

## AVARGA LIMITED

(Company Registration No. 196700346M)  
(Incorporated in the Republic of Singapore)  
(the “Company” or “Avarga”)

### Minutes of the 58<sup>th</sup> Annual General Meeting of the Company (“AGM” or the “Meeting”)

**Date** : Friday, 25 April 2025

**Time** : 1.30 p.m.

**Place** : Drama Centre Function Room 2, 100 Victoria Street, National Library Level 3, Singapore 188061

**Present** : Directors

Mr. Tong Kooi Ong – Executive Chairman  
Mr. Tong Ian – Executive Director and Chief Executive Officer (“**Mr. Ian Tong**”)  
Ms. Lai Ven Li – Lead Independent Director  
Mr. Moey Weng Foong – Independent Director  
Mr. Andrew Lim Cheong Seng – Independent Director  
Mr. Kevin Kang Kah Wee – Independent Director

#### Key Management Personnel

Mr. Khoo Hsien Meng, Kevin – President, Investments and Power Generation  
Ms. Tai Lai Yeen – Group Finance Manager

#### In Attendance/By Invitation

As per attendance sheets maintained by the Company

#### Shareholders

As per attendance sheets maintained by the Company

**Chairman** : Mr. Tong Kooi Ong (the “**Chairman**”) | Resolution(s) 1, 2, 4, 5, 6, 8 and 9  
Ms. Lai Ven Li (“**Ms. Lai**”) | Resolution(s) 3 and 7

#### WELCOME ADDRESS

The Chairman welcomed the shareholders of the Company who are present at the Meeting. He went on to introduce fellow Board members and key management personnel to those present at the Meeting.

#### QUORUM

With the presence of the requisite quorum, the Chairman called the Meeting to order.

#### NOTICE OF MEETING

The notice convening the Meeting was taken as read.

## **QUESTIONS AND ANSWERS**

The Chairman informed that he and Ms. Lai would propose all resolutions at the Meeting and would invite shareholders for questions thereafter.

The Company had invited shareholders to submit their questions prior to the Meeting by 11.59 p.m. on 17 April 2025. There were no substantial and relevant questions received from Securities Investors Association Singapore ("SIAS") and members prior to the Meeting.

## **POLLING PROCESS**

The Chairman informed that all proposed resolutions at the Meeting would be voted by way of poll. B.A.C.S. Private Limited and Gong Corporate Services Pte. Ltd. had been appointed as polling agent and scrutineer for the Meeting, respectively. Gong Corporate Services Pte. Ltd. had independently checked and verified the validity of the proxy forms received by the Company before the Meeting.

Gong Corporate Services Pte. Ltd. was then invited to take the attendees through the poll voting process.

The Chairman informed that the Company had received proxy forms from shareholders appointing the chairman of the Meeting as their proxy to vote on their behalf on the resolutions tabled at the Meeting and he shall vote according to their instructions.

## **MEETING AGENDA**

### **RESOLUTION 1**

**To receive and adopt the Directors' Statement and Audited Financial Statements for the Financial Year Ended 31 December 2024 together with the Auditors' Report thereon**

The following ordinary resolution was proposed by the Chairman:

*"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors' Report thereon be hereby received and adopted."*

### **RESOLUTION 2**

**Payment of Directors' Fees of up to S\$500,000 for the Financial Year Ending 31 December 2025**

The following ordinary resolution was proposed by the Chairman:

*"That the payment of directors' fees of up to S\$500,000 for the financial year ending 31 December 2025 be hereby approved."*

### **RESOLUTION 3**

**Re-election of Mr. Tong Kooi Ong as Director**

As this agenda dealt with the re-election of the Chairman, the chair was passed to Ms. Lai Ven Li.

