

**IN THE MATTER OF A DISCIPLINARY PROCEEDING
UNDER THE SGX-ST LISTING MANUAL CATALIST RULES**

BETWEEN

SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(Company Registration No. 197300970D)

(the “Exchange”)

AND

ANG NAM WAH ALBERT

(the “Relevant Person”)

GROUND OF DECISION

4 March 2022

This document constitutes the written grounds of decision of the SGX Listings Disciplinary Committee (“LDC”) as required under Catalist Rule 317(1), and is prepared for the Exchange and the Relevant Person who are parties to SGX-LDC-2021-003 (the “Parties”).

This document is confidential and meant to be read by the Parties and their legal representatives only, until such time as this grounds of decision is published by the Exchange pursuant to Catalist Rule 318(1).

I. CHARGES BROUGHT BY THE EXCHANGE

1. The Exchange brought one charge against Ang Nam Wah Albert (the “**Relevant Person**” or “**Ang**”), the Executive Director (“**ED**”) of AGV Group Limited (the “**Company**”), for causing the Company to breach Catalist Rule 703(1)(a) by failing to ensure that the Company disclose his involvement with an investigation conducted by the Commercial Affairs Department (“**CAD**”), which was information known and necessary to be disclosed to avoid the establishment of a false market in the Company’s securities.

II. RESOLUTION AGREEMENT

2. In the course of the proceedings, the Exchange and the Relevant Person agreed on the terms for disposing of the disciplinary hearing by means of no contest.
3. On 22 January 2022, a resolution agreement signed by the Parties (“**Resolution Agreement**”) was submitted to the LDC for the LDC’s approval.
4. The Resolution Agreement stated that the Relevant Person would plead guilty to the charge of Catalist Rule 703(1)(a).
5. The Resolution Agreement also set out the relevant facts, the Exchange’s regulatory concerns and the proposed sanctions which the Parties had agreed on.

III. PERTINENT FACTS

6. The Relevant Person, Ang, was formerly the Chief Executive Officer (“**CEO**”) of the Company between 2 October 2015 and 13 January 2020. At all material times, he was also an ED of the Company.
7. On 1 July 2020, the Company’s board of directors (the “**Board**”) announced that the Company had received a notice dated 30 June 2020 (the “**Notice**”) from the CAD and the Monetary Authority of Singapore requiring the Company to provide information in relation to their investigation (the “**Investigation**”) into an offence under the Securities

and Futures Act (“**SFA**”), and that one of the Company’s directors had provided a statement to CAD to assist in the Investigation (the “**1 July Announcement**”).

8. In response to the clarifications sought by the Exchange, the Company disclosed on 2 July 2020 that Ang was the director who provided the statement to CAD and that the Board was unable to confirm if the Company and/or Ang was the subject of the Investigation as the subject of the Investigation was not disclosed in the Notice. The Company also disclosed that Ang was only asked to assist in the Investigation, and no charges had been preferred against any person or entity.
9. Pursuant to further queries from the Exchange, the Company disclosed on 7 July 2020 that Ang’s passport had been retained by CAD as a procedural requirement during investigations, and that CAD had informed Ang that he would have to approach CAD if he wished to travel. It was also disclosed that Ang was only asked to assist in the Investigation, and no charges had been preferred against any person or entity.
10. On 7 August 2020, the Company announced that Ang informed the Board after trading hours on 4 August 2020 that CAD had issued an order for the surrender of his travel document (the “**Order**”) on 30 June 2020 (the “**Update Announcement**”). The Order stated that CAD had reasonable grounds for believing that Ang had committed an offence of false trading and market rigging transactions under section 197 of the SFA (the “**CAD Statement**”).
11. In the Update Announcement, it was stated that the Board had previously asked Ang at an emergency Board meeting held on 1 July 2020 as well as on a few other occasions if he had received any other order, notices or summons in relation to the Investigations, and he had, prior to 4 August 2020, denied repeatedly that there was any. It was further disclosed that Ang explained to the Board that he was under the impression that the Order was an acknowledgement that CAD had taken his passport. He was also not aware of the existence of the CAD Statement and its implications. He did not read the Order thoroughly as he was feeling exhausted and stressed from his interview with CAD. He had left the Order in his bag after his interview with CAD and did not look at it again after leaving the CAD’s office as he was busy dealing with the after-effects of the Group’s suppliers and customers who became aware of the Investigation. He only looked at the Order when he was clearing his bag on 4 August 2020.
12. It was also disclosed in the Update Announcement that the Group’s business and operations remained unaffected, save for difficulties in arranging for new credit facilities as a result of the uncertainty created by the Investigation.

