



## 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: (1) THE COMPANY'S ANNOUNCEMENT REF. NO. SG2111230THRP27S DATED 23 NOVEMBER 2021 IN RELATION TO THE RECEIPT OF THE FIRST SHAREHOLDERS' REQUISITION NOTICE; AND (2) THE COMPANY'S ANNOUNCEMENT DATED 14 DECEMBER 2021 IN RELATION TO THE RECEIPT OF THE SECOND SHAREHOLDERS' REQUISITION NOTICE

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*Capitalised terms in this announcement shall have the same meanings as ascribed to them in the following announcements, unless otherwise defined: (i) the Company's announcement ref. no. SG2111230THRP27S released on 23 November 2021 in relation to the receipt of the first shareholders' requisition notice dated 19 November 2021 (the "First Shareholders' Requisition Notice") (the "First Shareholders' Requisition Notice Announcement"); and (ii) the Company's announcement dated 14 December 2021 in relation to the receipt of the second shareholders' requisition notice dated 13 December 2021 (the "Second Shareholders' Requisition Notice") (the "Second Shareholders' Requisition Notice Announcement") (collectively, the "Relevant Announcements").*

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 28 December 2021 regarding the Company's Relevant Announcements. Please refer to the Relevant Announcements for further information on the same.

#### Question 1

**Please explain and elaborate on the reasons for the invalidity of the First Shareholders' Requisition Notice vis-à-vis the relevant requirements under the Companies Act, as well as the legal advice obtained.**

#### Response

The First Shareholders' Requisition Notice was sent by the Requisitioning Persons to the Company purportedly pursuant to Section 177 of the Companies Act. Section 177(1) of the Companies Act (Cap. 50) (the "Act") provides that two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) may call a meeting of the Company. In determining whether the 10% threshold requirement of Section 177 of the Act has been fulfilled, the Company reviewed the share register and the depository register and was only able to verify and ascertain the shareholdings of 5 out of the 24 Requisitioning Persons. These 5 Requisitioning Persons are listed as shareholders holding 40,462,120 ordinary shares in the Company, comprising only 4.06% of the total number of issued shares of the Company. The remaining 19 Requisitioning Persons were not listed as shareholders of the Company. Hence, the Company was unable to verify the purported shareholding of the remaining Requisitioning Persons or whether they were, at the date of the First Shareholders' Requisition Notice, shareholders of the Company. Given that these 5 Requisitioning Persons collectively only hold 4.06% of the total number of issued shares of the Company, the 10% threshold requirement under Section 177 of the Act was not satisfied.

In any event, the First Shareholders' Requisition Notice is also procedurally irregular, *inter alia*, in that it is expressly stated as being special notice given only in respect of Ordinary Resolution 3 and the Additional Ordinary Resolution. It is not stated as being a special resolution in respect of Ordinary Resolutions 4 and 5, which relates to the removal of directors in a public company. Section 152(2) and Section 185 of the Act requires special notice to be given for the removal of a director of a public company or to appoint some person in place of the director so removed. Given this, the requirements of Section 152(2) of the Companies Act have not been satisfied.

The Directors had, on the basis of legal advice sought, formed the view that the First Shareholders' Requisition Notice was therefore invalid.

## **Question 2**

**Please provide an update as to the validity of the Second Shareholders' Requisition Notice which was announced on 14 Dec 2021.**

### Response

In regards to the Second Shareholders' Requisition Notice dated 13 December 2021 (the "**13 December 2021 Requisition Notice**"), the Company has verified and ascertained that the shareholdings of the Requisitioning Persons are more than 10% of the total number of issued shares of the Company.

The Second Shareholders' Requisition Notice therefore meets the 10% threshold requirement under Section 177 of the Act.

The Board has been advised by its legal advisers that on the basis of the above, the Second Shareholders' Requisition Notice is valid for the purposes of Section 177 of the Act.

The Company will update shareholders as and when there may be any material developments on the same.

## **Question 3**

**Since the cessation of the Executive Chairman on 14 Sep 2021, the Board is left with three independent directors. What are the Company's plans towards the appointment of executive directors of the board?**

### Response

Since the cessation of the Executive Chairman, the Board has been exploring potential candidates for the position of Executive Director on the Board, including considering internal promotions and other potential candidate(s) recommended by the Executive Chairman after his cessation. However, since the occurrence of Mr Chua Wei Kee's withdrawal of financial support to the Company, leading to material uncertainty as to going concern, coupled with the recent letters of demand received, it has significantly increased the Board's difficulties in finding good candidates willing to take on the role.

Since the cessation of the Executive Chairman, the Independent Directors have also been working closely with the management team who is running the day-to-day operations. In particular, the Board relies on frequent updates given by key management personnel such as Mr Goh Jay Ree, the Group General Manager, and Ms Soh Pei Lin, the Group Finance Manager. Accordingly, the Independent Directors have spent an inordinate amount of time strategizing on the key issues faced by the Company as well as to provide clear direction on the Company's next steps moving forward. To illustrate, on a weekly basis, the Independent Directors would meet up with the management team and take stock of the situation at hand. The Independent Directors would also have meetings on an ad-hoc basis, in addition to the weekly meetings, and would, where required, invite professionals to advise them of the same.

The Board remains hopeful of identifying suitable candidates who are fit and proper for the role of Executive Director.

## **BY ORDER OF THE BOARD**

Chong Kwang Shih  
Lead Independent Director

30 December 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 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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