The following ordinary resolution was proposed by Ms. Lai Ven Li:

*"That Mr. Tong Kooi Ong, who retires pursuant to Regulation 103 of the Company's constitution and being eligible, be hereby re-elected as a director of the Company."*

*Ms. Lai Ven Li then handed back the chair of the Meeting to the Chairman to continue with the proceedings of the Meeting.*

#### **RESOLUTION 4**

##### **Re-election of Mr. Andrew Lim Cheong Seng as Director**

The following ordinary resolution was proposed by Chairman:

*“That Mr. Andrew Lim Cheong Seng, who retires pursuant to Regulation 103 of the Company’s constitution and being eligible, be hereby re-elected as a director of the Company.”*

#### **RESOLUTION 5**

##### **Proposed change of auditors from Messrs Moore Stephens LLP to Messrs CLA Global TS Public Accounting Corporation and to authorise the Directors to fix their remuneration**

The following ordinary resolution was proposed by the Chairman:

*“That Messrs CLA Global TS Public Accounting Corporation, having consented to act, be and are hereby appointed as auditor of the Company in place of Messrs Moore Stephens LLP, to hold office until the conclusion of the next annual general meeting of the Company and the Directors of the Company be authorised to fix their remuneration.”*

#### **RESOLUTION 6**

##### **Authority to Directors to Issue and Allot Shares**

The following ordinary resolution was proposed by the Chairman:

*“That pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the directors of the Company be and are hereby authorised and empowered to issue:*

- (i) shares in the capital of the Company (“**shares**”);*
- (ii) convertible securities;*
- (iii) additional convertible securities issued pursuant to adjustments; or*
- (iv) shares arising from the conversion of the securities in (ii) and (iii) above,*

*(whether by way of rights, bonus or otherwise in pursuance of any offer, agreement or option made or granted by the directors of the Company during the continuance of this authority or thereafter) at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit (notwithstanding the authority conferred by this resolution may have ceased to be in force), provided that:*

- (1) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as calculated in accordance with sub-paragraph (2) below (“**Issued Shares**”), provided that the aggregate number of shares to be issued other than on a pro rata basis to members of the Company (including shares to be issued in pursuance of convertible securities made or granted pursuant to this resolution) does not exceed twenty per cent. (20%) of the total number of Issued Shares;*
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of Issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for:*

- (i) *new shares arising from the conversion or exercise of any convertible securities;*
- (ii) *(where applicable) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual; and*
- (iii) *any subsequent bonus issue, consolidation or subdivision of shares.*

*Adjustments in accordance with the abovementioned (i) or (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution; and*

- (3) *in exercising the authority conferred by this resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the constitution of the Company; and (unless revoked or varied by the Company in general meeting), in respect of sub-paragraph (1) above the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."*

## **RESOLUTION 7**

### **Authority to Issue Shares under the Avarga Group Employees' Share Option Scheme 2018 ("Avarga Group ESOS 2018")**

As the Chairman is regarded an interest party to resolution 7, the chair of the Meeting was passed to Ms. Lai Ven Li.

The following ordinary resolution was proposed by Ms. Lai Ven Li:

*"That the directors of the Company be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Avarga Group ESOS 2018, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Avarga Group ESOS 2018 and such other share-based incentive scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."*

*Ms. Lai Ven Li then handed back the chair of the Meeting to the Chairman to continue with the proceedings of the Meeting.*

## **RESOLUTION 8**

### **Renewal of Share Purchase Mandate**

The following ordinary resolution was proposed by the Chairman:

- "(a) *That for the purposes of sections 76C and 76E of the Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:*
- (i) *on-market purchases (each an "**On-Market Share Purchase**") on the SGX-ST; and/or*

- (ii) off-market purchases (each an “**Off-Market Share Purchase**”) effected in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:

- (i) the date on which the next AGM of the Company is held;
- (ii) the date by which the next AGM of the Company is required by law to be held; and
- (iii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

- (c) in this Resolution:

“**Prescribed Limit**” means 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares or subsidiary holdings as at that date); and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days (“**Market Day**” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made or before the date of the Company’s announcement of an offer for the Off-Market Share Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs during the above-mentioned relevant 5 Market Days and the day on which the On-Market Share Purchase was made; and

- (d) the directors of the Company and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.”

