ADDENDUM DATED 14 JANUARY 2020

THIS ADDENDUM TO THE ANNUAL REPORT (AS DEFINED BELOW) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.

This Addendum is circulated to Shareholders of AGV Group Limited (the "**Company**") together with the Company's Annual Report for the financial year ended 30 September 2019 ("**Annual Report**"). Its purpose is to explain to Shareholders the rationale and provide information to the Shareholders for the proposed renewal of the IPT Mandate (as defined herein) for interested person transactions to be tabled at the Annual General Meeting to be held on 30 January 2020 at 8.30 a.m. at Raffles Marina, Chart Room, Level 2, 10 Tuas West Drive, Singapore 638404. The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you are in any doubt in relation to this Addendum or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately. If you have sold or transferred all your shares in the issued and paid-up share capital of AGV Group Limited (the "**Company**"), you should immediately forward the Annual Report, this Addendum together with the Notice of AGM (as defined herein) and the enclosed Proxy Form to the purchaser or transferee, or to the bank, stockbroker, or agent through whom you effected the sale for onward transmission to the purchaser or the transferee. If you have sold or transferred all your Shares (as defined herein) which are held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Addendum, the Notice of AGM and the accompanying Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for a separate Addendum and the accompanying documents to be sent to the purchaser or transferee.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "**Sponsor**"). It has not been examined or approved by the SGX-ST. SGX-ST assume no responsibility for the contents of this Addendum, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Addendum.

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, #01-05, Hong Leong Building, Singapore 048581, telephone: (65) 6415 9886.

AGV GROUP LIMITED

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

ADDENDUM TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

CONTENTS

		PAGE
LETTER TO SHAREHOLDERS		6
1.	**INTRODUCTION**	6
2.	**THE PROPOSED RENEWAL OF THE IPT MANDATE**	6
2.1.	**Background**	6
2.2.	**Chapter 9 of the Catalist Rules**	7
2.3.	**Rationale for and benefits of the IPT Mandate**	8
2.4.	**Validity Period of the IPT Mandate**	9
2.5.	**Classes of Interested Persons**	10
2.6.	**Categories of Mandated Transactions**	11
2.7.	**Guidelines and Review Procedures for the Mandated Transactions**	12
2.8.	**Approval and Review Threshold**	12
2.9.	**Additional Controls**	13
2.10.	**Disclosure in Financial Results Announcement and Annual Report**	15
3.	**INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**	16
4.	**STATEMENT OF THE AUDIT COMMITTEE**	17
5.	**NON-INTERESTED DIRECTORS' RECOMMENDATION**	17
6.	**ABSTENTION FROM VOTING**	17
7.	**ANNUAL GENERAL MEETING**	18
8.	**ACTION TO BE TAKEN BY SHAREHOLDERS**	18
9.	**DIRECTORS' RESPONSIBILITY STATEMENT**	18
10.	**DOCUMENTS AVAILABLE FOR INSPECTION**	19

DEFINITIONS

In this Addendum, the following definitions shall apply throughout unless the context otherwise requires:

"Addendum"	:	This Addendum to Shareholders dated 14 January 2020 in relation to the IPT Mandate
"Associate(s)"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"AGM"	:	The annual general meeting of the Company
"AGM 2020"	:	The annual general meeting of the Company to be held on 30 January 2020 at 8.30 a.m. at Raffles Marina, Chart Room, Level 2, 10 Tuas West Drive, Singapore 638404, the notice of which is set out in the Annual Report
"Audit Committee"	:	The audit committee of the Company, comprising Mr Chong Kwang Shih, Mr Choong Yoon Fatt and Mr Wee Meng Seng Aloysius, as at the Latest Practicable Date
"Board" or "Board of Directors"	:	The board of directors of the Company
"Catalist Rules"	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST as may be amended, modified, or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	AGV Group Limited

