidated financial statements

Construction contracts

The Group recognises revenue from construction contracts by reference to the Group's progress towards completing the performance obligation in the contract with its customers. Significant judgement is required in determining the stage of completion by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each construction contract.

Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project managers and quantity surveyors to make estimates of the amounts to be incurred.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Income taxes

The Group has exposure to income taxes in Singapore and Malaysia. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred taxation on investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Instead, the investment properties are recovered through sale. Therefore, in determining the Group's deferred taxation on investment properties, management determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxation on the changes in fair value of investment properties held in Singapore as the Group is not subject to any income taxes on the fair value changes of the investment properties upon disposal.

Critical accounting estimates and assumptions used in applying accounting policies

Impairment of investments in subsidiaries

The recoverable amounts of the investments in subsidiaries are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use.

In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate applied in order to calculate the present value of the future cash flows.

E. Notes to the condensed interim consolidated financial statements

Valuation of investment properties

Investment properties are stated at fair value based on independent professional valuers. In determining the fair value, the valuers have used valuation techniques including the cost method and direct comparison method.

The valuers have considered valuation techniques (including direct comparison method and/or cost method) in arriving at the open market value as at the end of the reporting period. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. Cost method involves summation of value components of the land and costs of building and adjusting relevant factors such as location and land size to ascertain the valuation of the investment properties.

The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

Completed properties for sale

Completed properties for sale are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of the properties is subject to assumptions in respect of development plans, timing of sale and the prevailing market conditions. The Group estimated selling prices by comparing these with transacted prices of comparable properties in the vicinity or against valuation performed by independent professional valuers.

Impairment of contract assets and trade receivables

The Group uses a provision matrix to calculate expected credit loss ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of customer with similar credit risk pattern. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At the end of each reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E. Notes to the condensed interim consolidated financial statements
4 Segment information

The Group's operating segments are its strategic business units which offer different services and are managed separately. Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions, allocate resources and assess performance. Currently the business segments operate in Singapore and Malaysia.

Other services included in Singapore are investment holding, which are not included within the reportable operating segments, as these are not included in the reports provided to the Board of Directors. The results of these operations, if any, are included in the "unallocated segments".

The Group's activities comprise the following reportable segments:

General building which involved the construction and building and maintenance works such as excavation, piling, sub-structures and superstructures works, architectural works, aluminium cladding and curtain walling, mechanical and engineering works, supply and installation of furniture/interior fitting-out works, external works, and landscaping;

Precast manufacturing which involved the manufacturing and trading of concrete precast products;

Properties development and investment involved investment in and trading of and development of industrial and residential properties;

Soil investigation and treatment which involved providing consultation services. Although this segment does not meet the quantitative threshold required by SFRS(I) 8 *Operating Segments* for the reportable segments, management has concluded that this segment should be reported, as it is closely monitored by the Board of Directors as a potential growth operating segment and is expected to contribute to the Group's revenue in the future; and

Fire door manufacturing which involved the manufacturing and trading of fire-rated door.

4.1 Reportable segments

Half year ended 31 December 2022								
Analysis by business segment	General building S\$'000	Precast manufacturing S\$'000	Properties development and investment S\$'000	Soil investigation and treatment S\$'000	Fire door manufacturing S\$'000	Unallocated segments S\$'000	Elimination S\$'000	Total S\$'000
Revenue								
External	19,918	-	-	-	717	-	-	20,635
Inter-segment	-	-	-	-	-	-	-	-
	19,918	-	-	-	717	-	-	20,635
Gross profit	2,275	-	-	-	79	-	-	2,354
Other income								297
Unallocated costs								(3,184)
Finance costs								(332)
Profit before income tax								(865)
Taxation								-
Loss for the period								(865)
Loss for the year includes:								
Depreciation of property, plant and equipment and right-of-use assets	298	60	-	-	-	-	-	358
Segment assets	70,162	456	19,368	2	-	7,958	-	97,946
Total segment assets includes								
Additions to property, plant and equipment and right-of-use	-	-	-	-	-	-	-	-
Segment liabilities	49,094	292	2,607	1	65	18,939	-	70,998

