

## **BUSINESS UPDATE**

**SINGAPORE, 8 May 2021** – Avarga Limited (“Avarga”) today reports its business update for the first quarter ended 31 March 2021.

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

### **1Q FY2021 (1 January 2021 to 31 March 2021)**

#### **Building Products Distribution**

The building products distribution business under Taiga Building Products Ltd reported strong earnings, driven by high lumber prices.

For 1Q FY2021, revenue increased 67.3% to C\$535.9 million while pre-tax profit rose 408.7% to C\$40.3 million. EBITDA rose 243.2% to C\$45.1 million.

Please refer to the 1Q FY2021 Press Release, Earnings Report, and other materials announced by Taiga Building Products Ltd.

#### **Paper Manufacturing**

Margins at the paper manufacturing division in Malaysia, under UPP Pulp & Paper (M) Sdn Bhd, have recovered to normalised levels following upward adjustments in selling prices since the fourth quarter of 2020 and stabilising waste paper prices.

Volume sales in 1Q FY2021 totaled 17,852 tonnes, down marginally by 3.3% compared with 18,469 tonnes in 1Q FY2020. Despite this, EBITDA in 1Q FY2021 improved 22.5% year-on-year.

On 16 Oct 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 Bursa Securities.

After due deliberation, Avarga has decided not to pursue a potential listing exercise at this stage. Please refer to the Company announcement dated 8 May 2021.

#### **Power Generation**

Electricity output for our power plant in Myanmar totaled 97.90 million kWh, up 2.6% from 95.43 million kWh in 1Q FY2020. 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 in July 2020 and operations are running smoothly.

We are continuing to monitor the political developments closely. There has been no material impact on our plant’s operations and power production to-date.



## **AVARGA LIMITED**

*(formerly known as UPP Holdings Limited)*

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### **Dividend Update**

The board of directors of Avarga is pleased to declare an interim dividend of 0.42 cent per share for 1Q FY2021.

Our dividend policy aims to achieve a target annual payout of 30% or higher of net profit, subject to alternative use and opportunities. The dividends will be paid quarterly.

**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.

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

### **INVESTOR AND MEDIA CONTACT:**

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