"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as modified, supplemented or amended from time to time
"Constitution"	:	The Constitution of the Company as amended from time to time
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling shareholder; or (b) in fact exercises control of a company
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"Executive Director"	:	The executive directors of the Company as at the Latest Practicable Date
"FY"	:	The financial year ended 30 September
"Group"	:	The Company and its subsidiaries, collectively
"Hong Kong"	:	The Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	:	The Shareholders who are deemed to be independent for the purposes of voting on the IPT Mandate
"Interested Persons"	:	The interested persons who fall within the IPT Mandate, as set out in Section 2.5 (*Classes of Interested Persons*) of this Addendum
"IPT"	:	An interested person transaction within the meaning of Chapter 9 of the Catalist Rules
"IPT Mandate"	:	The general mandate from Shareholders proposed to be obtained by the Company at the AGM pursuant to Chapter 9 of the Catalist Rules, permitting the Company, its subsidiaries and associated companies to enter into the Mandated Transactions with the Interested Persons
"IPT Register"	:	Has the meaning ascribed to it in Section 2.9.1 (*Additional Controls*) of this Addendum
"JDHK"	:	JD Resources International Limited

"JDL"	:	JD Resources Limited
"JDM"	:	JD Resources Sdn Bhd
"JDR"	:	JDHK, JDM and JDL
"Latest Practicable Date"	:	9 January 2020, being the latest practicable date prior to the printing of this Addendum
"Mandated Transactions"	:	Transactions with the Group that fall within the scope of the IPT Mandate, as set out in Section 2.6 (*Categories of Mandated Transactions*) of this Addendum
"Non-Interested Directors"	:	The Directors who are deemed to be independent in respect of the IPT Mandate, being Mr Albert Ang Nam Wah, Mr James Ang Nam Heng, Mr Chong Kwang Shih, Mr Choong Yoon Fatt and Mr Wee Meng Seng Aloysius as at the Latest Practicable Date
"Notice of AGM"	:	The notice of the AGM as set out on pages 130 to 133 of the Annual Report
"NTA"	:	Net tangible asset
"NTL"	:	Net tangible liabilities
"Review Procedures"	:	The review procedures for determining the transaction prices of the Mandated Transactions, details of which are set out in Section 2.7 (*Guidelines and Review Procedures for the Mandated Transactions*) of this Addendum
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"Securities and Futures Act"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the Depositors whose direct Securities Accounts maintained with CDP are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company, and each a "**Share**"
"Singapore"	:	The Republic of Singapore

"Sponsor"	:	Hong Leong Finance Limited
"subsidiaries"	:	Has the meaning ascribed to it in Section 5 of the Companies Act, and "**subsidiary**" shall be construed accordingly
"Substantial Shareholder"	:	A person (including a corporation) who holds (directly or indirectly) not less than five per cent (5%) of the total votes attached to all the voting Shares in the Company
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of Singapore
"Zinc Sales"	:	Has the meaning ascribed to it in Section 2.3.1 (*Rationale for the IPT Mandate*) of the Addendum
"%" or "per cent"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Catalist Rules, or any statutory or regulatory modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules, or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Addendum shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

The headings in this Addendum are inserted for convenience only and shall be ignored in construing this Addendum.

Any reference to "**we**", "**us**" and "**our**" in this Addendum is a reference to the Group or any member of the Group as the context requires.

AGV GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201536566H)

BOARD OF DIRECTORS

Mr Chua Wei Kee	*(Executive Chairman)*
Mr Ang Nam Wah Albert	*(Executive Director)*
Mr Ang Nam Heng James	*(Executive Director)*
Mr Chong Kwang Shih	*(Lead Independent Director)*
Mr Choong Yoon Fatt	*(Independent Director)*
Mr Wee Meng Seng Aloysius	*(Independent Director)*

REGISTERED OFFICE:

22 Benoi Road
Singapore 629892

14 January 2020

To: The Shareholders of AGV Group Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

1.1. The Directors refer to the Notice of AGM of the Company dated 14 January 2020 convening the AGM 2020 to be held on 30 January 2020 to seek approval of the Shareholders in relation to the proposed renewal of the IPT Mandate.

1.2. The purpose of this Addendum is to provide Shareholders with relevant information pertaining to, and to explain the rationale for the IPT Mandate, as well as to seek Shareholders' approval for the proposed renewal of the IPT Mandate to be tabled at the AGM 2020. The Notice of AGM is set out on pages 130 to 133 of the Annual Report.

