



**Avarga Limited  
and its subsidiary corporations**

**Condensed Interim financial statements  
For the six months ended 30 June 2025**

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# A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group		
		6 months ended 30 June 2025	6 months ended 30 June 2024 (Restated)**	Increase / (decrease)
	Note	S\$'000	S\$'000	%
<b>Continuing operations</b>				
Revenue	4	787,174	815,458	(3)
Cost of sale		(705,997)	(729,623)	(3)
Gross profit		81,177	85,835	(5)
Other (losses)/gains, net				
- Interest income – bank deposits		1,722	2,735	(37)
- Loss allowance on trade receivables, net		(482)	(196)	146
- Others		(21,009)	326	nm
Distribution expenses		(15,162)	(16,334)	(7)
Selling and administrative expenses		(34,810)	(35,932)	(3)
Finance expenses		(2,678)	(3,230)	(17)
Profit before income tax	6	8,758	33,204	(74)
Income tax expense	7	(7,165)	(8,878)	(19)
<b>Profit from continuing operations</b>		1,593	24,326	(93)
<b>Discontinued operations</b>				
Profit from discontinued operations, net of tax	13	1,714	76	2,155
<b>Net Profit</b>		3,307	24,402	(86)
<b>Other comprehensive (loss)/income:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences arising from consolidation				
- (Losses)/gains		(9,933)	3,018	nm
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Currency translation differences arising from consolidation				
- (Losses)/gains		(4,111)	740	nm
<b>Other comprehensive (loss)/income, net of tax</b>		(14,044)	3,758	nm
<b>Total comprehensive (loss)/income</b>		(10,737)	28,160	nm
<b>Net profit/(loss) attributable to:</b>				
Equity holders of the Company				
- Continuing operations		(4,329)	17,058	nm
- Discontinued operations		1,714	76	2,155
		(2,615)	17,134	nm
Non-controlling interests		5,922	7,268	(19)
		3,307	24,402	(86)
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity holders of the Company		(12,548)	20,152	nm
Non-controlling interests		1,811	8,008	(77)
		(10,737)	28,160	nm
<b>Earnings per share (“EPS”) for (loss)/profit attributable to equity holders of the Company</b>				
Basic/Diluted EPS (Cents per share) [A]				
- Continuing operations		(4.76)	18.78*	
- Discontinued operations		1.88	0.08*	

nm - not meaningful

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 90,831,335 (First Half 2024: 90,831,335) in issue during the period.

\* With the completion of share consolidation of every ten (10) existing shares into one (1) consolidated share on 23 May 2025, prior period comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted average number of shares.

