AGV GROUP LIMITED
(Company Registration No. 201536566H)
(Incorporated in the Republic of Singapore on 2 October 2015)

EXERCISE OF CALL OPTIONS BY ASIA GALVANIZING (S) PTE LTD ("AGVS") PURSUANT TO (1) THE SALE AND PURCHASE AGREEMENT DATED 6 AUGUST 2015 BETWEEN AGVS AND SONG JI YONG AND (2) THE SALE AND PURCHASE AGREEMENT DATED 6 AUGUST 2015 BETWEEN AGVS AND THAN CHUNG KIAT

The Board of Directors (the "**Board**") of AGV Group Limited (the "**Company**") refers to the Company's offer document dated 18 August 2016 wherein the Company had disclosed that its wholly-owned subsidiary, AGVS had entered into a Sale and Purchase Agreement ("**SPA**") dated 6 August 2015 with Mr Song Ji Yong ("**Mr Song**") and Mr Than Chung Kiat ("**Mr Than**") respectively for the sale of their shares in the Company's associated company, AGV Holdings Pte Ltd ("**AGVH**"). Pursuant to the SPA, AGVS was granted call options pursuant to which it may request that Mr Song and Mr Than sell their shares in AGVH back to AGVS at the exercise price (the "**Exercise Price**") as set out in the SPA.

The Board also wishes to announce that AGVS had on 15 December 2017 entered into a supplemental agreement with Mr Song and Mr Than respectively pursuant to which Mr Song and Mr Than have agreed to amend certain terms of their respective SPA (the "**Supplemental Agreements**"). The key terms of the Supplemental Agreements are set out below:

(a) the period within which parties may exercise the call option (the "**Call Option Period**") was amended to be a period of 24 months beginning from 1 August 2017;

(b) notwithstanding the date of completion of the exercise of the call option, the transfer of all legal and beneficial title to the Sale Shares shall be deemed to be effective as at 1 August 2017;

(c) the payment for the Sale Shares has been amended from a one-time payment to take place on completion date to take place in three tranches in accordance with a new payment schedule; and

(d) the total consideration payable for the Sale Shares remains as S$1,040,000 in relation to Mr Song (the "**SJY Consideration**") and S$520,000 in relation to Mr Than (the "**TCK Consideration**").

The SJY Consideration and TCK Consideration were funded using the internal funds of AGVS.

Completion of the exercise of the call option took place on 15 December 2017 and pursuant thereto, AGVS now holds 87.2% of AGVH and AGVH is now considered a subsidiary of the Company.

None of the directors (other than in his capacity as a director or shareholder of the Company) or controlling shareholders of the Company has an interest, direct or indirect, in the exercise of the call options.

By Order of the Board

Albert Ang Nam Wah
Executive Director and Chief Executive Officer

15 December 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited, for compliance with the relevant rules of 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.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance who can be contacted at 16 Raffles Quay, #40-01A, Hong Leong Building, Singapore 048581, Telephone: (65) 6415 9886.