E. Notes to the condensed interim consolidated financial statements (continued)
4.1 Reportable segments (continued)

Analysis by business segment	Half year ended 31 December 2021							Total S\$'000
	General building S\$'000	Precast manufacturing S\$'000	Properties development and investment S\$'000	Soil investigation and treatment S\$'000	Fire door manufacturing S\$'000	Unallocated segments S\$'000	Elimination S\$'000	
Revenue								
External	30,399	-	-	-	101	-	-	30,500
Inter-segment	-	-	-	-	78	-	(78)	-
	30,399	-	-	-	179	-	(78)	30,500
Gross profit	2,889	-	-	-	79	-	-	2,968
Other income								1,719
Unallocated costs								(4,028)
Finance costs								(474)
Profit before income tax								185
Taxation								-
Profit for the period								185
Loss for the year includes:								
Depreciation of property, plant and equipment	380	105	-	-	-	1	-	486
Segment assets	76,342	487	23,670	10	134	4,195	-	104,838
Total segment assets includes								
Additions to property, plant and equipment and right-of-use assets	160	230	-	-	-	-	-	390
Segment liabilities	57,329	316	4,059	4	65	12,163	-	73,936

E. Notes to the condensed interim consolidated financial statements (continued)

5 Revenue

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
(a) Revenue from contracts with customers		
- Construction and maintenance works	19,918	30,399
- Precast manufacturing	-	-
- Fire door manufacturing	717	101
	20,635	30,500

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
(b) Geographical information		
- Singapore	20,635	30,500
- Malaysia	-	-
	20,635	30,500

6 Other income

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
Equipment handling income	47	177
Rental income	191	124
Government grants	-	1,025
Insurance compensation	49	352
Other	10	41
	297	1,719

7 Other expenses

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
Changes in fair value of investment properties	-	180
Currency translation loss	586	28
	586	208

E. Notes to the condensed interim consolidated financial statements (continued)

8 Finance costs

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
Interests on borrowings	325	440
Interests on lease liabilities	7	34
	332	474

9 Profit before income tax

The following items have been included in arriving at profit / (loss) before tax:

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
Purchase of material	2,836	3,793
Sub-contractor charges	9,424	16,349
Worksite and factory expenses	2,699	3,355
Fees on audit services paid/payable to:		
Auditor of the Company	39	47
Other auditor	-	4
Fees on non-audit services paid/payable to:		
Auditor of the Company	3	8
Other auditor	-	13
Depreciation of property, plant and equipment and right-of-use assets	358	486
Director's fees	69	69
Donation	10	25
<u>Staff costs</u>		
Directors		
Salaries and bonuses	498	498
Employer's contribution to defined contribution plans	15	15
Key Management Personnel (other than Directors)		
Salaries and bonuses	92	92
Employer's contribution to defined contribution plans	13	13
Other than directors and key management personnel		
Salaries and bonuses	3,774	4,968
Employer's contribution to defined contribution plans	139	376
Other short-term benefits	128	98
Property and land tax	40	72
Professional charges	165	177

10 Income tax expense

	Group	
	Half year ended 31 December	
	2022	2021
	\$'000	\$'000
Current taxation	-	-
Under provision of current taxation in respect of prior financial years	-	-
Deferred taxation	-	-
Under provision of deferred taxation in respect of prior financial years	-	-
	-	-

E. Notes to the condensed interim consolidated financial statements (continued)

11 Trade and other receivables

	Group	
	31.12.2022	30.06.2022
	\$'000	\$'000
<u>Trade receivables</u>		
- Non-related parties	5,209	4,983
<u>Other receivables:</u>		
- Non-related parties	233	136
- Joint venture company	3,279	3,279
- Advances paid to suppliers	134	152
- Goods and services tax ("GST") receivables	5	187
	8,860	8,737

12 Property, plant & equipment

In the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$nil (1HFY2022: S\$27,000) of which S\$nil (1HFY2022: S\$27,000) was paid in cash.

13 Investment properties

	Group	
	31.12.2022	30.06.2022
	\$'000	\$'000
<u>At fair value</u>		
At beginning of financial year	14,215	17,541
Changes in fair value included in profit or loss	-	(2,439)
Disposal of investment properties	-	(520)
Exchange difference on translation	(317)	(367)
At end of financial year	13,898	14,215

In the financial period 1HFY2022, the Group disposed two investment properties located at 19 Woodlands Industrial Park E1 #02-02/03 Singapore 757719 with an aggregate value of S\$520,000 of which losses of S\$180,000 was recognised.

Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every year based on the properties' highest and best use. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the management and independent valuer yearly.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and are categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using valuation techniques (ie direct comparison method and/or residual method) with unobservable inputs by the external valuation experts. An increase/decrease in these unobservable inputs based on management's assumption would result in a higher/lower fair value measurement.

