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

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(1) ENTRY INTO MEMORANDUM OF UNDERSTANDING IN RELATION TO THE DEVELOPMENT OF THE HOT DIP GALVANISING MARKET IN SOUTH EAST ASIA AND CHINA AND (2) TERMINATION OF MEMORANDUM OF UNDERSTANDING WITH MYAT MI BA COMPANY LIMITED

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1. ENTRY INTO MEMORANDUM OF UNDERSTANDING IN RELATION TO THE DEVELOPMENT OF HOT DIP GALVANISING MARKET IN SOUTH EAST ASIA AND CHINA

The Board of Directors (the "**Board**") of AGV Group Limited (the "**Company**") and its subsidiaries (the "**Group**") would like to announce that the Company's subsidiary, AGV Investment Pte. Ltd. ("**AGVI**") has entered into a memorandum of understanding (the "**MOU**") with Hyday (South Pacific) Investment Pte. Ltd. ("**Hyday**"). (collectively, the "**Parties**" and each a "**Party**") to collaborate on certain initiatives relating to the development of the hot dip galvanising market in South East Asia and China.

Under the terms of the MOU, the Parties intend to cooperate on, *inter alia*, the following areas:

(a) to undertake to explore and develop the construction and the hot dip galvanising market in South East Asia and China;

(b) to jointly establish a hot dip galvanising facility in Myanmar; and

(c) to provide galvanising services pursuant to which, the Group will provide the best prices for the provision of galvanising services and Hyday will give preferential priority to the Group for galvanising services in South East Asia and China.

The MOU is legally binding on all Parties and shall be effective for a duration of three (3) years, commencing from April 2018 (the "**Period**"). The MOU may be terminated, *inter alia*, before the expiry of the Period by either Party giving at least two (2) months' notice in writing to the other Party.

The signing of the MOU is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 30 September 2018.

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect in the MOU, save through their shareholding interests in the Company.

The Company will make further announcements in relation to the MOU as and when appropriate.

2. TERMINATION OF MEMORANDUM OF UNDERSTANDING WITH MYAT MI BA COMPANY LIMITED

The Board refers to the Company's announcements dated 11 January 2018 relating to the Company's entry into a Memorandum of Understanding with Myat Mi Ba Company Limited and the announcement dated 5 April 2018 relating to the Company's entry into a revised Memorandum of Understanding (the "**Revised MOU**") for the extension of the deadline for the entry into a JV Agreement (as defined in the Announcements) from 31 March 2018 to 30 April 2018 (the "**Deadline**") (collectively, the "**Announcements**"). The Board would like to inform shareholders that as parties had not agreed on the terms of the joint venture and no JV Agreement was entered into between the Company and Myat Mi Ba Company Limited by the Deadline, the Revised MOU has automatically terminated.

By Order of the Board

Albert Ang Nam Wah
Executive Director and Chief Executive Officer

3 May 2018

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