## RESOLUTION 9

### Proposed Share Consolidation

The following ordinary resolution was proposed by the Chairman:

*“That authority be and is hereby given:*

- (1) for the proposed consolidation of every ten (10) existing issued ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at the record date to be determined by the Directors (the “**Record Date**”) into one (1) ordinary share of the Company (collectively referred to as the “**Consolidated Shares**” and each, a “**Consolidated Share**”) in the manner set out in the Appendix, fractional entitlements to be disregarded, and the number of Consolidated Shares which each Shareholder is entitled to resulting from the Proposed Share Consolidation, based on their holdings of existing Shares as at the Record Date, shall be rounded down to the nearest whole Consolidated Share (the “**Proposed Share Consolidation**”);*
- (2) any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (1) above shall be disregarded and all fractions of Consolidated Shares to which holders of the existing Shares would otherwise be entitled to shall be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to (i) disregarding fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company or on such other basis as they may, in their absolute discretion, deem appropriate;*
- (3) the Directors be and are hereby authorised to fix the Record Date and the date on which the Consolidated Shares will trade on the Mainboard of the Singapore Exchange Securities Trading Limited in board lots of one hundred (100) Consolidated Shares in their absolute discretion as they deem appropriate; and*
- (4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required, entering into all transactions, approving any amendments, alterations or modifications to any documents, and signing, filing and/or submitting any notices, forms and documents with or to the relevant authorities) as they and/or he may think necessary, desirable or expedient to give effect to the Proposed Share Consolidation contemplated in this resolution or in the interests of the Company.”*

**QUESTIONS AND ANSWERS**

As all the resolutions had been duly proposed, shareholders were invited to ask questions at the Meeting.

The following questions from shareholders of the Company during the annual general meeting were duly responded:

Question 1:	Following the closure of the paper and power businesses, what are the plans for future growth?
Answer:	Mr Tong Ian replied that the closure process of the paper business is currently ongoing and remains a key focus area for management. Taiga continues to operate in a challenging macroeconomic environment, and efforts are being directed toward navigating through these conditions effectively. The Board and management are constantly evaluating potential growth opportunities and enhance shareholder value. There are no plan at present and the Company will notify shareholders if there are any plan. The Company remains open to and proactive in exploring new ventures.
Question 2:	Regarding the disposal of the Malaysia paper business, when can the Company expect to receive cash proceeds? What is the estimated profit from the transaction and how will the proceeds be utilised?
Answer:	Mr Tong Ian apprised that the transaction is expected to conclude in Q3 of this year. The anticipated profit is approximately S\$13.5 million, subject to adjustments. Part of the proceeds will be used to repay outstanding bank loans related to the paper business. Some cash has already been deployed to increase the Company's stake in Taiga by about 2.2%.  We are also gradually converting the remaining inventory and receivables into cash. Equipment and scrap have mostly been sold, and we are in the final stages of winding down.
Question 3:	Given the Company's net cash position, is there a plan to return excess capital to shareholders via dividends? Holding excess idle cash is inefficient from a capital allocation standpoint.
Answer:	The Chairman responded that it's important to clarify that the consolidated cash balance includes funds held by Taiga. Those are not immediately available at the Avarga holding company level unless distributed. Taiga independently manages its capital strategy, and only after any distribution decisions, Avarga would then determine its allocation.  While the Company owns businesses outside of Taiga, these have not contributed significantly to cash flows recently. With the closure of Malaysia operations, the Company may consider future distributions, subject to cash availability for utilisation and strategic plan.
Question 4:	Since the Company recorded a profit, why were no dividends declared to reward shareholders?
Answer:	Profits were mainly attributable to Taiga, and as previously explained, the cash resides at that level. Avarga's other businesses, particularly the paper segment, have not been cash-generating. The decision on dividends must also consider future investment opportunities versus cash returns to shareholders and it remains under review.

