

## **BUSINESS UPDATE**

**SINGAPORE, 13 NOVEMBER 2020** – Avarga Limited (“Avarga”) today reports its business update for the third quarter ended 30 September 2020.

Highlights of Avarga’s performance by business units are as follows:

### **3Q FY2020 (1 July 2020 to 30 September 2020)**

#### **Paper Manufacturing**

Sales at the paper manufacturing division, under UPP Pulp & Paper (M) Sdn Bhd, have recovered to, and exceeded, pre-Covid 19 levels in 3Q2020 due to strong demand for paper packaging products. Volume sales in 3Q2020 totaled 20,168 tonnes, up 5.5% compared with 19,121 tonnes in 3Q2019.

On 16 October 2020, UPP Pulp & Paper (M) Sdn Bhd appointed Public Investment Bank Bhd as an adviser to explore and advise on a possible listing of the paper manufacturing business on the Main Market of Bursa Securities.

#### **Power Generation**

In September 2020, Myanmar placed Yangon under a 4-week lockdown, with the closure of factories, businesses and schools, except for essential services, to counter a sharp escalation in Covid-19 cases. These restrictions have been gradually eased since the third week of October 2020. Despite the restrictive measures, there has been no material impact on our plant’s operations and power production there.

Electricity output in 3Q2020 totaled 100.31 million kWh, up 8.4% from 92.53 million kWh in 3Q2019. The plant is committed to meet an annual minimum production target of 350 million kWh. The first major overhaul exercise of all 13 engines for the plant, undertaken since 2019, was successfully completed in the quarter, with the final engine overhauled in July 2020.

#### **Building Products Distribution**

Please refer to the 3Q FY2020 Press Release, Earnings Report, and other materials announced by Taiga Building Products Ltd.

## **Dividend Update**

The board of directors of Avarga is pleased to declare an interim dividend of 0.36 cent per share for 3Q2020.

In August 2020, Avarga had declared an interim dividend of 0.36 cent for the first six months of 2020. This brings cumulative year-to-date dividends for the first nine months of 2020 to 0.72 cent.

Our dividend policy aims to achieve a target annual payout of 40% or higher of net profit, subject to alternative use and opportunities. Our intention remains the same, and we will attempt to achieve this for the entire FY2020.

**END**

## **ABOUT AVARGA LIMITED**

Avarga Limited (“Avarga”), formerly known as UPP Holdings Limited, is an investment holding company listed on the Main Board of Singapore Exchange Limited (SGX). Our mission is to optimise Returns on Equities through building sustainable value for our shareholders. We build business models that are long-term, focusing on competitive advantages, good management and innovation.

Our three core businesses are paper manufacturing, power generation and building materials distribution. We operate in 5 countries and employ more than 800 people with annual revenue of \$1.4 billion.

For more information, please visit [www.avarga.com.sg](http://www.avarga.com.sg).

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