IV. CATALIST RULE BREACHES

13. Catalist Rule 703(1)(a) states:

“An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which is necessary to avoid the establishment of a false market in the issuer's securities.”

14. Appendix 7A (Corporate Disclosure Policy) of the Catalist Rules provides at paragraph 4(a) that, inter alia, “[a] false market may exist if information is not made available that would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the securities.”

15. Paragraph 9 of Appendix 7A (Corporate Disclosure Policy) of the Catalist Rules further provides a non-exhaustive list of situations which are likely to require immediate disclosure. Amongst these, paragraph 9(u) provides that one such situation is where there is an “investigation on a director or an executive officer of the issuer”.

16. Paragraphs 5.10(b) and 5.10(e) of Practice Note 7A of the Catalist Rules¹ further provide that in determining whether the information is material for disclosure, the Board should consider whether the director or executive officer is the subject of the investigations, and the severity of the potential breach.

17. Finally, Catalist Rule 302(6) states:

“For the purposes of this Chapter, a Relevant Person is deemed to have contravened a Relevant Rule when a Relevant Person has caused another Relevant Person to omit to do an act which resulted in a breach of a Relevant Rule.”

18. Regarding the facts of this case, the Resolution Agreement stated, and the LDC noted that:

- (a) the Order that was issued to Ang on 30 June 2020 stated that CAD had reasonable grounds for believing that he had committed an offence of false trading and market rigging transactions under section 197 of the SFA (the “**CAD Statement**”);

¹ The relevant provisions in effect during the material time when the breach occurred were from the version of Practice Note 7A that was effective from 7 February 2020 to 31 July 2021:

“5.10 In determining whether the information is material for disclosure, the Board should consider, among others:

...

(b) whether the director or executive officer is the subject of the investigation or merely assisting in the investigation;

...

(e) the severity of the potential breach.”

- (b) the CAD Statement was clear that Ang was the subject of investigation for an offence committed under section 197 of the SFA, which is classified as a serious offence in the Second Schedule of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A);
- (c) even though Ang had stepped down as CEO in January 2020, he continued to be the Company's ED at the material time. It was foreseeable that the Company would continue to rely on Ang, as founding director and former CEO, for its proper oversight and management. Furthermore, it was disclosed in the Update Announcement that the Company had experienced difficulties in arranging for new credit facilities as a result of the uncertainty created by the Investigation;
- (d) in view of the foregoing, the CAD Statement was material information necessary to be disclosed in a timely manner, in order for the public to obtain a clear picture of the extent of Ang's involvement in the Investigation and the SFA offence that he was being investigated for;
- (e) however, the CAD Statement was not disclosed in the 1 July Announcement by the Company as required under the Catalist Rules, due to Ang's failure to inform the Company of the Order in a timely manner. Ang's failure to inform the Company of the Order in a timely manner also led to the Company disclosing inaccurate information in the 2 July Response and the 7 July Response, i.e. that Ang had only been asked to assist in the Investigation, instead of being a subject of the Investigation;
- (f) therefore, the failure to disclose the CAD Statement in a timely manner resulted in the existence of a false market at the material time wherein the public could not make a true assessment of Ang's involvement in the Investigation and the impact on the Company arising from such Investigation, and consequently, traded in the Company's securities on an uninformed basis;
- (g) as such, the Company breached Catalist Rule 703(1)(a) by failing to disclose in the 1 July Announcement Ang's involvement in the Investigation as set out in the CAD Statement;
- (h) the Company's breach of Catalist rule 703(1)(a) was caused by Ang, and was exacerbated by Ang's assertions to the Board during the 1 July Board Meeting that he had not received any order, notice or summon in relation to the Investigation, and that he was not the subject of the Investigation, but was only assisting in the Investigation as the Company's CEO at that material time;
- (i) the extent of information that was available to the Company and the Board at the material time would not have allowed the Board to determine the nature or subject of the Investigation. All the Company had was the Notice from CAD dated 30 June 2020, which prescribed the documents or items required from the Company pertaining to (i) a third party market maker that the Company engaged to improve the liquidity of the Company's securities; (ii) an intended share placement exercise that was terminated by the Company on 1 March