1.3. The SGX-ST assumes no responsibility for the correctness of any statements made or reports contained or opinions expressed in this Addendum. This Addendum has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1. Background

2.1.1. The IPT Mandate was adopted by Shareholders at the extraordinary general meeting held on 16 July 2019 (the "**2019 EGM**") and was expressed to take effect until the conclusion of the next AGM, which is scheduled to be held on 30 January 2020. As such, the IPT Mandate will expire on 30 January 2020. Pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholder's approval for the proposed renewal of the IPT Mandate.

2.1.2. The proposed renewal of the IPT Mandate will enable the Company and/or its subsidiaries which are considered to be entities at risk within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of business, to enter into categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.1.3. There is no change in the categories of transactions, entities at risk and interested persons in the proposed renewal of the IPT Mandate.

2.1.4. The renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2020 AGM and will (unless revoked or varied by the Company in general meeting) continue to be in force until the next AGM. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next and each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued relevance and application to transactions with the Interested Persons and its confirmation that the methods or review procedures for the transactions with Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.2. **Chapter 9 of the Catalist Rules**

2.2.1. Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies that are defined as an "entity at risk" proposes to enter into a transaction with an "interested person", an immediate announcement or an immediate announcement and shareholders' approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

2.2.2. In particular, an immediate announcement is required where:

(a) the transaction is of a value equal to, or more than, 3.0% of the group's latest audited NTA; or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA.

2.2.3. Further, shareholders' approval (in addition to an immediate announcement) is required where:

(a) the transaction is of a value equal to, or more than, 5.0% of the group's latest audited NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than 5.0% of the group's latest audited NTA.

2.2.4. The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

2.2.5. For the purpose of Chapter 9 of the Catalist Rules,

(a) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(c) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;

(d) an "**interested person transaction**" means a transaction between an entity at risk and an interested person; and

(e) a "**transaction**" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

2.2.6. Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

2.2.7. **For illustration purposes**, based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2019, the audited NTL of the Group was approximately S$12,340,000. Accordingly, in relation to the Group and for the purposes of Chapter 9 of the Catalist Rules for the current financial year, Shareholders' approval is required where:

(a) the interested person transaction is of a value equal to, or more than, approximately S$617,000, being 5% of the latest audited NTL value of the Group; or

(b) the interested person transaction, when aggregated with other transactions entered into with the same interested person or interested persons of the same group during the same financial year, is of a value equal to, or more than, approximately S$617,000.

2.3. **Rationale for and benefits of the IPT Mandate**

2.3.1. It is envisaged that in the ordinary course of their business, transactions between entities in the Group and the Interested Persons (as described in Section 2.5 (*Classes of Interested Persons*) of this Addendum) are likely to occur from time to time. Such transactions would include, but are not limited to purchase of zinc from JDR in the ordinary course of business of the Group (the "**Zinc Sales**"), details of which are contained in Section 2.6 (*Categories of Mandated Transactions*) of this Addendum.

2.3.2. In view of the time-sensitive nature of these requirements and the frequency of commercial transactions between entities in the Group and the Interested Persons, obtaining the approval from the Shareholders for the proposed renewal of the IPT Mandate pursuant to Chapter 9 of the Catalist Rules will enable:

(a) the Company;

(b) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and

(c) associated companies of the Company (other than associated companies that are listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control,

or any of them, in the ordinary course of their businesses, to enter into the Mandated Transactions (as described in Section 2.6 (*Categories of Mandated Transactions*) of this Addendum) with the Interested Persons (as described in Section 2.5 (*Classes of Interested Persons*) of this Addendum), provided such Mandated Transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.3.3. The Directors are of the view that it will be beneficial to the Group to transact with the Interested Persons, as such transactions are entered into by the Group in its ordinary course of business. The IPT Mandate will eliminate the need for the Group to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval to allow the Group to enter into such Mandated Transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy considerably and allow manpower resources and time to be channeled towards attaining other business objectives.

2.3.4. The Group will be able to maximise its business opportunities especially in transactions that are time-sensitive in nature, securing projects with better profit margins and minimise the usage of administrative resources. Notwithstanding the above, Shareholders will be updated on the value of such Mandated Transactions through the Company's interim and full-year financial results announcements and in its annual reports.

2.4. **Validity Period of the IPT Mandate**

The IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM is held or is required by law to be held, whichever is the earlier. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM, subject to satisfactory review by the Audit Committee of the continued requirement of the IPT Mandate and the continued sufficiency of the review procedures to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its Independent Shareholders.

