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

UPDATE ON SUBSIDIARIES

The interim judicial managers (the "**Interim Judicial Managers**") of AGV Group Limited (under Interim Judicial Management) (the "**Company**" and together with its subsidiaries, the "**Group**") would like to provide an update on the affairs of the following subsidiaries of the Company:

AGV Galvanizing (Singapore) Pte. Ltd. ("**AGVS**")

As announced by the Company on 24 January 2022, the Company was placed under interim judicial management on the same date. This amounted to an event of default under the agreement with the Group's institutional lenders to extend the AGVS's tenure of repayment, dated 4 March 2019 (the "**Repayment Agreement**"), as announced by the Company on 6 March 2019. The Repayment Agreement was supplemented by a further agreement dated 22 September 2020 which restated *inter alia* the agreed repayment schedule under the Repayment Agreement.

Under the Repayment Agreement, upon the occurrence of an event of default, the total indebtedness (or such part which remains unpaid) shall immediately become due and payable, and any of the lenders shall be entitled to terminate the Repayment Agreement. Save for as set out below, as at the date of this announcement, (i) neither AGVS nor the Company have received any notice of termination or letter of demand from any institutional lender pursuant to the Repayment Agreement; and (ii) AGVS has duly made all relevant repayments to the institutional lenders in accordance with the Repayment Agreement.

On 7 February 2022, AGVS had, through its legal advisers, received a letter from the legal advisers of DBS Bank Ltd. ("**DBS**") acknowledging that events of default have occurred under the Repayment Agreement and that AGVS was in breach of the Repayment Agreement, and further requesting that AGVS submit a revised repayment proposal for the repayment of the outstandings due and owing to DBS, within 7 days from the date of the letter. On 10 February 2022, AGVS had made payment of the outstanding amounts which were due to the institutional lenders on 31 December 2021 under the Repayment Agreement. On 15 February 2022, AGVS had, through its legal advisers, responded to the legal advisers of DBS accordingly with the requested revised repayment proposal.

As at the date of this announcement, neither AGVS nor the Company have received any further response from DBS, or any notice from any of the other institutional lenders in relation to the Repayment Agreement.

AGV Galvanizing (M) Sdn Bhd ("**AGVM**")

AGVM, a 51% indirectly owned subsidiary of the Company, has presently ceased productions due to low zinc levels. The Interim Judicial Managers are seeking clarifications from AGVM as to the status of the matter, and an estimated timeline for when production may resume.

Further announcements will be released as and when there are material developments on the above.

Submitted by the Interim Judicial Managers
For and on behalf of the Company

Mr. Leow Quek Shiong
Mr. Gary Loh Weng Fatt
BDO Advisory Pte Ltd

28 February 2022

This announcement has been prepared by the Interim Judicial Managers for and on behalf of 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.

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.