



AVARGA LIMITED
(Formerly known as UPP Holdings Limited)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196700346M)
(the “Company”)

PRIOR YEAR ADJUSTMENT

The board of directors (the “Board”) of Avarga Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that a prior year adjustment of S\$5.4 million (C\$5.1 million) in relation to derecognition of deferred tax assets was made to the financial statements for the financial year ended 31 December 2017 (“FY2017”) due to correction of material errors in accordance with Singapore Financial Reporting Standard (International) 1–8 Accounting Policies, Changes in Accounting Estimates and Errors.

Deferred tax impact was recognised for the fair value adjustments of acquired assets and liabilities assumed of Taiga Building Products Ltd. in January 2017. The deferred tax asset in relation to the extinguishment of subordinated notes at fair values were inadvertently omitted and therefore resulted in under-provision of deferred tax liability of S\$5.4 million (C\$5.1 million) as at 31 December 2017.

The effect of the abovementioned adjustment to the consolidated financial position and consolidated statement of comprehensive income for the FY2017 is as follows:

The Group	As reported S\$'000	Adjustment S\$'000	As restated S\$'000
Consolidated statement of financial position as at 31 December 2017			
Deferred tax liability	4,461	5,454	9,915
Retained profits	62,742	(2,672)	60,070
Non-controlling interests	66,670	(2,782)	63,888
Consolidated statement of comprehensive income for the financial year ended 31 December 2017			
Income tax expense	(4,784)	(5,454)	(10,238)
Net profit	20,364	(5,454)	14,910
<u>Profit attributable to:</u>			
Equity holders of the Company	16,340	(2,672)	13,668
Non-controlling interest	4,024	(2,782)	1,242
<u>Total comprehensive income attributable to:</u>			
Equity holders of the Company	13,354	(2,672)	10,682
Non-controlling interest	4,167	(2,782)	1,385

The earnings per share and net asset value per share attributable to equity holders of the Company are restated accordingly as 1.58 cents and 22.34 cents respectively.

BY ORDER OF THE BOARD

Tong Kooi Ong
Executive Chairman and CEO

23 February 2019