2.5. **Classes of Interested Persons**

2.5.1. The IPT Mandate will apply to Mandated Transactions which are carried out between the Group and JDR. As at the Latest Practicable Date, Mr Chua Wei Kee, the Executive Chairman of the Group, and his immediate family together (directly or indirectly) have an interest of 30% or more in several zinc distribution companies in the region, including, without limitation:

(a) JD Resources International Limited ("**JDHK**")

JDHK is a private company incorporated in Hong Kong. As at the Latest Practicable Date, Mr Chua Wei Kee, the Executive Chairman of the Group, holds 80% of the shares in JDHK and is also a director of JDHK. Ms Tan Swee Buoy, the wife of Mr Chua Wei Kee, holds 20% of the shares in JDHK and is also a director of JDHK.

(b) JD Resources Sdn Bhd ("**JDM**")

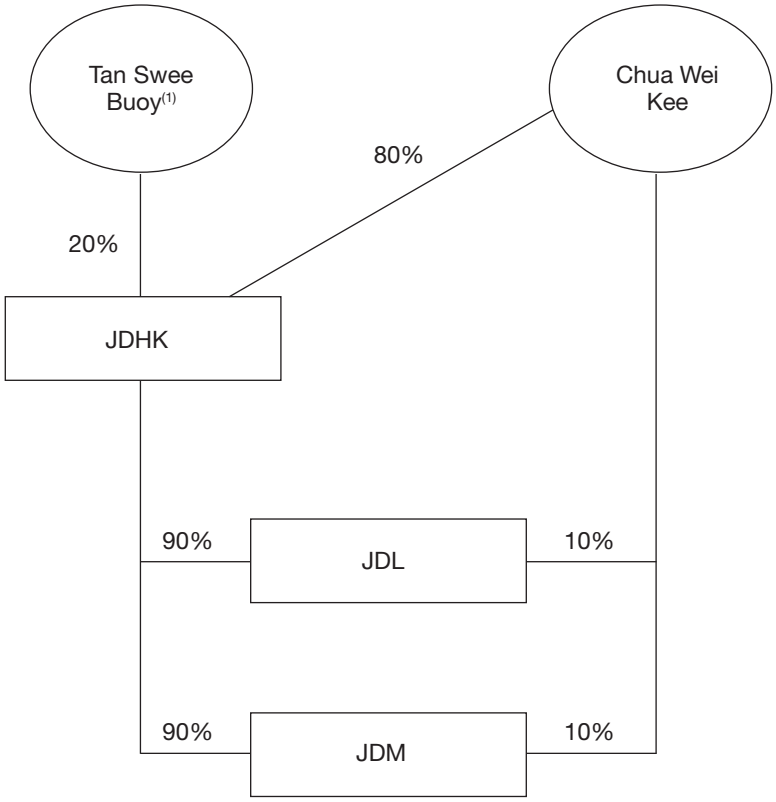
JDM is a private company incorporated in Malaysia. As at the Latest Practicable Date JDHK holds 90% of the shares in JDM. Mr Chua Wei Kee holds the remaining 10% of the shares in JDM, and is also a director of JDM. Ms Tan Swee Buoy is also a director of JDM.

(c) JD Resources Limited ("**JDL**")

JDM is a private company incorporated in Labuan. As at the Latest Practicable Date, JDHK holds 90% of the shares in JDL. Mr Chua Wei Kee holds the remaining 10% of the shares in JDL, and is also a director of JDL. Ms Tan Swee Buoy is also a director of JDL,

(collectively, "**JDR**"). Accordingly, each of JDHK, JDM and JDL are Associates of Mr Chua Wei Kee and are interested persons pursuant to Chapter 9 of the Catalist Rules. Mr Chua Wei Kee is also a Substantial Shareholder of the Group and has approximately 8.07% shareholding interest in the Company. Transactions entered into between the Group and either of JDHK, JDM and/or JDL are deemed interested person transactions and would be subject to Chapter 9 of the Catalist Rules. The IPT Mandate will apply to the Mandated Transactions which are carried out between any entity in the Group with JDR.

2.5.2. A diagrammatic representation of JDR as described above is set out below:



Note:

(1) Tan Swee Buoy is the wife of Chua Wei Kee.