14 Trade and other payables

	Group	
	31.12.2022	30.06.2022
	\$'000	\$'000
<u>Trade payables</u>		
- Non-related parties	22,528	19,603
<u>Other payables:</u>		
- Non-related parties	-	48
- Directors	12,997	12,247
Deposits	141	143
GST payables	216	51
Accrued operating expenses	5,234	6,136
	41,116	38,228

E. Notes to the condensed interim consolidated financial statements (continued)

15 Borrowings

	Group		Company	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Bank overdrafts (secured)	979	1,031	-	-
Bank borrowings (secured)	21,246	22,310	1,000	1,100
	22,225	23,341	1,000	1,100
<u>Non-current</u>				
Bank borrowings (secured)	5,401	5,930	-	-
Total borrowings (secured)	27,626	29,271	1,000	1,100

Details of any collateral

The total secured borrowings included the following:

- (1) Bank borrowing obtained for a leasehold building is secured over the leasehold building; and
- (2) Bank overdrafts, bank borrowings and finance lease payables are secured by corporate guarantees.
- (3) Bank borrowings obtained for development properties are secured by insurance coverage, rights title, interest and sales proceed.

16 Share Capital

	No. of ordinary shares		Amount	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022
	'000	'000	\$'000	\$'000
<u>Issued and fully paid, with no par value</u>				
Balance at beginning and at end of financial year	353,666	353,666	26,518	26,518

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Outstanding Convertibles

The Company had on 29 October 2018 adopted the Boldtek Employee Share Option Scheme ("Scheme") and on 26 November 2018 granted an aggregate of 5,568,750 options under the Scheme which are exercisable into 5,568,750 new ordinary shares of the Company. Save for the aforementioned options, there were no other outstanding convertibles as at 30 June 2022 and 31 December 2022.

There were no treasury shares held as at 30 June 2022 and 31 December 2022.

Issuance of Rights Shares

The Company had on 20 October 2021 allotted and issued 111,375,000 Rights Shares. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up Shares in the capital of the Company increased from 185,625,000 Shares to 297,000,000 Shares.

17 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

18 Net asset value

	Group		Company	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022
Net asset value per ordinary share based on issued share capital (Singapore cents)	7.62	7.77	0.62	0.56

19 Subsequent events

There are no known subsequent events which would led to adjustments to this set of interim financial statements.

F. Other information required pursuant to Appendix 7C of the Catalyst Rules

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of financial position of Boldtek Holdings Limited and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited or reviewed.

2 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

2A Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

As disclosed in the Company's annual report on 13 January 2023, the Company's Independent Auditor, Foo Kon Tan LLP ("External Auditors"), had in their Independent Auditor's Report dated 13 January 2023, expressed amongst others, a qualified opinion on the Company's audited financial statements for the financial year ended 30 June 2022 ("FY2022") in relation to the following:

Contract assets and revenue recognition

(a) Construction works

This relates to the recoverability of the contract assets aggregating to \$8,577,000 as at 30 June 2022.

The Company is working with the External Auditors in furnishing further supporting documents. The Company is working to provide information and has been going through records and files for such information. As discussed in the Company's announcement on 14 January 2023 and till date, management is also negotiating with the relevant customer to recover such amounts. The negotiation is still ongoing.

(b) Building and maintenance

This relates to the manner in which the Group had applied the percentage of completion method (cost-based input approach) to recognise revenue for its term contracts with its customers, resulting in an over recognition of S\$1,116,000 for FY2022.

The Company is working with the External Auditors to provide information for projects in the past, reworking on the budgets for these projects as well.

In light of the above, the Group is still working out with the External Auditors to determine the appropriate accounting treatment to account for the transactions relating to the matters highlighted in Contract Assets. Consequently, the Company and Board are unable to determine whether adjustments to the accompanying financial statements might be necessary in respect of the matter.

Saved as disclosed, the Board confirm that, to the best of their knowledge, the impact of all outstanding audit issues on the financial statement have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

- 3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE

Revenue and cost of works

The Group reported revenue of S\$20.6 million for 1HFY2023 as compared to \$30.5 million for the corresponding period last year (1HFY2022). The decreased was mainly due to lesser construction related works completed during the period.

Cost of works decreased by S\$9.2 million mainly due to decrease in cost in relation to construction works.

General building - Revenue recorded at S\$19.9 million at 1HFY2023 compared to S\$30.4 million in 1HFY2022.

Fire door manufacturing - Revenue recorded at S\$0.7 million at 1HFY2023 compared to S\$0.1 million in 1HFY2022.

As a result of the above, gross profit decreased by approximately S\$0.6 million for 1HFY2023 as compared to 1HFY2022.

Other income

The Group's other income decreased by approximately S\$1.4 million in 1HFY2023 mainly due to decrease in Government grants and aids.

