BOLDTEK HOLDINGS LIMITED

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

RECEIPT OF CLAIMS

The Board of Directors (the "**Board**") of Boldtek Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**") wishes to inform that its wholly-owned subsidiary, Logistics Construction Pte. Ltd. (the "**Subsidiary**"), has received claims (the "**Claims**") from several trade creditors amounting to an aggregate of approximately S$4.3 million. The Subsidiary intends to contest or is in the midst of contesting an aggregate claims sum of approximately S$3.7 million (the "**Contested Claims**").

The Claims which are presently subject to legal proceedings are as follows:

(i) Approximately S$870,000 claimed by MKV Engineering and Trading Services Pte Ltd filed on 23 May 2023 pursuant to an originating claim served on the Subsidiary on 24 May 2023. The Subsidiary has since engaged its legal counsel and filed a defence on 26 June 2023;

(ii) Approximately S$261,000 claimed by Leng Wee Construction Pte Ltd pursuant to an adjudication determination dated 17 May 2023 under the Building and Construction Industry Security of Payment Act, and claimed by way of statutory demand on 30 June 2023. The Subsidiary has since engaged its legal counsel and is in the midst of settlement talks with the creditor. As at the date of this announcement, no settlement has been reached;

(iii) Approximately S$79,000 claimed by Eltraco Corporation Pte Ltd filed on 23 May 2023 pursuant to an originating claim served on the Subsidiary on 25 May 2023. The Subsidiary has since engaged its legal counsel and is in the midst of settlement talks with the creditor. As at the date of this announcement, no settlement has been reached;

(iv) Approximately S$150,000 claimed by Heng Yuan Engineering Pte. Ltd. pursuant to an adjudication determination dated 29 May 2023 under the Building and Construction Industry Security of Payment Act.;

(v) Approximately S$2.8 million claimed by Buildforms Construction Pte Ltd filed on 9 June 2023 pursuant to an originating claim served on the Subsidiary on 9 June 2023. The Subsidiary is contesting this claim, and has since engaged its legal counsel and filed its defence and counterclaim on 30 June 2023 (the "**June Contested Claim**");

(vi) Approximately S$70,000 claimed by Thiam Soon Woodproducts Pte Ltd filed on 28 June 2023 pursuant to an originating claim served on the Subsidiary. The Subsidiary is in the midst of seeking legal advice on the same; and

(vii) Approximately S$68,000 claimed by Securistate Pte Ltd filed on 28 June 2023 pursuant to an originating claim served on the Subsidiary on 3 July 2023. The Subsidiary is in the midst of seeking legal advice on the claim.

In addition to the Claims listed above which are the subject of ongoing legal proceedings, the Subsidiary has received a letter of demand dated 22 May 2023 from System Foundation Pte Ltd in respect of a claim sum of approximately S$38,000 but has since reached a settlement with them.

On or around late May to early June 2023, notwithstanding the Subsidiary was not in full agreement on the sums claimed under the Claims, in the interest of continuing the working relationships and the Subsidiary's business operations, the Management had prioritised entering into goodwill settlements with these trade creditors. At that point in time, the Management was also of the view that, given the quantum of the Claims and the positive working relationships with these trade creditors, settlement arrangements vis-à-vis these trade creditors were proceeding positively and appeared imminently viable. In terms of quantum, the Management had noted that the aggregate sum of claims approximated S$1.36 million, being approximately 5.0% of the net tangible asset ("**NTA**") of the Group as at 31 December 2022. In terms of the settlement arrangements, these included making payments to certain of these trade creditors where the Management assessed such payments to be suitable and appropriate. The Management had in fact, come close to entering into settlement arrangements with several of these trade creditors. Subsequently, when Management had sought legal advice after receipt of the June Contested Claim, Management had considered that they had a strong case in contesting such claim. However, at the tail end of the settlement discussions, requests were made which the Management considers to be not feasible. This led the Management to conclude that the settlement discussions had reached a stage where an agreed settlement did not appear likely, and the Board was informed accordingly on 28 June 2023. Management had also considered that with the receipt of further claims on the ongoing June Contested Claim, it would be more prudent to make an announcement of the same.

The Board noted the reasons set forth by Management. The Board further noted that the operations of the Group have continued during this period of time, notwithstanding that the Group is presently facing tight cashflow and is seeking to improve its financial position. This was largely due to the Management's ability to leverage on its goodwill and working relationship with its contractors and suppliers to continue its business. The Board and Management is exploring its available options, including seeking the advice of professionals on the same.

The Company will continue to keep shareholders updated as and when there are developments to the Claims. As at the date of this announcement, no winding up application have been filed or instituted against the Company or the Subsidiary.

In light of the claims aggregating approximately $4.3 million, they account for approximately 15.5% of the Group's last audited net tangible assets, which is for the financial year ended 30 June 2022. As the Company has made provisions for the full amount payable and considers that no further provision is required. Accordingly, the Company does not consider there to be any material impact on its overall financial performance for the financial year ended 30 June 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. The Company further refers to its announcement dated 14 January 2023 and 16 January 2023. The Company notes that 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. The Company notes that the trading suspension has ensured that no person is trading in the shares of the Company without sufficient information that is required to enable such a person to make an informed decision.

By Order of the Board

Phua Lam Soon
Chief Executive Officer
4 July 2023

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*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.

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