\*\* Comparative information has been re-presented due to the discontinued operation of the Group's paper mill business reportable segment (Note 13). Please see full details in Note 13 and 14 to the financial statements for Discontinued operations and Assets classified as held-for-sale.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	30/06/2025	31/12/2024	30/06/2025	31/12/2024
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Inventories		188,768	172,309	-	-
Trade receivables		188,723	130,862	-	19
Other receivables		11,991	15,524	205,797	96,485
Prepaid operating expenses		2,364	3,715	21	21
Derivatives financial instruments		-	111	-	-
Income tax recoverable		1,243	4,716	-	-
Cash and cash equivalents		161,476	200,617	1,463	1,617
		554,565	527,854	207,281	98,142
Assets classified as held-for-sale	14	11,846	-	-	-
<b>Total Current Assets</b>		<b>566,411</b>	<b>527,854</b>	<b>207,281</b>	<b>98,142</b>
<b>Non-current Assets</b>					
Property, plant and equipment		112,417	129,959	898	527
Investments in subsidiary corporations		-	-	12,018	12,018
Financial assets, at fair value through profit or loss ("FVPL")	9	10,459	11,374	-	-
Long term inventory**		4,359	1,776	-	-
Goodwill on consolidation		29,687	30,730	-	-
Intangible assets		9,939	11,554	-	-
Deferred income tax assets		5,342	5,173	-	-
<b>Total Non-current Assets</b>		<b>172,203</b>	<b>190,566</b>	<b>12,916</b>	<b>12,545</b>
<b>Total Assets</b>		<b>738,614</b>	<b>718,420</b>	<b>220,197</b>	<b>110,687</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade payables and accruals		(140,720)	(130,496)	(181)	(470)
Other payables		(1,181)	(127)	(65)	(77)
Derivatives financial instruments		(146)	-	-	-
Revolving credit facility	11	(76,510)	-	-	-
Bank borrowings	11	(9,500)	(10,108)	-	-
Lease liabilities	11	(6,034)	(5,827)	(159)	(87)
<b>Total Current Liabilities</b>		<b>(234,091)</b>	<b>(146,558)</b>	<b>(405)</b>	<b>(634)</b>
<b>Non-current Liabilities</b>					
Lease liabilities	11	(83,472)	(86,756)	(362)	(7)
Deferred gains		(1,814)	(1,901)	-	-
Provisions		-	(32)	-	-
Deferred income tax liabilities		(6,828)	(7,344)	-	-
<b>Total Non-current Liabilities</b>		<b>(92,114)</b>	<b>(96,033)</b>	<b>(362)</b>	<b>(7)</b>
<b>Total Liabilities</b>		<b>(326,205)</b>	<b>(242,591)</b>	<b>(767)</b>	<b>(641)</b>
<b>NET ASSETS</b>		<b>412,409</b>	<b>475,829</b>	<b>219,430</b>	<b>110,046</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	12	169,597	169,597	169,597	169,597
Treasury shares	12	(12,130)	(12,130)	(12,130)	(12,130)
Retained profits/(accumulated losses)		240,304	242,919	61,889	(47,495)
Other reserves		(56,465)	(46,182)	74	74
		341,306	354,204	219,430	110,046
<b>Non-controlling interests</b>		<b>71,103</b>	<b>121,625</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>412,409</b>	<b>475,829</b>	<b>219,430</b>	<b>110,046</b>

\*\* Long term inventory relates to two properties which are held for development and future sale.

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

### THE GROUP

#### Consolidated statement of changes in equity for the period ended 30 June 2025

	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2025</b>	<b>169,597</b>	<b>(12,130)</b>	<b>242,919</b>	<b>808</b>	<b>(46,990)</b>	<b>(46,182)</b>	<b>121,625</b>	<b>475,829</b>
Profit/(loss) for the financial period	-	-	(2,615)	-	-	-	5,922	3,307
Other comprehensive loss for the financial period	-	-	-	-	(9,933)	(9,933)	(4,111)	(14,044)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>-</b>	<b>-</b>	<b>(2,615)</b>	<b>-</b>	<b>(9,933)</b>	<b>(9,933)</b>	<b>1,811</b>	<b>(10,737)</b>
Acquisition of non-controlling interests without a change in control	-	-	-	(350)	-	(350)	(9,040)	(9,390)
Dividend paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	(43,293)	(43,293)
<b>Balance at 30 June 2025</b>	<b>169,597</b>	<b>(12,130)</b>	<b>240,304</b>	<b>458</b>	<b>(56,923)</b>	<b>(56,465)</b>	<b>71,103</b>	<b>412,409</b>

#### Consolidated statement of changes in equity for the period ended 30 June 2024

	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2024</b>	<b>169,597</b>	<b>(12,130)</b>	<b>219,332</b>	<b>818</b>	<b>(41,175)</b>	<b>(40,357)</b>	<b>111,606</b>	<b>448,048</b>
Profit for the financial period	-	-	17,134	-	-	-	7,268	24,402
Other comprehensive income for the financial period	-	-	-	-	3,018	3,018	740	3,758
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>17,134</b>	<b>-</b>	<b>3,018</b>	<b>3,018</b>	<b>8,008</b>	<b>28,160</b>
Effect of subsidiary's shares buyback and cancelled	-	-	28	(10)	(2)	(12)	(48)	(32)
<b>Balance at 30 June 2024</b>	<b>169,597</b>	<b>(12,130)</b>	<b>236,494</b>	<b>808</b>	<b>(38,159)</b>	<b>(37,351)</b>	<b>119,566</b>	<b>476,176</b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

