



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

ENTRY INTO JOINT VENTURE AGREEMENT

1 INTRODUCTION

The Board of Directors (the “**Board**”) of Boldtek Holdings Limited (the “**Company**”), and its subsidiaries (the “**Group**”), wishes to announce that the Company has on 28 August 2020 entered into a joint venture agreement (the “**JVA**”) with Neo Group Limited (“**NGL**”, and collectively with the Company, the “**Parties**”). Under the JVA, the Parties intend to establish a joint venture company (“**JV Company**”), to be incorporated in Singapore to carry out the business of property development, property investment and property management, or such other businesses as the Parties may agree from time to time (the “**Joint Venture**”).

2 JOINT VENTURE

2.1 INFORMATION ON THE JOINT VENTURE PARTNER

NGL has been listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since July 2012. NGL and its subsidiaries (the “**NGL Group**”) are a leading catering group in Singapore with a track record of close to 30 years.

In relation to its business, the NGL Group provides customers from various market segments with seamless end-to-end food and catering solutions through a comprehensive suite of capabilities, service offerings and a large variety of portfolio brands, under several major business groups, including four main categories, namely food catering, food manufacturing, food retail, supplies and trading (together, “**NGL Existing Business**”). NGL also undertakes innovation, technology and automation to continually strengthen the NGL Existing Business.

To enter into the Joint Venture, NGL will be seeking its shareholders’ approval for the diversification of the NGL Existing Business (the “**NGL Proposed Diversification**”) to include the activities of property development, property investment and property management.

Prior to the Joint Venture, NGL and its shareholders were independent and unrelated parties to the Group, the Company’s directors, chief executive officers and controlling shareholders, and have had no prior business, commercial or trade dealings with the Group.

2.2 FRAMEWORK AND SALIENT TERMS OF THE JVA

2.2.1 Condition Precedent

The JVA has been entered into by NGL in connection with the NGL Proposed Diversification. Accordingly, the JVA is, and the obligations of the Parties under the JVA are, conditional upon approval having been granted by the shareholders of NGL for the NGL Proposed Diversification. If such condition precedent is not satisfied by 31 December 2020 (or such other date as the Parties may agree in writing), the JVA shall terminate.

2.2.2 Formation of the Company and Share Capital

Upon satisfaction of the condition precedent and pursuant to the JVA, each of the Parties shall subscribe for such number of new shares in the joint venture company (“**JV Company**”) such that upon completion of the subscription, the JV Company will have an initial issued and paid-up share capital of S\$1,000,000 divided into 1,000,000 Shares and the shareholding proportion of the JV Company shall be as follows:

Name	Number of Shares	Percentage of entire issued share capital
The Company	500,000	50%
NGL	500,000	50%
Total:	1,000,000	100%

2.2.3 Business of the JV Company

The purpose of the joint venture is for the JV Company to carry out the business of property development, property investment and property management, or such other businesses as the Parties may agree from time to time.

2.2.4 Potential Opportunities

The Parties agree that upon receipt of any potential opportunity relating to the business of property development, property investment and property management (except for any property development, property investment or property management opportunities in respect of properties used primarily by the Company or NGL or any of their respective wholly-owned subsidiaries for its own business operations), it shall be obliged to immediately refer such opportunity to the JV Company and the JV Company shall have a first right to undertake and/or participate in such opportunity (“**JV Arrangement**”).

3 RATIONALE FOR THE JOINT VENTURE

The Board believes that the proposed Joint Venture will enable the Group to increase its involvement in the property development business and expand beyond its general building and construction core business. The proposed Joint Venture will also allow the Group to leverage on the business networks and resources of NGL Group whilst maximizing existing revenue streams.

Notwithstanding the JV Arrangement set out in paragraph 2.2.4, the Board is of the view that whilst the Group has been involved in property development in the past, general building and construction is still the core business of the Group. Revenue contribution from the property development business accounted for approximately 1.8% and 22.7% of the Group's revenue for FY2019 and FY2018 respectively, and as at the date of this announcement, the Group does not have any property development projects in the pipeline.

Accordingly, the Board believes that the entry into the JVA is in the best interests of the Company.

4 FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription under the JVA, will be funded through internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ended 30 June 2020.

5 INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

6 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA will be available for inspection during normal business hours at the registered office of the Company at 24 Kranji Road, Singapore 739465 for a period of 3 months from the date of this announcement.

Shareholders who wish to inspect these documents at the Company's registered office are required to send an email request to logistic@singnet.com.sg to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one time and such arrangements are subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

7 FURTHER ANNOUNCEMENTS

The Company will make further update announcements on SGXNet in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist on the Joint Venture as appropriate or when there are material developments in respect of the same.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer

28 August 2020

*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 (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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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