2.6. **Categories of Mandated Transactions**

2.6.1. The Group wishes to obtain Shareholders' approval for the IPT Mandate, under which the Group may enter into recurrent transactions of a trading nature or those necessary for its day-to-day operations with JDR in respect of the Zinc Sales.

2.6.2. JDR has previously supplied zinc to the Group prior to Mr Chua Wei Kee's appointment as a Director. It is anticipated that the Group would, in the ordinary course of business, continue to purchase its zinc supplies from JDR in connection with its hot-dip galvanizing business.

2.6.3. The IPT Mandate will not cover any transactions below S$100,000 in value between the Group and an Interested Person (within the meaning of Chapter 9 of the Catalist Rules) as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules do not apply to such transactions.

2.6.4. For the avoidance of doubt, transactions with other interested persons (within the meaning of Chapter 9 of the Catalist Rules) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2.7. **Guidelines and Review Procedures for the Mandated Transactions**

2.7.1. To ensure that all Mandated Transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders, the Group will adopt the specific guidelines and procedures as set out below:

(a) all purchase orders with external reference quoted prices or rates are to be carried out based on the prevailing market reference price available on established exchanges and/or established market references and is calculated by reference to any fair pricing basis to be determined and agreed by the management of the Company;

(b) purchase orders without external reference quoted prices or rates are to be carried out with reference to at least two (2) additional quotations from non-interested persons in respect of the same or substantially the same type of transactions, contemporaneously in time, for comparison and the purchase price shall not be higher than the most competitive price of the two (2) additional quotations from non-interested persons. In determining the most competitive price, all pertinent factors including but not limited to quality, track record, delivery time, requirements and specifications of the Group will be taken into consideration; and

(c) where it is not possible to compare against the terms of other contemporaneous transactions with unrelated third parties, the Mandated Transaction will be approved by the Group Financial Controller (or equivalent person) or an Executive Director with no interest, direct or indirect, or failing which, by the Audit Committee, in the proposed interested person transactions, in accordance with the Group's usual business practices and policies, taking into consideration the general industry practice. In determining the transaction price payable to the Interested Persons for such products, factors such as, but not limited to, quantity, delivery time, track record, requirements and specifications will be taken into account. The terms of the Zinc Sales shall not be less favourable than the terms offered by the Interested Persons to unrelated third parties, taking into account the abovementioned factors.

2.8. **Approval and Review Threshold**

2.8.1. The following approval procedures have been implemented to supplement existing internal control procedures for the Mandated Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms. For the avoidance of doubt, where the approving party as stipulated herein is interested in the transaction to be approved, he/she will inform the Audit Committee and such disclosures should be documented and he/she will refrain from participating in the deliberations and the approval process as detailed below. In the event any equivalent person with the relevant experience and responsibility, as stated below for the various thresholds cannot be determined, the approving authority shall be decided by the Audit Committee.

2.8.2. Review and approval thresholds for individual and aggregate transactions shall be as follows:

(a) where the value of any individual Mandated Transaction with the Interested Person is below 3% of the Group's latest audited NTA, such transactions shall require the review and prior approval of the Group Financial Controller (or equivalent person) and an Executive Director, who is not interested in the transaction;

(b) where the individual or aggregate value of the Mandated Transaction is equal to or more than 3% of the Group's latest audited NTA, such transactions shall require the prior approval of the Audit Committee and recommendation of the Group Financial Controller (or equivalent person) or an Executive Director who is not interested in the transactions. If a member of the Audit Committee is interested in any Mandated Transactions, he shall abstain from participating in the review of that particular transaction; and

(c) where the value of any individual Mandated Transaction when aggregated with other transactions entered into with the same Interested Person in a financial year is equal to or more than 3% of the Group's latest audited NTA, all subsequent transactions will be subject to the prior approval of the Audit Committee and recommendation of the Group Financial Controller (or equivalent person) or an Executive Director who is not interested in the transactions. If a member of the Audit Committee is interested in any Mandated Transactions, he shall abstain from participating in the review of such transactions. Mandated Transactions that have been approved by the Audit Committee need not be aggregated for the purpose of such approval. For the avoidance of doubt, the Audit Committee shall be responsible for such approvals.