### THE COMPANY

#### Statement of changes in equity for the period ended 30 June 2025

	Share capital	Treasury shares	Accumulated losses/ retained profits	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2025</b>	<b>169,597</b>	<b>(12,130)</b>	<b>(47,495)</b>	<b>74</b>	<b>74</b>	<b>110,046</b>
Total comprehensive income for the financial period	-	-	109,384	-	-	109,384
<b>Balance at 30 June 2025</b>	<b>169,597</b>	<b>(12,130)</b>	<b>61,889</b>	<b>74</b>	<b>74</b>	<b>219,430</b>

#### Statement of changes in equity for the period ended 30 June 2024

	Share capital	Treasury shares	Accumulated losses	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2024</b>	<b>169,597</b>	<b>(12,130)</b>	<b>(32,042)</b>	<b>74</b>	<b>74</b>	<b>125,499</b>
Total comprehensive loss for the financial period	-	-	(1,976)	-	-	(1,976)
<b>Balance at 30 June 2024</b>	<b>169,597</b>	<b>(12,130)</b>	<b>(34,018)</b>	<b>74</b>	<b>74</b>	<b>123,523</b>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		6 months ended 30 June 2025	6 months ended 30 June 2024
		S\$'000	S\$'000
<b>Cash flows from operating activities</b>			
Net profit from continuing operations		1,593	24,326
Net profit from discontinued operations	13	1,714	76
Net profit after income tax		3,307	24,402
Adjustments for:			
Income tax expenses		7,165	9,218
Depreciation of property, plant and equipment	6	5,993	6,469
Amortisation of intangible assets	6	902	1,194
Amortisation of deferred gain	6	(55)	(60)
Gain on disposal of property, plant and equipment	6	(351)	(10)
Changes in provisions		(32)	(58)
Loss allowance on trade receivables		194	196
Net fair value loss/(gain) on derivatives		257	(425)
Finance income		-	(1,879)
Fair value loss/(gain) on financial assets, at FVPL	6	289	(150)
Interest income		(1,734)	(2,754)
Interest expenses	6	2,690	3,386
Unrealised currency translation (gains)/losses		(3,994)	2,683
Operating cash flows before working capital changes		14,631	42,212
Changes in working capital:			
Inventories		(21,918)	(12,422)
Service concession receivables		-	4,095
Trade receivables		(60,362)	(91,365)
Other receivables		3,533	2,079
Prepaid operating expenses		1,033	840
Trade payables and accruals		13,500	3,490
Other payables		1,055	(1)
Cash used in operations		(48,528)	(51,072)
Interest received		1,734	1,689
Interest paid		(1,734)	(3,064)
Income tax paid		(5,909)	(10,019)
<b>Net cash used in operating activities</b>		<b>(54,437)</b>	<b>(62,466)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,499)	(1,300)
Proceeds from disposal of property, plant and equipment		381	19
<b>Net cash used in investing activities</b>		<b>(2,118)</b>	<b>(1,281)</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest		(9,390)	-
Principal element of lease payments		(3,171)	(2,665)
Repayment of bank borrowings		(605)	(12,288)
Interest paid		(206)	(470)
Changes in revolving credit facility		76,510	-
Purchase of treasury shares by a subsidiary corporation		-	(32)
Dividends paid by a subsidiary corporation to non-controlling interests		(43,293)	-
<b>Net cash generated from/(used) in financing activities</b>		<b>19,845</b>	<b>(15,455)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(36,710)</b>	<b>(79,202)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>200,617</b>	<b>172,094</b>
<b>Effects of currency translation on cash and cash equivalents</b>		<b>(2,431)</b>	<b>724</b>
<b>Cash and cash equivalents at end of period</b>		<b>161,476</b>	<b>93,616</b>
<b>Cash and bank balances</b>			
- Continuing operations		155,531	92,209
- Discontinued operations		5,945	1,407
		161,476	93,616

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate information**

Avarga Limited (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Company are investment holding and providing management services. The principal activities of the Group are:

- (a) Investment holding;
- (b) Manufacture and sale of paper products and trading in recycled fibre. It is considered as a discontinued operation due to the cessation of the paper manufacturing business, retrenchment of staff, sale of operational assets, and continuation of only residual selling activities during the period ended 30 June 2025; and
- (c) Independent wholesale distributor of building products.

### **2. Basic of preparation**

The condensed interim consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim consolidated financial statements for the financial period ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (S\$’000) as indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The adoption of the new and revised standards had no material financial impact on the financial statements of the Group.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group’s condensed interim financial statements for six months period ended 30 June 2025.

