



**Avarga Limited
and its subsidiary corporations**

**Condensed interim consolidated financial statements
For the six months and full year ended 31 December 2025**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group					
		2 nd half year ended 31 December 2025	2 nd half year ended 31 December 2024 (Restated)**	Increase/ (decrease)	Full year ended 31 December 2025	Full year ended 31 December 2024 (Restated)**	Increase/ (decrease)
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations							
	4	736,611	777,403	(5)	1,523,785	1,592,861	(4)
		(653,113)	(694,375)	(6)	(1,359,110)	(1,423,998)	(5)
		83,498	83,028	1	164,675	168,863	(2)
		Other gains/(losses), net					
		458	3,197	(86)	2,180	5,932	(63)
		(766)	(507)	51	(1,248)	(703)	78
		(18,918)	1,595	nm	(39,927)	1,921	nm
		(15,106)	(15,534)	(3)	(30,268)	(31,868)	(5)
		(41,594)	(41,545)	-	(76,404)	(77,477)	(1)
		(2,904)	(2,802)	4	(5,582)	(6,032)	(7)
	6	4,668	27,432	(83)	13,426	60,636	(78)
	7	(2,739)	(9,742)	(72)	(9,904)	(18,620)	(47)
		1,929	17,690	(89)	3,522	42,016	(92)
Discontinued operations							
	16(i)	14,532	(5,760)	nm	16,246	(5,684)	nm
		16,461	11,930	38	19,768	36,332	(46)
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
		1,809	(8,539)	nm	(8,124)	(5,521)	47
	16(iii)	-	(292)	(100)	-	(292)	(100)
Items that will not be reclassified subsequently to profit or loss:							
	11	(536)	-	100	(536)	-	100
		588	(3,446)	nm	(3,523)	(2,706)	30
		1,861	(12,277)	nm	(12,183)	(8,519)	43
		18,322	(347)	nm	7,585	27,813	(73)
Net profit/(loss) attributable to:							
Equity holders of the Company							
		1,137	12,185	(91)	(3,192)	29,243	nm
		14,532	(5,760)	nm	16,246	(5,684)	nm
		15,669	6,425	144	13,054	23,559	(45)
		792	5,505	(86)	6,714	12,773	(47)
		16,461	11,930	38	19,768	36,332	(46)
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company							
		16,942	(2,406)	nm	4,394	17,746	(75)
		1,380	2,059	(33)	3,191	10,067	(68)
		18,322	(347)	nm	7,585	27,813	(73)
Earnings/(loss) per share ('EPS') for profit/(loss) attributable to equity holders of the Company							
Basic/Diluted EPS (cents per share) [A]							
		1.25	13.41 *		(3.51)	32.19 *	
		16.00	(6.34) *		17.89	(6.26) *	

nm - not meaningful

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 90,831,335 (Second Half 2024: 90,831,335) and 98,831,335 (Full year 2024: 90,831,335) in issue during the period/year.

* With the completion of share consolidation of every ten (10) existing shares into one (1) consolidated share on 23 May 2025, prior period comparatives for earnings per share were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the weighted average number of shares.

