

APPLICATION FOR FURTHER EXTENSION OF TIME TO (I) ISSUE ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 JUNE 2022; (II) HOLD ANNUAL GENERAL MEETING FOR FY2022; AND (III) ISSUE SUSTAINABILITY REPORT FOR FY2022

Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to the announcements dated 22 August 2022, 29 August 2022 and 22 September 2022 in relation to the Extension Application and grant of extension of time by SGX Regco and ACRA (the "Announcements").

The Board of Directors (the "**Board**") of Boldtek Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refer to the Company's Announcements and wishes to announce that the Company has made an application, through the Company's sponsor, to the Singapore Exchange Regulation (the "**SGX RegCo**") for a further extension of time of thirty (30) days to:

- (i) issue the Annual Report ("**AR**") for financial year ended 30 June 2022 ("**FY2022**") from the current deadline of 15 December 2022 to 16 January 2023, pursuant to Rule 707(2) of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**");
- (ii) hold the Annual General Meeting ("**AGM**") for FY2022 from the current deadline of 30 December 2022 to 31 January 2023 pursuant to Rule 707(1) of the Catalist Rules; and
- (iii) issue the Sustainability Report ("**SR**") for FY2022 from the current deadline of 31 January 2023 to 28 February 2023, pursuant to Rule 711A of the Catalist Rules.

(collectively, the "**Further Extension Application**")

RATIONALE FOR THE FURTHER EXTENSION APPLICATION

The rationale for the Further Extension Application are as follows:

1. Following the Extension Application, however, during the course of the audit, certain accounting issues have been identified by the Auditors. The Auditors reviewed the financials of a key subsidiary of the Group i.e. Logistics Construction Pte Ltd and requested the management of the subsidiary to evaluate all its major Term Contracts with its customers to ascertain whether the services stipulated under each Term Contract is distinct in accordance with paragraph 27 and 29 of SFRS(I) 15 and split each of the work order performed under the Term Contract and measure its progress towards complete satisfaction of the performance obligation. The revenue arising from such work orders can be broadly categorised as follows:
 - (i) Recurring maintenance work that is expected to be completed over a short period of time and thus revenue should be measured towards the complete satisfaction of the performance obligation over time if appropriate.
 - (ii) For standalone work service on addition & alteration work to existing structure requiring longer period of completion, revenue is likely to be recognised under the percentage of completion ("**POC**") method using input method (i.e. actual cost incurred to-date divided by the budgeted cost), which is also consistently applied to other long term project work of similar nature of the Group. Auditors had further informed for the management that they may need to estimate a separate budgeted cost so that the POC % will provide a more 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 (i.e. each separate work order).

The Group also needs to gather information from the progress claims prepared to accrue for unbilled receivables relating to work performed up to 30 June 2022 but not yet billed to customer(s). As the Company has always been treating all of its revenue the same way currently and in the past, this is a new development which the Company had not anticipated prior to and leading up to the Extension Application. Nonetheless, the Company had agreed to provide such information as requested by the Auditors for their review.

The Auditors are also of the view that the impact arising from the evaluation of revenue and contract assets is expected to be material and thus management will need to relook into this matter to ensure the proper accounting for revenue recognition under SFRS(I) 15.

The Company is currently performing its evaluation for the above matter and are in the midst of providing the necessary documents to the Auditors for review, such additional work requires more time as the Company had not previously been required to conduct such work or provide such information before.

2. After the Company has provided the information, the Auditors, as part of their audit procedures, will need to review the major sales contracts/agreement of the significant subsidiary of the Group to ascertain whether there are any changes in the scope of work or services provided to the customers of the subsidiary and assess the appropriate accounting for the revenue to be recognised from its contract with customers. The Auditors estimate a turnaround time of at least 3 weeks (to review, assess and complete the audit) from the date of receipt of all the required information and documents from the Group/management.
3. Aside from the financial sections, the Company also need to revise other non-financial sections in the AR such as Corporate Information, and Company profile which may make reference to the financial sections. The Company is already in the midst of updating and completing other sections of the AR but as this is a key section of the AR, they would only be able to complete this once all the work mentioned above has been finalised.
4. Based on the foregoing, the Company is seeking an extension of **30 days** to issue its AR by 16 January 2023 and hold its FY2022 AGM by 31 January 2023 as this will allow for the completion of the works by the Company and Auditors as narrated above.
5. The Company will subsequently make immediate announcement on material differences between unaudited full year results announced and audited financial statements for FY2022 including the explanations for the changes.
6. The Company is also seeking a corresponding extension of time for the Company to issue its SR for FY2022 on or before 28 February 2023. As the Company's SR makes references to information to be set out in the AR to give shareholders a comprehensive review of the Company's activities in the past financial year and therefore should be read together with the AR, it will not be practical for the SR to be issued ahead of the AR.

APPLICATION TO ACCOUNTING AND CORPORATE REGULATORY AUTHORITY ("ACRA")

The Company will concurrently apply to ACRA for further extension of time to hold its AGM for FY2022 under Section 175(1) of the Companies Act 1967 and to lodge its Annual Return for FY2022 under Section 197(1) of the Companies Act 1967.

The Company will provide updates to its shareholders on the outcome of the further extension of time from both SGX RegCo and ACRA in due course.

The Company hereby confirms that the Further Extension Application does not contravene any laws and regulations governing the Company and the Constitution of the Company.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer
5 December 2022

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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