



## **AVARGA LIMITED**

*(Formerly known as UPP Holdings Limited)*  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 196700346M)  
(the “**Company**”)

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### **INCREASE IN SHAREHOLDING IN SUBSIDIARY**

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The board of directors of Avarga Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Avarga Canada Limited, has on 22 May 2020 entered into two separate share purchase agreements to acquire an aggregate of 2,000,000 common shares (the “**Acquired Shares**”) at C\$0.975 per Acquired Share in its subsidiary, Taiga Building Products Ltd. (“**Taiga**”) (such acquisitions collectively, the “**Acquisition**”) from two third-party vendors (the “**Vendors**”). The Vendors are corporations incorporated in Germany and are not associates of any director, CEO, substantial shareholder or controlling shareholder of the Company.

Closing of the Acquisition is expected to take place not later than 5.00 p.m., 29 May 2020 (Vancouver time). Following closing of the Acquisition, the Company’s interest in Taiga, including those held through Avarga Canada Limited, will increase from 67.9% to 69.7% of the issued common shares of Taiga.

The aggregate consideration for the Acquisition is C\$1,950,000 (the “**Consideration**”). The Consideration was arrived at on a willing-buyer willing-seller basis taking into account the asking price of the Acquired Shares by the Vendors and current market conditions. The Acquisition was financed by external short-term bank borrowings.

Based on the latest unaudited consolidated financial statements of Taiga for the three months ended 31 March 2020, the consolidated net tangible asset value and book value of Taiga is C\$123,197,000 and C\$151,283,000 respectively. Based on 111,512,443 common shares of Taiga in issue as at 31 March 2020, the consolidated net tangible asset value and book value attributable to the Acquired Shares is C\$2,209,000 and C\$2,713,000 respectively. No independent valuation was conducted in respect of the Acquired Shares.

The Acquisition is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company for the current financial year ending 31 December 2020.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their shareholding interests, if any, in the Company.

### **BY ORDER OF THE BOARD**

Tong Ian  
Executive Director

22 May 2020