Other expenses

The Group's other expenses increased from S\$0.2 million in 1HFY2022 to S\$0.6 million in 1HFY2023 mainly due to currency translation loss of S\$0.6 million (1HFY2022: S\$28,000), the increase was partly offset by the loss on disposal of two investment properties located at 19 Woodlands Industrial Park E1 #02-02/03 Singapore 757719 of S\$0.2 million.

Share of result of a joint venture company

The share of result of a joint venture company of approximately S\$124,000 (1HFY2022: S\$59,000) related to recognition of the Group's proportionate share of profit on a residential development company, NNB 8 Development Pte Ltd owned by the Group's joint venture company in Singapore, NNB Global Development Pte Ltd.

(Loss)/Profit for the period

As a result, the Group reported loss of approximately S\$0.9 million as at 1HFY2023 compared to profit in 1HFY2022 of S\$185,000.

REVIEW OF FINANCIAL POSITION

Current assets

The Group's current assets increased by approximately S\$1.4 million which is mainly due to increase in contract assets, resulted from accrual of unbilled work done and trade debtors from higher sales as at 31 December.

Non-current assets

The Group's non-current assets decreased by approximately S\$0.8 million as at 31 December 2023, which is mainly due to decrease in Property plant and equipment resulted from depreciation, and investment properties due to foreign currency translation of the properties which is denominated in Ringgit.

Current liabilities

The Group's current liabilities increased by approximately S\$1.7 million as at 31 December mainly due to the increase in trade and other payables and accruals of approximately S\$2 million, increased in directors' advance of S\$0.7 million and partially being offset by the decrease in borrowings of approximately S\$1.1 million.

Movement in trade and other payables was mainly due to on-going projects.

Borrowings decreased mainly due to repayment of existing bank borrowings.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$0.5 million as at 31 December mainly due to decrease in borrowings.

Decrease in borrowings was mainly due to repayment of existing bank borrowings.

REVIEW OF CASH POSITION

Operating activities

Net cash generated from operating activities was approximately S\$1.4 million in 1HFY2023 mainly due to on going operating activities.

Investing activities

For 1HFY2022, net cash used in investing activities was approximately S\$30,000 mainly used for advances to a joint venture company of approximately S\$0.5 million, partially being offset by proceeds from the disposal of investment properties, comprising the 2 Singapore industrial units.

Financing activities

Net cash used in financing activities was approximately S\$1.3 million in 1HFY2023 mainly due to repayment of borrowings, partially being offset by advances from director.

As a result, the Group recorded a net decrease in cash and bank balances of approximately S\$0.8 million as at 31 December 2022.

F. Other information required pursuant to Appendix 7C of the Catalyst Rules (continued)

4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Ministry of Trade and Industry (MTI) announced on 23 November 2022 that the construction sector grew 7.8% year on year, accelerating from 4.8% from the previous quarter as both public and private sector output rose. (Source: https://www.mti.gov.sg/Newsroom/Press-Releases/2022/11/MTI-Forecasts-GDP-Growth-of-around-3_5-Per-Cent-in-2022-and-0_5-to-2_5-Per-Cent-in-2023).

However, the outlook for construction industry is still facing with challenges due to difficulties in securing labour and managing construction costs as inflation and interest rates are rising. Nevertheless, the Group continues to focus on completing its ongoing projects and secure new projects to build up its order book.

As announced on 26 January 2023, the Group has been awarded construction contracts worth approximately \$119.1 million in total. However, the Group will attempt to win more contracts in this challenging environment, manage its costs and labour needs.

6 Dividend

(a) Current Financial Period Reported On

No

(b) Corresponding Period of the Immediately Preceding Financial Year

No

(c) Date payable:

Not applicable

(d) Books closure date:

Not applicable

7 If no dividend has been declared (recommended), a statement to that effect and reason(s) to the decision.

No dividend has been declared (recommended) for 1HFY2023, taking into account the cash requirement of the Group.

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- 8 If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There were no IPT of S\$100,000 and above for 1HFY20223.
The Group does not have a general mandate from shareholders for IPTs.

- 10 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

- 11 Confirmation by the Board of Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

Having considered, including but not limited to, the following:
- whether the financial statements provided a balanced and fair view of any material factors that have affected the Company's business conditions and financial position; and
- all material information has been assessed to ensure reliability of the financial statements.

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 6 months financial period ended 31 December 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer

16-Mar-23

This announcement has been prepared by Boldtek Holdings Limited (the "Company" and together with its subsidiaries, the "Group") 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 (the "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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