### **3. Seasonal operations**

The sales of the building products business of the Group, i.e. under Taiga Group are typically subject to seasonal variances that fluctuate in accordance with the normal home building season in Canada and the United States. Taiga generally experiences higher sales in the second and third quarters and reduced sales in the late fall and winter during its first and fourth quarters of each year, when home building activity is low due to the cold weather.

The Group's other businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment information**

The Group's chief operating decision-maker ("CODM") comprises of the Executive Chairman, Chief Executive Officer, President, Investments and the heads of each business within each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the business from a business segment perspective. From a business segment perspective, the Group is organised into business units based on their products and services, and has two reportable operating segments.

- (a) Wholesale distribution of building products in Canada, United States and overseas; and
- (b) Others, which include corporate and investments segment.

The Paper Mill division, which manufactures and sells industrial grade paper products, was classified as a discontinued operation in the current period, with comparative information of its performance re-presented accordingly. Details of the discontinued operation are provided in Note 13.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group income taxes are managed on a group basis and are not allocated to operating segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.



#### 4.1 Reportable segments

The segment information provided to the CODM for the reportable segments are as follows:

##### Group

	Building Products		Others		Total for continuing operations	
	6 months ended 30 June 2025	6 months ended 30 June 2024	6 months ended 30 June 2025	6 months ended 30 June 2024	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue:</b>						
External customers	787,174	815,458	-	-	787,174	815,458
<b>Results:</b>						
Cost of sales	705,997	729,623	-	-	705,997	729,623
Finance expenses	(2,483)	(2,914)	(195)	(316)	(2,678)	(3,230)
Interest income	1,580	2,716	142	19	1,722	2,735
Depreciation	(5,765)	(6,015)	(125)	(122)	(5,890)	(6,137)
Amortisation of intangible assets	(902)	(1,194)	-	-	(902)	(1,194)
Segment profit/(loss) before income tax	30,128	34,826	(21,370)	(1,622)	8,758	33,204

	Paper Mill		Building Products		Others		Total		Adjustments and elimination		Note	Assets held-for-sale (Note 14)		Per Consolidated financial statements	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024		30/06/2025	31/12/2024	30/06/2025	31/12/2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets:</b>															
Additions to:-															
- Property, plant and equipment	-	432	3,690	10,592	496	4	4,186	11,028	-	-		-	-	4,186	11,028
Segment assets	6,824	23,871	581,454	671,005	131,905	13,655	720,183	708,531	6,585	9,889	A	11,846	-	738,614	718,420
Segment liabilities	3,179	4,560	287,194	220,564	29,004	10,123	319,377	235,247	6,828	7,344	B	-	-	326,205	242,591

#### 4.1 Reportable segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the condensed interim consolidated financial statements.

A The following items are added to segment assets to arrive at total assets reported in the condensed interim statement of financial position.

	<b>Group</b>	
	<b>30/06/2025</b>	<b>31/12/2024</b>
	S\$'000	S\$'000
Income tax recoverable	1,243	4,716
Deferred income tax assets	5,342	5,173
	<u>6,585</u>	<u>9,889</u>

B The following items are added to segment liabilities to arrive at total liabilities reported in the condensed interim statement of financial position.

	<b>Group</b>	
	<b>30/06/2025</b>	<b>31/12/2024</b>
	S\$'000	S\$'000
Deferred income tax liabilities	6,828	7,344
	<u>6,828</u>	<u>7,344</u>

The Group's revenue from its products and services are as follows: -

	<b>Group</b>	
	<b>6 months ended 30 June 2025</b>	<b>6 months ended 30 June 2024</b>
	S\$'000	S\$'000
<b>Continuing operations</b>		
Sales of goods		
- Building products	787,174	815,458
	<u>787,174</u>	<u>814,458</u>

The geographical information on the Group's revenue and non-current assets is not presented as it is not used for segmental reporting purposes.

#### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2025 and 31 December 2024:

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2025</b>	<b>31/12/2024</b>	<b>30/06/2025</b>	<b>31/12/2024</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>				
Financial asset, at FVPL	10,459	11,374	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	362,190	347,003	207,260	98,121
Derivative financial instruments	-	111	-	-
	<u>372,649</u>	<u>358,488</u>	<u>207,260</u>	<u>98,121</u>
<b>Financial Liabilities</b>				
Trade and other payables, lease liabilities and borrowings (Amortised cost)	(311,867)	(227,410)	(767)	(641)
Derivative financial instruments	(146)	-	-	-
	<u>(312,013)</u>	<u>(227,410)</u>	<u>(767)</u>	<u>(641)</u>

## 6. Profit before income tax

### 6.1 Significant items

Profit for the period included the following:

	Group	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
<b><u>Continuing operations</u></b>		
Interest income	1,722	2,735
Amortisation of deferred gain	55	60
Gain on disposal of property, plant and equipment	136	10
Interest expenses	(2,678)	(3,230)
- Lease liabilities and bank borrowings	(2,565)	(3,110)
- Amortisation of financing costs	(113)	(120)
Depreciation of property, plant and equipment	(5,890)	(6,137)
Amortisation of intangible assets	(902)	(1,194)
Inventories written down	(1,495)	(2,098)
Foreign exchange loss, net	(2,111)	(169)
Bad debt recovered	-	5
Loss allowance on trade receivables	(482)	(196)
Net fair value (loss)/gain on derivatives	(166)	275
Fair value (loss)/gain on financial assets, at FVPL (Note 9)	(289)	150
Withholding tax	(18,652)	-
<b><u>Discontinued operations</u></b>		
Interest income	12	19
Gain on disposal of property, plant and equipment	215	-
Interest expenses – Lease liabilities and bank borrowings	(12)	(156)
Depreciation of property, plant and equipment	(103)	(332)
Foreign exchange gain/(loss), net	207	(319)
Write back of allowance on trade receivables	288	-

### 6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
<b><u>Continuing operations</u></b>		
Current income tax expense	(7,506)	(9,355)
Deferred tax income	341	477
	(7,165)	(8,878)

## 8. Net Asset Value

	Group		Company	
	30/06/2025	31/12/2024 (Restated)*	30/06/2025	31/12/2024 (Restated)*
	S\$	S\$	S\$	S\$
Net asset value per ordinary share	3.76	3.90	2.42	1.21

As at the end of the reporting period, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude treasury shares.

\* Prior year comparatives for ordinary shares were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the number of shares.

## 9 Financial assets, at FVPL

	<b>Group</b>	
	<b>30/06/2025</b>	<b>31/12/2024</b>
	S\$'000	S\$'000
Beginning of financial period/year	11,374	11,208
Fair value loss (Note 6.1)	(289)	(9)
Currency translation differences	(626)	175
End of financial period/year	10,459	11,374
<b>Non-current</b>		
Non-listed securities:		
- Equity securities – Private Asian Real Estate Fund	8,216	9,094
- Debt securities – Private Guaranteed Bond	2,243	2,280
	10,459	11,374

The instruments are all mandatorily measured at fair value through profit or loss.

The investment in a private guaranteed bond bears an interest rate of 8% per annum, along with a share of revenues maturing on 29 December 2026.

### 10.1 Fair value measurement

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	S\$'000	S\$'000	S\$'000
<b>Group</b>			
<b>30 June 2025</b>			
<b>Financial assets</b>			
FVPL	-	2,243	8,216
<b>Financial liabilities</b>			
Derivative financial instruments	-	(146)	-
<b>31 December 2024</b>			
<b>Financial assets</b>			
FVPL	-	2,280	9,094
Derivative financial instruments	-	111	-

## 11. Group's borrowings and debt securities

	Group	
	30/06/2025	31/12/2024
	S\$'000	S\$'000
<b>Secured borrowings</b>		
Repayable within one year	82,544	5,827
Repayable after one year	83,472	86,756
	<u>166,016</u>	<u>92,583</u>
<b>Unsecured borrowings</b>		
Repayable within one year	<u>9,500</u>	<u>10,108</u>

### Security granted

The Group's secured borrowings comprise a revolving credit facility of S\$76,510,000 (2024: S\$Nil) and lease liabilities of S\$89,506,000 (2024: S\$92,583,000).

The revolving credit facility, if utilised, will be secured by a first perfected security interest in all real and personal property of Taiga Building Products Ltd ("**Taiga**") and certain of its subsidiary corporations.

