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

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1. EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

2. MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

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1. EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Pursuant to Rule 704(4) of the Listing Manual - Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the board of directors (the "**Board**") of AGV Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the independent auditor of the Company, Mazars LLP (the "Auditor"), has, without qualifying their audit opinion, included an emphasis of matter in respect of the Group's ability to continue as a going concern in the Independent Auditor's report on the audited financial statements of the Group for the financial year ended 30 September 2017 (the "**Audited Financial Statements**").

The Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate on the basis of the following premises:

- Ability to generate sufficient cash flows from the operations;
- Ability to successfully raise finances through different avenues, including private placements; and
- Continued support from their institutional lenders.

The Group is currently working closely with its bankers and seeking out potential partners and/or investors. In addition, the Group has, subsequent to the reporting date of 30 September 2017, entered into Convertible Loan Agreements with various parties.

The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.

Shareholders of the Company ("**Shareholders**") are advised to read the Audited Financial Statements in its 2017 annual report, which will be dispatched to Shareholders in due course.

2. MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

The Board refers to its full year financial results announcement for the financial year ended 30 September made on 26 January 2018 via the SGXNET ("**Preliminary Unaudited Results 2017**").

Pursuant to Rule 704(5) of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST, the Company wishes to announce that subsequent to the release of the Preliminary Unaudited Results 2017, the external auditor has proposed certain adjustments and reclassifications which the management of the Company has adopted accordingly.

The details and explanation of the material variances between the audited financial statements and the Preliminary Unaudited Results 2017 are set out below:

Note (1) Material adjustments to consolidated statement of profit or loss as follows:

	Preliminary Unaudited Results 2017	Audited Financial Statements	Variance	Variance
	S$'000	S$'000	S$'000	%
Other income	1,313	435	(878)	(66.9)
Other expenses	(4,702)	(5,179)	(477)	10.2
(LOSS)/PROFIT FOR THE YEAR	(2,935)	(4,288)	(1,353)	46.1

Reasons:

The variance of S$1,353,000 was mainly due to:

(i) Reduction in gains on deemed disposal of associate of S$878,000; and

(ii) Foreign exchange differences of S$477,000,

as a result of the finalization of the purchase price allocation exercise ("PPA") as mentioned in the Company's announcements dated 27 November 2017 and 27 December 2017, which was completed subsequent to the preliminary results announcement made on 26 January 2018.

Note (2) Material adjustments/reclassification to consolidated group statements of financial position as follows:

	Note	Preliminary Unaudited Results	Audited Financial Statements	Variance	Variance
		S$'000	S$'000	S$'000	%
ASSETS					
Non-current assets					
Goodwill	i	2,909	4,268	1,359	46.7
Deferred tax asset	ii	338	570	232	68.6
EQUITY AND LIABILITIES					
Translation reserve	iii	(362)	113	475	(131.2)
Accumulated (losses)/profits	iv	(852)	(2,205)	(1,353)	158.8
Non-controlling interest	v	(567)	1,670	2,237	(394.5)
LIABILITIES					
Non-current liabilities					
Finance lease payables	vi	441	873	432	98.0
Deferred tax liabilities	vii	-	232	232	100.0
Current liabilities					
Finance lease payables	viii	873	441	(432)	(49.5)

Reasons:

The audit adjustments and reclassifications for the variances are as below:

(i) The increase in goodwill was due to an adjustment of S$2,237,000 (Note 2(v) below), partially off-set by adjustments S$878,000 as per Note 1(i).

(ii) This is a reclassification to separate deferred tax liabilities from deferred tax assets.

(iii) The increase in translation reserve was due to Note 1(ii) above.

(iv) This adjustment was attributed to Note 1(i) & (ii) above.

(v) This adjustment was due to the finalization of the PPA exercise.

(vi) This is a reclassification to apportion finance lease payables between current and non-current.

(vii) This is a reclassification to separate deferred tax liabilities from deferred tax assets.

(viii) This is a reclassification to apportion finance lease payables between current liabilities and non-current liabilities.

By Order of the Board

Albert Ang Nam Wah
Executive Director and Chief Executive Officer

5 March 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.