2018; (iii) Ang; and (iv) a former employee of the Group. The Notice did not state the subject of the Investigation or any details relating to the SFA offence under investigation. As such, the Board could only rely on Ang's account of matters pertaining to the Investigation, so as to ascertain the material information to be disclosed in the 1 July Announcement;

- (j) despite being repeatedly asked by the Board as to whether he had received any order, notice or summon from CAD, Ang continued to provide negative conclusive statements to the Board. As a result, the Board was not aware of the Order. Whereas Ang knew or ought to have known of the contents of the Order as it was personally served on him; and
- (k) at the 1 July Board Meeting, the Board had contemplated the disclosure of Ang's name and the retention of his passport in the 1 July Announcement. However, Ang actively pushed back on such disclosure by stating that (i) no travel restrictions had been imposed on him per se and the taking of the passport was part of administrative procedures, (ii) he was merely assisting in the Investigation and not the subject of the Investigation, and (iii) he had not received any summon or notice from CAD. As a result, the Board eventually agreed not to disclose his name and the fact that his passport was retained.

- 19. Having considered the facts of the case, the LDC agreed with the statements in the Resolution Agreement, that (i) Ang's misrepresentations and failure to highlight the Order at the material time was the cause of the Company's breach of Catalist Rule 703(1)(a); and (ii) Ang had breached Catalist Rule 703(1)(a), read with Catalist Rule 302(6), by causing the Company to fail to disclose his involvement in the Investigation in a timely manner.

V. THE EXCHANGE'S REGULATORY CONCERNS

- 20. The LDC noted the Exchange's regulatory concerns which are set out in this section.
- 21. In discharging its regulatory functions, the Exchange will hold all market participants to their obligation to observe professional and responsible market conduct. A firm stance must be taken against issuers and their directors or executive officers who contravene or fail to comply with the provisions of the Catalist Rules.
- 22. In this case, Ang's failure to disclose material information that was in his sole possession caused the Company to fail to disclose the material information and this resulted in market participants trading in the Company's securities on an uninformed basis. Ang's misrepresentations in relation to the true extent of his involvement in the Investigation, despite possessing the material information contained in the Order, were inexcusable.
- 23. As such, a public sanction for Ang's breach of Catalist Rule 703(1)(a), pursuant to Catalist Rule 306(2), is necessary as it serves both a deterrent purpose as well as a

visible reminder of the active enforcement against breaches of regulatory requirements. The investing public needs to be assured that appropriate enforcement action is being taken to deal with such misconduct.

VI. SANCTIONS IMPOSED BY THE LDC ON ANG

24. The LDC noted that Ang will be providing a signed written undertaking to the Exchange to (i) resign from all existing director and/or executive officer position(s) in any SGX-listed company (if any), and (ii) not to be appointed to any such position(s) in any SGX-listed company, for a period of two years from the date of imposition of sanctions by the LDC.
25. Having considered the Resolution Agreement, the Exchange's regulatory concerns included therein and Ang's voluntary undertaking described above, the LDC has decided to impose the sanction of a public reprimand on Ang.

END