Lease liabilities of the Group are effectively secured over the right-of-use assets.

### Revolving credit facility

On 21 December 2022, Taiga entered into a new C\$250 million senior secured revolving credit facility (the "**Facility**") with a syndicate of lenders led by Bank of Montreal and including Scotiabank, Bank of America, TD Bank and CIBC. The Facility bear interest at variable rates plus variable margin, is secured by a first perfected security interest in all real and personal property of Taiga and certain of its subsidiary corporations, and matures on 20 December 2027. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories.

## 12. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issue share capital*	Treasury shares*	Share capital	Treasury shares
	'000	'000	S\$'000	S\$'000
Balance as at 1 January 2025 and 30 June 2025	95,014	(4,183)	169,597	(12,130)
Balance as at 1 January 2024 and 31 December 2024	95,014	(4,183)	169,597	(12,130)

Following the shareholders' approval at the Annual General Meeting held on 25 April 2025, the Company's share consolidation of every ten (10) existing shares into one (1) consolidated share became effective on 23 May 2025.

The Company has no outstanding convertibles as at 30 June 2025 and 30 June 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 30 June 2024.

As at 30 June 2025, the issued and paid-up capital excluding treasury shares comprised 90,831,335 (31 December 2024: 90,831,335\*) ordinary shares.

As at 30 June 2025, the number of treasury shares represented 4.61% (30 June 2024: 4.61%) of the total number of issued shares excluding treasury shares.

As at 30 June 2025, there were no sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings.

\* Prior year comparative for ordinary shares were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the number of shares.

### 13. Discontinued operations

#### (a) Cessation of Paper Mill Business

On 29 November 2024, the Company announced that the paper manufacturing operations carried by its wholly-owned subsidiary, UPP Pulp & Paper (M) Sdn Bhd ("UPP Malaysia"), will cease after 31 December 2024, after the gas supply contract for its plant in Ijok, Selangor expires on that date. Following the Company's decision to cease the paper mill business, the retrenchment of staff, sale of operational assets, and continuation of only residual selling activity during the financial period and in compliance with SFRS(I) 5 Non-current Assets Held-for-Sale and Discontinued operations, UPP Malaysia's financial results have been presented as "Discontinued Operations" as of 30 June 2025 and its prior period's financial results have been restated to reflect this change in the Consolidated Statement of Comprehensive Income.

#### (b) Disposal of UPP Greentech Pte. Ltd and its subsidiary ("UPP Greentech Group")

On 21 June 2024, the Company entered into a Sale and Purchase agreement ("SPA") to dispose 100% equity interest in UPP Greentech Group for a sale consideration of US\$10,010,000 (equivalent to S\$13,513,000). In connection therewith, the Company has also assigned and transferred the account receivables of S\$12,804,000 owing by UPP Greentech Pte. Ltd. to the Company to the purchaser. Its financial results have been classified to "Discontinued operations" as of 30 June 2024 in the Consolidated Statement of Comprehensive Income. The disposal was completed on 10 July 2024 with a gain on disposal of S\$2,383,000.

Below are the results and impact of discontinued operations on the cash flow of the Group (i.e. UPP Malaysia and UPP Greentech Group):

#### (i) The results of the discontinued operations of UPP Malaysia and UPP Greentech Group are as follows:

	<b>Group</b>	
	<b>6 months ended 30 June 2025</b>	<b>6 months ended 30 June 2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Financial performance</u></b>		
Revenue		
- Sales of paper products	3,400	12,932
- Operating and maintenance income	-	3,321
- Finance income	-	1,879
	<u>3,400</u>	<u>18,132</u>
Cost of sale	(3,492)	(15,706)
Gross (loss)/profit	(92)	2,426
Operating income/(expenses)	<u>1,806</u>	<u>(2,010)</u>
Profit before income tax	1,714	416
Income tax expense	-	(340)
Net profit for the year	<u>1,714</u>	<u>76</u>
Basic/Diluted earnings per share – Cents per share	<u>1.88</u>	<u>0.08</u>

