



**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 a wholly-owned subsidiary of the Company, UPP Industries Pte Ltd, has entered into a sale and purchase agreement with the minority shareholders of UPP Pulp & Paper (M) Sdn Bhd (“**UPP Paper**”) to acquire an aggregate of 10,525,629 shares representing approximately 7.2% of the issued and paid-up share capital of UPP Paper (the “**Acquisition**”) for an aggregate cash consideration of Ringgit Malaysia (“**RM**”) 15,283,213 (the “**Consideration**”).

Upon completion of the Acquisition, the Company will increase its shareholding interest in UPP Paper from 92.8% to 100%. Accordingly, UPP Paper will become an indirect wholly-owned subsidiary of the Company.

The Consideration was arrived at on a willing buyer willing seller basis, taking into consideration, *inter alia*, the business, operations and net assets of UPP Paper for the financial year ended 31 December 2016, and will be satisfied in full from the internal cash flows of the Company and external borrowings.

Based on the unaudited accounts of UPP Paper for the financial year ended 31 December 2016, the book value and net tangible asset value of UPP Paper are both RM211,786,087. 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 2017. No valuation was conducted on the shares of UPP Paper.

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**

Koh Wan Kai  
Executive Director

2 March 2017