2.8.3. The threshold limits set out above are adopted by the Company taking into account, amongst others, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at after considering the operational efficiency for the day-to-day business operations of the Group and the internal controls for Mandated Transactions. The approval threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for the Mandated Transactions. Furthermore, the Audit Committee will review the threshold limits annually to ensure that they are not prejudicial to the interests of the Company and the Independent Shareholders.

2.9. Additional Controls

2.9.1. In addition to the guidelines and review procedures set out above, the Company will implement the following supplementary procedures to ensure that the Mandated Transactions carried out under the IPT Mandate are undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders:

(a) Maintain registers of Interested Persons and IPTs

The finance department of the Group will maintain and update a list of interested persons (including the Interested Person) (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons will be reviewed monthly by the Group Financial Controller (or equivalent person), who shall also not be interested in any of the IPTs, and who are

duly delegated to do so by the Audit Committee. The list of interested persons shall be reviewed by the Audit Committee at least on a quarterly basis, to ensure that the IPTs are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors.

The finance department of the Group will also maintain a register of IPTs (including the Mandated Transactions), including those below S$100,000 in value (the "**IPT Register**"). The IPT Register will record information pertinent to IPTs such as but not limited to, the list of interested persons, the nature of the IPTs, the basis and rationale for the entry into the transactions, the pricing and terms of the two other contemporaneous transactions of a similar nature with non-interested persons which were used for comparison, other evidence obtained to support such basis on which the IPTs were entered into, as well as the approving authority. The IPT Register shall be reviewed by the Group Financial Controller (or equivalent person) who is not interested in the IPTs on a monthly basis. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit Committee immediately.

The Audit Committee shall periodically, at least on a quarterly basis, review the IPT Register to ensure that all interested person transactions (including the Mandated Transactions) are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other information deemed necessary by the Audit Committee.

The Group Financial Controller (or equivalent person) will obtain signed letters of confirmation from the Directors, key management of the Company, and the Controlling Shareholders on a periodic basis (of not less than quarterly or such other period as may be determined by the Audit Committee) with respect to their interest in any transactions with the Group.

(b) Review by Audit Committee

The Audit Committee will review the IPT Register on a quarterly basis to ensure that all interested person transactions (including the Mandated Transactions) are carried out on normal commercial terms and in accordance with the established guidelines and review procedures under the IPT Mandate.

The Audit Committee will review the established guidelines and review procedures of the Mandated Transactions and determine if such guidelines and review procedures continue to be adequate and/or are commercially practicable in ensuring that the Mandated Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders. If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate or insufficient to meet such objectives, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures for the Mandated Transactions. During the interim period prior to obtaining a fresh mandate from the Shareholders, all Mandated Transactions will be subject to prior review and approval by the Audit Committee.

The Audit Committee shall review the annual or periodic (such periods as may be decided by the Audit Committee) external and internal audit reports to ascertain that the guidelines and review procedures under the IPT Mandate have been complied with and have overall responsibility for the determination of such guidelines and review procedures.

The Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the Mandated Transactions under review.

Any member of the Audit Committee who is not considered independent in respect of the interested person transactions under the IPT Mandate shall abstain from voting on any respective resolution and/or abstain from participating in the Audit Committee's decision during its review of the IPT guidelines and review procedures or during its review or approval of any interested person transactions.

(c) Review by External and Internal Auditors

The annual external audit plan of the Company shall incorporate a review of interested person transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Group's annual or periodic (such periods as may be decided by the Audit Committee) internal audit plan shall incorporate a half yearly review of all IPTs (including the Mandated Transactions), including the established review procedures for monitoring of such IPTs (including the Mandated Transactions), entered into during the period under review.

The internal auditors will report directly to the Audit Committee. The findings by the external and internal auditors will be submitted to the Audit Committee to ensure, *inter alia*, that the interested person transactions have been carried out on normal commercial terms and were not prejudicial to the interests of the Company and the Independent Shareholders, and that the relevant approvals have been obtained.

