

Newly Listed Hot-Dip Galvanizer AGV Group Maintains Unbroken Track Record of Profitability; FY2016 Net Profit at S\$0.6M

Results for financial year ended 30 September 2016 (“FY2016”)

S\$ (000)	FY2016	FY2015	Change (%)
Revenue	20,230	18,764	7.8
Earnings before interest, taxation, depreciation, amortization (“EBITDA”)	2,412	4,539	(46.9)
EBITDA margin (%)	11.9	24.2	(12.3) pt
Net profit	623	2,237	(72.2)
Earnings per share (Singapore cents)	0.49	1.78	(72.5)
Net asset value per share (Singapore cents)	10.13	7.29	39.0

SINGAPORE, 28 NOVEMBER 2016 – AGV Group Limited (“AGV” or the “Group”), which provides hot-dip galvanizing services to protect steel and iron from corrosion, announced today a net profit of S\$0.6 million for the 12 months ended 30 September 2016 (“FY2016”), maintaining its track record of being profitable every year since it started operations in 2012.

The Group, which listed on the Catalist board of the Singapore Exchange on 26 August 2016, generated revenue of S\$20.2 million in FY2016 on increased tonnage for its hot-dip galvanizing services. This was 7.8% more than its revenue in the previous year (“FY2015”) and the highest so far in AGV’s history.

The Group also recognized income of about S\$4.0 million in FY2016 from the sale of consumables, such as zinc and chemicals, to AGV Galvanising (M) Sdn Bhd (“AGV Malaysia”), the Malaysian subsidiary of AGV’s 36%-owned associate company. AGV Malaysia has a hot-dip galvanizing plant in the industrial town of Pasir Gudang in Johor that commenced operations in April 2016.

Total expenses for FY2016 rose to approximately S\$23.6 million (FY2015: S\$17.7 million) due mainly to increases in consumables used and sold, employee benefits, and costs related to the public listing, waste disposal, upkeep of motor vehicles and equipment, and a one-off loss on derivative financial instruments.

The Group generated net cash of S\$4.2 million from operations in FY2016, up from S\$1.8 million in FY2015. As at 30 September 2016, it had cash and cash equivalents of S\$4.0 million.

Share of losses in associated companies amounted to S\$0.4 million due mainly to losses incurred by AGV Malaysia.

Earnings per share for FY2016 amounted to 0.49 Singapore cent, compared to 1.78 Singapore cents a year earlier. Net asset value per share was 10.13 Singapore cents as at 30 September 2016, up from 7.29 Singapore cents as at 30 September 2015.

Mr Albert Ang, AGV's CEO and co-founder, said the Catalist listing will accelerate the Group's expansion in Singapore and to new markets in Southeast Asia, beginning with Malaysia. AGV Malaysia's plant in Johor can handle about 5,000 tonnes of steel and iron a month. This gives the Group a total monthly capacity of 10,000 tonnes.

"Hot-dip galvanizing is one of the most effective forms of protection against steel and iron corrosion. As one of just five hot-dip galvanizing companies in Singapore, and the only one listed in Asia, we are uniquely positioned to tap the many growth opportunities in the region, where spending on infrastructure and public projects is expected to continue rising in the years ahead," Mr Ang said.

Major projects coming on stream in Singapore include the Kuala Lumpur-Singapore High Speed Rail terminus in Jurong, the second phase of the Deep Tunnel Sewage System by national water agency PUB, and the 21.5km North-South Corridor, the country's first integrated transport corridor featuring continuous bus lanes and cycling trunk routes. In Malaysia, national oil company Petronas is building an integrated refinery and petrochemical complex in Johor.

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About AGV Group Limited

AGV Group is a leading provider of hot-dip galvanizing services in Singapore. Helmed by its two founders, Albert Ang and James Ang, who have over 30 years of industry experience collectively, the Group has been profitable since starting operations in 2012.

At the centre of the Group's operations is its fully equipped S\$16 million plant that sits on approximately 11,000 square metres of land. It is strategically located in the heart of Singapore's Tuas heavy industry district, close to most of its customers or companies in the steel or iron fabrication markets. The plant operates round-the-clock throughout the year with the capacity to handle up to 5,000 tonnes of hot dip galvanizing each month.

The Group serves over 900 clients from diverse sectors.

For more information, visit www.agvgroup.com.sg

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