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

MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN

The Board of Directors (the "**Board**") of AGV Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to refer to:

(i) the Company's announcement dated 10 November 2021 in relation to updates on the impact of the Covid-19 pandemic on the Group (the "**Update Announcement**"); and

(ii) the Company's announcement of even date in relation to the termination of the proposed placement as announced by the Company on 8 October 2021 (the "**Termination Announcement**").

In the Update Announcement, Board had announced amongst others, that barring any unforeseen circumstances, the probable decline in revenue and net income is not expected to affect the Group's ability to continue as a going concern and its ability to fulfil its near-term obligations, taking into account the matters set out in the Update Announcement, the proposed placements as announced by the Group on 8 October 2021 (the "**7 Oct Placement**") and 17 October 2021, and continued financial support from the Group's individual and corporate lenders.

The Board now however wishes to highlight that the 7 Oct Placement has since been terminated. In light thereof, the Board had requested for Management to come up with a revised cashflow forecast for the next 12 months in order to determine the cash gap for the next 12 months. With the cash gap determined, the Company then requested to drawdown on the financial support earlier undertaken to be provided by the controlling shareholder, Mr Chua Wei Kee (the "**Controlling Shareholder**"), pursuant to an undertaking the Controlling Shareholder has given earlier. In particular, the Company had requested for the Controlling Shareholder to provide financial support for the Company's cash gap up to March 2022 (the "**4-month Cash Gap**").

In response to the Company's request, the Controlling Shareholder had however on 19 November 2021 stated unequivocally that he would not provide for the 4-month Cash Gap in full. The Controlling Shareholder has indicated that he would only be willing to directly provide less than 25% of the estimated 4-month Cash Gap. Although the Board had reiterated to the Controlling Shareholder the significance of taking such a position (i.e. that the Company would become insolvent), the Controlling Shareholder was firm in the amount of financial support that he is willing and able to provide.

In light of the above, the Board is of the view that the abovementioned factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The trading of the Company's shares has been halted since 19 November 2021. As a result of the foregoing, the Board does not intend to lift the trading halt and will be requesting for a voluntary suspension of the trading of the Company's shares until this state of affairs can be addressed.

The Group is working together with its creditors, suppliers and customers to endeavour to continue its business operations with minimal disruption while it sorts out this state of affairs.

The Group is also in the midst of preparation of its unaudited financial statements for the financial year ended 30 September 2021 (the "**Unaudited FY2021 FS**") and intends to make an application to the SGX-ST (through its Sponsor) for an extension of time in announcement of the Unaudited FY2021 FS due to the change in circumstances and will announce any updates in due course.

BY ORDER OF THE BOARD

Chong Kwang Shih
Lead Independent Director

23 November 2021

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.

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