



## **AGV GROUP LIMITED**

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

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### **RESPONSE TO SGX-ST QUERIES ON THE COMPANY'S ANNOUNCEMENT DATED 18 FEBRUARY 2021 IN RELATION TO THE CESSATION OF THE GROUP FINANCIAL CONTROLLER**

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*Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Company's announcement released on 18 February 2021 in relation to the cessation of the Group Financial Controller ("GFC") (the "Announcement"), unless otherwise defined.*

The Board of Directors (the "**Board**") of AGV Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") dated 22 February 2021 regarding the Company's Announcement. Please refer to the Announcement for further information on the same.

**We refer to AGV's Announcement on the cessation of the Group FC, Chiang Yi Shin, as well as SGX RegCo's earlier queries to the Company in relation to resignation of Group FC and turnover in the finance team, which were responded to on 30 August 2019.**

**We also refer to the following cessations of CFOs / FCs the Company:**

**Mohammad Effendi Basri 16 July 2018 to 23 Aug 2019**

**Michelle Yeap 16 Mar 2020 to 10 Oct 2020**

**Chiang Yi Shin 21 Oct 2020 to 7 Mar 2021**

#### **Question 1**

**We note that the tenures of the past Group FCs are all under 1 year. What is the Board's understanding of the reasons behind the multiple cessations of Group FCs?**

#### **Response**

The Board notes that the past Group FCs had resigned to pursue other career opportunities. The Board is not aware of any other reasons for the cessations.

#### **Question 2**

**Does the sponsor have any concerns which the Exchange should be made aware of? Are there any disagreements within the board / key management in which the sponsor is aware of?**

#### **Response**

Sponsor has highlighted to the Audit Committee of the Company the adequacy of the finance team arising from the departure of Chiang Yi Shin, and the management has re-assured and represented to the Audit Committee and the Board that they will expedite the process to identify a suitable and qualified candidate to replace him. Save for the adequacy of the finance team, the sponsor does not have any material concerns which the Exchange should be made aware of. The sponsor is also not aware of any disagreements within the Board / key management of the Company which would have an impact to the Company's financial reporting and/or operations.

#### **Question 3**

**How long does the company anticipate it will take before a new Group FC is appointed? Has the company identified potential candidates?**

#### Response

The Company has commenced the process of seeking for a new GFC, including advertising for the job opening on several platforms, and hopes to be able to finalise on a candidate on or around two (2) months' time. Taking into consideration the notice period typically required, the Company expects it would be approximately three (3) to five (5) more months before formal appointment of the new GFC.

In the interim, as announced, pending the appointment of a new GFC, the current finance manager will be designated to oversee the Group's finance and accounting function, and management will constantly review the ability and adequacy of the Group's finance and accounting function and report to the AC periodically on the same.

#### **Question 4**

**We note that the AC and the Board are of the view that the finance team is understaffed due to the cessation of the Group FC. What is the current size and composition of the finance team? Have there been recent joiners / leavers in the finance team as well?**

#### Response

The finance team of the Company comprises the following:

- (i) One (1) Finance Manager
- (ii) One (1) Senior Accounts Executive
- (iii) Two (2) Accounts Executive

The GFC has left the Company recently. One of the senior accounts executive had been re-designated to another department and one accounts executive had joined the finance team.

#### **Question 5**

**We note that Mr Chong Kwang Shih, the Lead ID, and Mr Choong Yoon Fatt, the ID, will both take a more proactive approach in reviewing the financial matters of the Group. Please elaborate on whether Mr Chong and Mr Choong are able to devote sufficient time and attention to do so.**

#### Response

As Mr Chong is currently working as an independent consultant and Mr Choong runs his own business with a team, they both have flexibility of the time to review the financial matters of the Group. Mr Chong and Mr Choong have also confirmed to the Company that they are able to devote sufficient time and attention to do so.

#### **BY ORDER OF THE BOARD**

Chua Wei Kee  
Executive Chairman  
AGV Group Limited

24 February 2021

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*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 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.*

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