** Comparative information has been re-presented due to the discontinued operation of the Group's paper mill business reportable segment (Note 16). Please see full details in Note 16 to the financial statements for Discontinued operations.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company	
		31/12/2025	31/12/2024 (Restated)	1/1/2024 (Restated)	31/12/2025	31/12/2024
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Current Assets						
Inventories		177,494	172,309	182,686	-	-
Service concession receivables		-	-	11,325	-	-
Trade receivables		108,769	130,862	118,305	-	19
Other receivables		5,822	15,524	5,822	94,019	96,485
Prepaid operating expenses		3,771	3,715	5,597	21	21
Derivatives financial instruments		-	111	-	-	-
Income tax recoverable		3,043	4,716	14,284	-	-
Cash and cash equivalents		82,134	200,617	172,094	4,151	1,617
Total Current Assets		381,033	527,854	510,113	98,191	98,142
Non-current Assets						
Property, plant and equipment	9	109,456	129,959	136,499	763	527
Investments in subsidiary corporations		-	-	-	12,018	12,018
Financial assets, at fair value through profit or loss ("FVPL")	10	10,587	11,374	11,208	-	-
Financial assets, at fair value through other comprehensive income ("FVOCI")	11	7,595	-	-	-	-
Long term inventory**		4,487	1,776	-	-	-
Goodwill on consolidation	14	19,840	30,730	31,380	-	-
Intangible assets	14	153	11,554	13,332	-	-
Deferred income tax assets		1,758	1,892	2,128	-	-
Total Non-current Assets		153,876	187,285	194,547	12,781	12,545
Total Assets		534,909	715,139	704,660	110,972	110,687
LIABILITIES						
Current Liabilities						
Trade payables and accruals		(99,706)	(117,840)	(115,860)	(310)	(470)
Other payables		(91)	(127)	(140)	(51)	(77)
Derivatives financial instruments		(245)	-	(204)	-	-
Revolving credit facility	13	(10,626)	-	-	-	-
Bank borrowings	13	-	(10,108)	(26,740)	-	-
Lease liabilities	13	(6,355)	(5,827)	(5,670)	(164)	(87)
Current income tax liabilities		-	-	(39)	-	-
Total Current Liabilities		(117,023)	(133,902)	(148,653)	(525)	(634)
Non-current Liabilities						
Lease liabilities	13	(80,593)	(86,756)	(89,582)	(280)	(7)
Deferred gains		(1,768)	(1,901)	(2,115)	-	-
Provisions		-	(32)	(151)	-	-
Deferred income tax liabilities		(4,417)	(7,344)	(6,736)	-	-
Total Non-current Liabilities		(86,778)	(96,033)	(98,584)	(280)	(7)
Total Liabilities		(203,801)	(229,935)	(247,237)	(805)	(641)
NET ASSETS		331,108	485,204	457,423	110,167	110,046
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	15	169,597	169,597	169,597	169,597	169,597
Treasury shares	15	(12,130)	(12,130)	(12,130)	(12,130)	(12,130)
Retained profits/(accumulated losses)		154,366	250,310	226,723	(47,374)	(47,495)
Other reserves		(55,626)	(46,616)	(40,791)	74	74
		256,207	361,161	343,399	110,167	110,046
Non-controlling interests		74,901	124,043	114,024	-	-
Total Equity		331,108	485,204	457,423	110,167	110,046

** Long term inventory relates to the two properties, which are held for development and future sale.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2025

	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2025									
Balance at 1 January 2025, as restated	169,597	(12,130)	250,310	808	(47,424)	-	(46,616)	124,043	485,204
Profit/(loss) for the financial period	-	-	(2,615)	-	-	-	-	5,922	3,307
Other comprehensive loss for the financial period	-	-	-	-	(9,933)	-	(9,933)	(4,111)	(14,044)
Total comprehensive income/(loss) for the financial period	-	-	(2,615)	-	(9,933)	-	(9,933)	1,811	(10,737)
Acquisition of non-controlling interests without a change in control	-	-	-	(350)	-	-	(350)	(9,040)	(9,390)
Dividend paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	-	(43,293)	(43,293)
Balance at 30 June 2025, as restated	169,597	(12,130)	247,695	458	(57,357)	-	(56,899)	73,521	421,784
2H2025									
Profit for the financial period	-	-	15,669	-	-	-	-	792	16,461
Other comprehensive income for the financial period	-	-	-	-	1,809	(536)	1,273	588	1,861
Total comprehensive income/(loss) for the financial period	-	-	15,669	-	1,809	(536)	1,273	1,380	18,322
Dividend relating to 2025 paid	17	-	(108,998)	-	-	-	-	-	(108,998)
Balance at 31 December 2025	169,597	(12,130)	154,366	458	(55,548)	(536)	(55,626)	74,901	331,108

