



**UPP HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 196700346M)

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## INCREASE IN SHAREHOLDING IN SUBSIDIARY

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The board of directors (the “**Board**” or the “**Directors**”) of UPP Holdings Limited (the “**Company**”) wishes to announce that Taiga Building Products Ltd. (“**Taiga**”), an indirect subsidiary of the Company, has on 2 October 2017 announced its intention to restructure Taiga’s outstanding 14% subordinated unsecured notes in the capital of Taiga due in 2020 (the “**Existing Taiga Notes**”). A copy of Taiga’s announcement dated 2 October 2017 is attached hereto.

Pursuant to Taiga’s announcement, Taiga shall purchase any and all of the Existing Taiga Notes in exchange for:

- (a) an equivalent principal amount of new 7% senior notes of Taiga due 5 years from the date of issuance (the “**Note Option**”);
- (b) common shares in the capital of Taiga (“**Taiga Shares**”) at a rate of 833.33 Common Shares (the “**Share Exchange Price**”) for each \$1,000 principal amount of Existing Notes, rounded to the nearest Taiga Share (the “**Share Option**”); or
- (c) any combination of the Note Option and the Share Option as determined by the holders of the Existing Taiga Notes,

(the “**Taiga Notes Restructuring**”).

As at the date hereof, the Company, through its wholly-owned subsidiary UPP Investments Canada Limited, holds Canadian Dollars (“**C\$**”) 46,008,796.98 principal amount of Existing Taiga Notes representing approximately 35.71% of the Existing Taiga Notes.

After due deliberation, the Board has decided that the Company shall exchange its C\$46,008,796.98 principal amount of Existing Taiga Notes for up to 38,340,664 Taiga Shares pursuant to the Share Option (the “**Proposed Exchange**”). This will enable the Company to maintain, to the greatest extent possible, the level of its shareholdings in Taiga, and represents an increased commitment by the Company to Taiga through which the Company carries out the business of the wholesale distribution of building materials, being one of the core businesses of the Company. The Company has indicated to Taiga its intention to elect the Share Option.

The Directors are of the view that the Taiga Notes Restructuring will enable Taiga to have a healthier balance sheet position arising from a reduction in debt, and that the lower financing costs will contribute positively to Taiga’s future earnings.

From the Company’s standpoint, the aggregate consideration payable by the Company for the Proposed Exchange is deemed to be equivalent to the consideration which the Company paid for its C\$46,008,796.98 principal amount of Existing Taiga Notes, being C\$52,910,116.53 (equivalent to approximately S\$57,656,153.98 based on an exchange rate of C\$1 to S\$1.0897 as at the date immediately preceding this Announcement). Such consideration shall be satisfied by the exchange of the Company’s C\$46,008,796.98 principal amount of Existing Taiga Notes for up to 38,340,664 Taiga Shares at the Share Exchange Price.

Upon completion of the Proposed Exchange, the Company will increase its holding of Taiga Shares from 18,908,208 to up to 57,248,872. The percentage level represented by the increased number of Taiga Shares can only be ascertained upon the completion of the Taiga Notes Restructuring.

As at the date of this Announcement, the market value of C\$100 principal amount of Existing Taiga Notes as determined by the closing market price of C\$100 principal amount of Existing Taiga Notes traded on the Toronto Stock Exchange on 2 October 2017 was C\$101.50. Based on the latest unaudited consolidated financial statements of the Company for the half year ended 30 June 2017, the book value represented by the Company's Existing Taiga Notes is C\$52,910,116.53.

The book value, net tangible asset value and the open market value of the Taiga Shares to be acquired by the Company pursuant to the Taiga Notes Restructuring can only be ascertained upon the completion of the Taiga Notes Restructuring.

The Proposed Exchange 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 2017.

Mr Tong Kooi Ong, the executive chairman of the Company, is the beneficial owner of C\$22,153,990 principal amount of Existing Taiga Notes representing approximately 17.20% of the Existing Taiga Notes. He is also the chairman and a director of Taiga. His son, Mr Ian Tong, is a director of each of the Company and Taiga as well.

Save as disclosed above, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Exchange, other than through their shareholding interests, if any, in the Company.

**BY ORDER OF THE BOARD**

Khoo Hsien Ming, Kevin  
Executive Director

3 October 2017