#### (ii) The impact of the discontinued operations on the cash flow of the Group was as follows:

	<b>Group</b>	
	<b>6 months ended 30 June 2025</b>	<b>6 months ended 30 June 2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash flow</u></b>		
Net cash generated from operating activities	1,190	5,766
Net cash generated from/(used in) investing activities	214	(151)
Net cash used in financing activities	(635)	(464)
Total cash flows provided by discontinued operations	<u>769</u>	<u>5,151</u>

#### 14. Assets held-for-sale

As described in Note 13(a), the Company announced that UPP Malaysia entered into two (2) Sale and Purchase Agreements ("SPA1" for Agriculture Land and "SPA2" for Industrial Land) on 26 March 2025 with Ideal Quality Sdn. Bhd. (the "Purchaser"), for the sale of the land and building (the "Property") previously were used in the paper manufacturing business. The total purchase price for the Property was RM91 million (approximately S\$27.5 million). Accordingly, the assets were reclassified from property, plant and equipment and right-of-use assets to assets held-for-sale as at 30 June 2025 as follows:

	Group	
	30/06/2025	31/12/2024
	S\$'000	S\$'000
<b><u>Assets held-for-sale</u></b>		
Property, plant and equipment	11,689	-
Right-of-use assets	157	-
	<u>11,846</u>	<u>-</u>

All the conditions precedent to completion of SPA2 have been fulfilled and the sale of the Industrial Land by UPP Malaysia to the Purchaser was completed on 5 August 2025. UPP Malaysia and the Purchaser are working towards the completion of the sale and purchase of the Agriculture Land under SPA1. Please refer to the Company's announcements dated 5 August 2025 for more details.

#### 15. Dividends

The Board has resolved to recommend an interim dividend of S\$1.20 per share for the six months ended 30 June 2025 (2024: S\$Nil). These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of profits in the financial year ending 31 December 2025.

## F. OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Avarga Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the group

#### (a) Group financial performance by business segments

##### Overview

For 1H2025, the Group reported a net profit of S\$3.3 million, a decrease of 86% or S\$21.1 million from S\$24.4 million in 1H2024. Excluding the withholding tax of S\$18.6 million payable to the Canadian tax authority on dividends declared and paid by Avarga's Canadian subsidiary to its Singapore subsidiary, the Group's adjusted net profit would be S\$21.9 million, representing a decrease of S\$2.5 million or 10% compared to the previous financial period.

Based on the segment information, the building products business is the only active operating segment of the Group.

#### (i) Continuing operations – Building Products Business (Taiga)

##### Revenue, Gross Margin and Pre-tax profit

The Group's revenue from building product business for 1H2025 was S\$787.2 million, compared to S\$815.4 million for 1H2024. Overall gross profit decreased by S\$4.6 million or 5% from S\$85.8 million in 1H2024 to S\$81.2 million in 1H2025. Overall gross profit margin percentage decreased marginally from 10.5% for 1H2024 to 10.3% for 1H2025.

The decrease in revenue and gross margin was primarily due to the weaker CAD exchange rate against the SGD reporting currency, despite a slight increase in revenue and gross margin in the source currency for the building products business.

##### Other (losses)/gains, net

Other (losses)/gains for 1H2025 included interest income of S\$1.7 million (1H2024: S\$2.7 million), offset by a foreign exchange loss of S\$2.1 million (1H2024: S\$169k), mainly arising from the translation of intercompany receivables denominated in Canadian dollars, and withholding tax of S\$18.6 million (1H2024: S\$Nil) payable to the Canadian tax authority on dividends declared and paid by Avarga's Canadian subsidiary to its Singapore subsidiary.

##### Expenses

Distribution expenses were S\$15.2 million and S\$16.3 million for 1H2025 and 1H2024 respectively. The decrease was primarily due to decreased distribution compensation and treated chemical expense for the period.

Selling and administrative expenses for 1H2025 were S\$34.8 million as compared to S\$35.9 million over the same period last year. The decrease was primarily due to lower compensation costs, despite a slight increase in compensation costs in the source currency for the building products business.

Finance expenses for 1H2025 were S\$2.7 million as compared to S\$3.2 million in the same period last year. The decrease was due to lower average borrowing levels during the current financial period.

#### (ii) Discontinued operations

Discontinued operations comprised a net profit after tax of approximately S\$1.7 million contributed by the Group's paper mill business in 1H2025. In 1H2024, discontinued operations comprised a net profit after tax of approximately S\$1.4 million from the Group's power plant business, offset by losses of S\$1.3 million incurred by the Group's paper mill business.