(d) Further Compliance

The Directors will ensure that all disclosure, approval and other requirements on IPTs (including the Mandated Transactions), including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

2.10. **Disclosure in Financial Results Announcement and Annual Report**

2.10.1. The Company will announce the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such reports.

2.10.2. Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Person pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1. **The direct and deemed interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:**

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%)[1]	Number of Shares	Shareholding (%)[1]
Directors				
Albert Ang Nam Wah	–	–	23,106,440[2]	12.43
James Ang Nam Heng	–	–	23,106,440[2]	12.43
Chua Wei Kee	15,000,000	8.07	–	–
Substantial Shareholders (other than Directors)				
Asiagalv Capital LLP	23,106,440	12.43	–	–
Ch'ng Ban Bee	15,000,000	8.07	–	–
Ang Ghee Ann	11,000,000	5.92	–	–

Notes:

(1) Calculated based on 185,946,440 Shares and excluding treasury shares.

(2) Albert Ang and James Ang are deemed interested in the 23,106,440 Shares held by Asiagalv Capital LLP, a limited liability partnership between Albert Ang and James Ang. Albert Ang and James Ang are brothers.

3.2. Save for Mr Chua Wei Kee, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the IPT Mandate other than through their respective shareholdings in the Company.

4. STATEMENT OF THE AUDIT COMMITTEE

4.1. Having considered, amongst others, the terms, the rationale and the benefits of the IPT Mandate in Section 2.3 (*Rationale for the IPT Mandate*) of this Addendum, the Audit Committee has reviewed the guidelines and review procedures, as set out in Sections 2.7 (*Guidelines and Review Procedures for the Mandated Transactions*), 2.8 (*Approval and Review Threshold*) and 2.9 (*Additional Controls*) of this Addendum and proposed by the Company for determining pricing and terms of the Mandated Transactions, and is satisfied that the guidelines and review procedures for the Mandated Transactions are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

4.2. The Audit Committee confirms that the methods and procedures for determining the transaction prices have not changed since the last Shareholders' approval at the AGM of the Company held on 16 July 2019.

5. NON-INTERESTED DIRECTORS' RECOMMENDATION

5.1. Having considered, among other things, the rationale for the IPT Mandate, the benefits of the IPT Mandate to the Group, the Non-Interested Directors are unanimously of the opinion that the IPT Mandate is in the best interests of the Company. The Non-Interested Directors unanimously agree that the guidelines and review procedures for determining the terms of the Mandated Transactions under the IPT Mandate as set out in Sections 2.7 (*Guidelines and Review Procedures for the Mandated Transactions*), 2.8 (*Approval and Review Threshold*) and 2.9 (*Additional Controls*) of this Addendum for the Mandated Transactions to be entered into pursuant to the IPT Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

5.2. Accordingly, the Non-Interested Directors unanimously recommend that Shareholders vote in favour of the ordinary resolution relating to the IPT Mandate as set out in the Notice of AGM.

5.3. In giving the above recommendation, the Non-Interested Directors have not taken into consideration the specific objectives, financial situation or unique needs and constraints of each Independent Shareholder. **The Non-Interested Directors recommend that any Independent Shareholder who has doubt as to the action he should take should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.**

6. ABSTENTION FROM VOTING

6.1. In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Interested Persons will abstain and have undertaken to ensure that their Associates will abstain from voting on the resolution approving the IPT Mandate. As such, Mr Chua Wei Kee, and his Associates, shall abstain from voting at the AGM on the ordinary resolution relating to the IPT Mandate.

6.2. Mr Chua Wei Kee and his Associates will also decline to accept appointment as proxies for any Shareholder to vote in respect of the ordinary resolution relating to the IPT Mandate, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the said resolution.

6.3. Save as disclosed, the Company is not aware of any of its Directors or Controlling Shareholders having any interest, direct or indirect, in the IPT Mandate.

7. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 130 to 133 of the Annual Report, will be held on 30 January 2020 at 8.30 a.m. at Raffles Marina, Chart Room, Level 2, 10 Tuas West Drive, Singapore 638404 for the purpose of considering and if, thought fit, passing, with or without modifications, the ordinary resolution relating to the IPT Mandate as set out in the Notice of AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1. If a Shareholders is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 22 Benoi Road Singapore 629892 not less than 72 hours before the time fixed for holding the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

8.2. A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the AGM unless he is shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by CDP to the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the IPT Mandate, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 22 Benoi Road Singapore 629892 during normal business hours for a period of three (3) months from the date of this Addendum:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for FY2019.

Yours faithfully
for and on behalf of the Board of Directors of
AGV GROUP LIMITED

Albert Ang Nam Wah
Executive Director