Question 5:	What is the impact of the recently announced tariffs between Canada and the U.S. on Taiga's profitability?
Answer:	<p>Tariffs on Canadian lumber exported to the U.S. have long existed. The latest increase affects the industry broadly, not just Taiga. Taiga has limited cross-border exposure, as most of its operations are domestic to each country. However, there will be some impact, and management in Canada is actively reviewing the source and distribution strategies to mitigate it.</p> <p>Given the complexity of tariffs across product categories, and the emotional or nationalistic buying behaviours that could arise, it's difficult to quantify the precise impact. Nonetheless, we expect Taiga to remain profitable, though some margin pressure may occur.</p>
Question 6:	The Company mentioned that share consolidation is intended to reduce volatility and increase investor interest. Has there been engagement with institutional investors? Is there any plan for a future buyout, potentially at a price lower than the previous offer?
Answer:	No discussions have been held with institutional investors regarding share consolidation. There are no current plans or considerations for a buyout, and any such move would follow regulatory requirements, if considered.
Question 7:	Given that the public free float is about 13%, would further share buybacks risk breaching the 10% minimum public float requirement and triggering trading suspension?
Answer:	It is possible if extensive share buybacks are conducted without monitoring. However, the Company remains aware of SGX requirements.
Question 8:	Does the Company intend to actively buy back shares this year, assuming cash is available?
Answer:	The Company has historically bought back shares where value opportunities were identified. Similar decisions will be made going forward based on market pricing, available capital, and alternative investment opportunities.
Question 9:	Can you confirm the Independent Financial Adviser's ("IFA") valuation of Avarga as stated in the circular?
Answer:	Yes, the IFA's estimated valuation range for the Company was between S\$0.256 and S\$0.276 per share. This was disclosed in the appendix to the circular and is available for shareholder reference.



**POLLING AND RESULTS**

There being no further questions, the Chairman invited members to cast their votes.

Upon completion of the poll counting, the following poll results, which have been independently checked and verified by the Scrutineer, were announced as follows:

Resolution number and details		Total number of shares represented by votes for and against the relevant resolution	For		Against	
			Number of shares	As a percentage of total number of votes for and against the resolution	Number of shares	As a percentage of total number of votes for and against the resolution
Ordinary Business						
1	Adoption of Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the auditors' report thereon	788,884,654	788,878,653	100.00%	6,001	0.00%
2	Approval of directors' fees of up to S\$500,000/- for the financial year ending 31 December 2025	788,884,654	788,878,653	100.00%	6,001	0.00%
3	Re-election of Mr. Tong Kooi Ong as director pursuant to Regulation 103 of the Company's constitution	788,884,654	788,884,653	100.00%	1	0.00%
4	Re-election of Mr. Andrew Lim Cheong Seng as director pursuant to Regulation 103 of the Company's constitution	788,884,654	788,884,653	100.00%	1	0.00%

5	Proposed change of auditors from Messrs Moore Stephens LLP to Messrs CLA Global TS Public Accounting Corporation and to authorise the Directors to fix their remuneration	788,884,654	787,454,653	99.82%	1,430,001	0.18%
<b>Special Business</b>						
6	Authority to directors to issue and allot shares	788,884,654	788,567,653	99.96%	317,001	0.04%
7	Authority to directors to issue shares under the Avarga Group Employees' Share Option Scheme 2018	448,001	131,000	29.24%	317,001	70.76%
8	Approval for renewal of Share Purchase Mandate	787,454,654	787,043,653	99.95%	411,001	0.05%
9	The Proposed Share Consolidation	787,454,654	787,012,853	99.94%	441,801	0.06%

Based on the above poll results, the Chairman declared resolutions 1 to 6 and 8 to 9 carried except for Resolution 7 related to the authority to directors to issue shares under the Avarga Group Employees' Share Option Scheme 2018, which was not carried.

## CONCLUSION

There being no other business to be transacted, the Chairman declared the Meeting closed at 2.32 p.m. and thanked the shareholders for their attendance.

Signed as true record  
of the proceedings thereat

**TONG KOOI ONG**

Chairman