#### (b) Review of Statement of Financial Position

The Group's total assets increased from S\$718.4 million as at 31 December 2024 to S\$738.6 million as at 30 June 2025.

Property, plant and equipment decreased to S\$112.4 million as at 30 June 2025, compared to S\$129.9 million as at 31 December 2024, primarily due to a depreciation charge of S\$6.0 million and the reclassification of assets related



to the paper manufacturing business amounting to S\$11.8 million as held-for-sale during the current period. The net book value of right of use assets included in property, plant and equipment as at 30 June 2025 was S\$77.8 million, after a depreciation charge of S\$3.6 million for the period.

Trade receivables increased to S\$188.7 million as at 30 June 2025 compared to S\$130.8 million as at 31 December 2024, primarily due to selling of larger quantities of products by Taiga during the peak seasons.

Cash and cash equivalents decreased to S\$161.5 million as at 30 June 2025, from S\$200.6 million as at 31 December 2024, primarily due to a dividend of S\$43.3 million paid by Taiga to the Group's non-controlling interests.

Total liabilities of the Group increased to S\$326.2 million as at 30 June 2025 from S\$242.6 million as at 31 December 2024. The increase was primarily due to the utilisation of revolving credit facility and increase in trade payables and accruals.

The Group's working capital was S\$332.3 million as at 30 June 2025 compared to S\$381.3 million as at 31 December 2024.

The Group's total equity as at 30 June 2025 amounted to S\$412.4 million (31 December 2024: S\$475.8 million).

### **(c) Review of Statement of Cash Flows**

Cash flows from operating activities used cash of S\$54.4 million for 1H2025 compared to S\$62.5 million for the same period last year. The change between the comparative periods were primarily due to changes in non-cash working capital, particularly due to movement in accounts receivable, inventories and account payables and accruals.

Investing activities used cash of S\$2.1 million for 1H2025 compared to S\$1.3 million for the same period last year.

Financing activities generated cash of S\$19.8 million for the 1H2025 compared to used cash of S\$15.5 million for the same period last year. The change was primarily due to the utilisation of the revolving credit facility, the acquisition of non-controlling interest and dividends paid by a subsidiary to non-controlling interests during the current period.

Overall, the net decrease in cash and cash equivalents for 1H2025 was S\$36.7 million.

As at 30 June 2025, the Group's cash and cash equivalents was S\$161.5 million.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result**

No forecast was previously provided.

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets in North America. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators. Taiga caters to both the primary housing and renovation markets. Taiga's primary and secondary markets are Canada and the United States respectively.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") in its 2025 Housing Market Outlook, housing starts in Canada are expected to range between 226,600 and 243,000 units in 2025 compared to 245,367 units in 2024. In the United States, the National Association of Home Builders reported in July 2025 that housing starts are forecasted to total 1,351,000 units in the 2025 calendar year compared to 1,371,000 units in calendar year 2024.

**5. Dividend information**

**(a) 1<sup>st</sup> Half period ended 30 June 2025**

**Any dividend declared for the current financial period reported on?**

Name of dividend	Tax-exempt one tier
Dividend type	Interim
Dividend amount per Share (in S\$)	1.20
Tax rate	-

**(d) 1<sup>st</sup> Half period ended 30 June 2024**

**Any dividend declared for the corresponding period of the immediately preceding financial year? No**

**(c) Date payable**

Payment of the interim dividend of S\$1.20 tax-exempt (one-tier) dividend per share for the year ending 31 December 2025 will be made on 25 August 2025 to shareholders registered in the Register of Members of the Company at 5.00pm on 18 August 2025.

**(d) Record date**

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 19 August 2025 for the purpose of determination of members' entitlements to the proposed interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S Private Limited at 77 Robinson Road, #06-03, Singapore 068896 up to the close of business at 5.00 p.m. on 18 August 2025 ("Record date") will be registered to determine shareholders' entitlements to the proposed interim dividend.

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**7. Confirmation that the issuer has produced undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirm that to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2025 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Tong Kooi Ong  
Executive Chairman

Tong Ian  
Chief Executive Officer

9 August 2025