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

RECEIPT OF LETTER OF DEMAND

The Judicial Managers wish to announce that AGV Galvanizing (Singapore) Pte. Ltd. ("**AGVS**") had on 14 November 2022 received a letter of demand of the same date from the solicitors acting on behalf of AlphaChem Technology (S) Pte. Ltd. ("**AlphaChem**"), in relation to a deed of settlement ("**Deed**") executed between AGVS and AlphaChem on or around July 2021. The salient points of the letter of demand are as follows:

(i) AGVS had admitted full liability with respect to monies owed to AlphaChem under various invoices issued in respect of services rendered for, *inter alia*, the disposal of waste acid solution generated from the production operations of AGVS, amounting to S$437,834.10;

(ii) pursuant to the Deed, AGVS had agreed, *inter alia*, to:

  (a) the full payment of the outstanding sum in 26 instalments on a monthly basis;

  (b) interest of 6% per annum on the instalment sum of S$179,000.12 in the amount of $10,740.01; and

  (c) in the event that there is any default on the part of AGVS in respect of any of the instalments, the outstanding unpaid sums will be immediately due and payable by AGVS to AlphaChem;

(iii) AGVS has failed to make payment of the instalment sums since October 2022 in breach and default of the Deed and the relevant payment terms; and

(iv) the total amount owed and payable by AGVS as at the date of the letter is $230,972.45, and AlphaChem has thus far incurred legal costs in the amount of $1,016.50 in respect of enforcement of the Deed. The total owed sum of $231,988.95 is to be paid to the solicitors of AlphaChem by no later than 4.00 p.m. on 21 November 2022, failing which the solicitors of AlphaChem are instructed to commence legal proceedings against AGVS without further reference, in which event AGVS will be liable for all interest and legal costs incurred.

The Judicial Managers and AGVS are seeking legal advice on their positions vis-à-vis the letter of demand. Further announcements will be released as and when there are material developments on the above.

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

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

15 November 2022

This announcement has been prepared by the 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.