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

USE OF PROCEEDS FROM RIGHTS ISSUE

*Unless otherwise defined, all capitalised terms herein shall bear the same meanings as in the Company's announcements released on 21 February 2020, 23 March 2020, 25 March 2020, 2 April 2020, 23 April 2020, 8 May 2020, 18 May 2020, 20 May 2020, 29 May 2020, 5 June 2020, 12 June 2020 and 7 July 2020 in relation to the Rights Issue (the "**Earlier Announcements**") and in the offer information statement dated 12 June 2020 (the "**Offer Information Statement**").*

The board of directors (the "**Board**" or the "**Directors**") of AGV Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Earlier Announcements and the Offer Information Statement.

The Board wishes to provide an update on the utilisation of the net proceeds of the Rights Issue, as follows:

Use of net proceeds	Allocation of net proceeds S$'000	Allocation of net proceeds as a percentage %	Net proceeds utilised as at date of this announcement S$'000	Net proceeds balance as at date of this announcement S$'000
General working capital(1)	2,138	41.9	1,796	342
Working capital and capital expenditure for the Group's operations in Malaysia(2)	2,970	58.1	2,189	781
Net Proceeds	5,108	100.0	3,985	1,123

Notes:

(1) General working capital includes the administrative expenses, manpower costs, continuing listing expenses such as professional fees of the Group and such other trade and other payables.

(2) Working capital includes manpower costs, administrative expenses and other operating expense for the Group's operations in Malaysia. Capital expenditure includes the purchase of new, or upgrading of existing, machinery for zinc galvanizing purposes in the Group's operations in Malaysia.

The above utilisation of the net proceeds raised from the Rights Issue is consistent with the intended use of net proceeds disclosed in the Offer Information Statement.

Subsequent to the aforementioned, as at the date of this announcement, the Company has a remaining balance of approximately S$1.123 million or approximately 22% from the net proceeds raised from the Rights Issue.

The Board will continue to make periodic announcements on the utilisation of the balance of the net proceeds as and when such proceeds are materially deployed.

BY ORDER OF THE BOARD

Chua Wei Kee
Executive Chairman

4 November 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange 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 Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.