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2024

		Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Total reserves	Non- controlling interests	Total equity
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2024									
Balance at 1 January 2024, as previously stated		169,597	(12,130)	219,332	818	(41,175)	(40,357)	111,606	448,048
Prior year adjustments	18	-	-	7,391	-	(434)	(434)	2,418	9,375
Balance at 1 January 2024, as restated		169,597	(12,130)	226,723	818	(41,609)	(40,791)	114,024	457,423
Profit for the financial period		-	-	17,134	-	-	-	7,268	24,402
Other comprehensive income for the financial period		-	-	-	-	3,018	3,018	740	3,758
Total comprehensive income for the financial period		-	-	17,134	-	3,018	3,018	8,008	28,160
Effect of subsidiary's shares buyback and cancelled		-	-	28	(10)	(2)	(12)	(48)	(32)
Balance at 30 June 2024, as restated		169,597	(12,130)	243,885	808	(38,593)	(37,785)	121,984	485,551
2H2024									
Profit for the financial period		-	-	6,425	-	-	-	5,505	11,930
Other comprehensive loss for the financial period		-	-	-	-	(8,539)	(8,539)	(3,446)	(11,985)
Realisation of translation reserve upon disposal of subsidiary corporations	16	-	-	-	-	(292)	(292)	-	(292)
Total comprehensive income/(loss) for the financial period		-	-	6,425	-	(8,831)	(8,831)	2,059	(347)
Balance at 31 December 2024, as restated		169,597	(12,130)	250,310	808	(47,424)	(46,616)	124,043	485,204

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

THE COMPANY

Statement of changes in equity for the year ended 31 December 2025

	Share capital	Treasury shares	Accumulated losses / retained profits	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2025						
Balance at 1 January 2025	169,597	(12,130)	(47,495)	74	74	110,046
Total comprehensive income for the financial period	-	-	109,384	-	-	109,384
Balance at 30 June 2025	169,597	(12,130)	61,889	74	74	219,430
2H2025						
Total comprehensive loss for the financial period	-	-	(265)	-	-	(265)
Dividend relating to 2025 paid	-	-	(108,998)	-	-	(108,998)
Balance at 31 December 2025	169,597	(12,130)	(47,374)	74	74	110,167

Statement of changes in equity for the year ended 31 December 2024

	Share capital	Treasury shares	Accumulated losses	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2024						
Balance at 1 January 2024	169,597	(12,130)	(32,042)	74	74	125,499
Total comprehensive loss for the financial period	-	-	(1,976)	-	-	(1,976)
Balance at 30 June 2024	169,597	(12,130)	(34,018)	74	74	123,523
2H2024						
Total comprehensive loss for the financial period	-	-	(13,477)	-	-	(13,477)
Balance at 31 December 2024	169,597	(12,130)	(47,495)	74	74	110,046

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Group			
		2 nd half year ended 31 December 2025	2 nd half year ended 31 December 2024	Full year ended 31 December 2025	Full year ended 31 December 2024
Note		S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities					
	Net profit from continuing operations	1,929	17,690	3,522	42,016
	Net profit/(loss) from discontinued operations	14,532	(5,760)	16,246	(5,684)
	Net profit after income tax	16,461	11,930	19,768	36,332
Adjustments for:					
	Income tax expenses	3,660	9,742	10,825	18,960
	Depreciation of property, plant and equipment	6,083	6,219	12,076	12,688
	Amortisation of intangible assets	6	888	909	1,790
	Amortisation of deferred gain	6	(56)	(56)	(111)
	Gain on disposal of property, plant and equipment	(16,120)	(95)	(18,405)	(105)
	Property, plant and equipment written off	6	-	2,405	-
	Gain on disposal of subsidiary corporations	-	(2,383)	-	(2,383)
	Impairment loss on property, plant and equipment	6	-	162	-
	Impairment losses on goodwill and intangible assets	6	19,053	-	19,053
	Provisions	-	(56)	(32)	(114)
	Loss allowance on trade receivables	6	462	1,375	656
	Net fair value loss/(gain) on derivatives	-	99	110	356
	Fair value (gain)/loss on financial assets, at FVPL	6	(79)	159	210
	Finance income	-	-	-	(1,879)
	Interest income	6	(467)	(3,229)	(2,201)
	Interest expenses	6	2,904	2,840	5,594
	Unrealised currency translation loss/(gain)	-	1,266	(1,958)	(2,728)
	Operating cash flows before working capital changes	34,154	28,074	46,851	70,287
Changes in working capital:					
	Inventories	12,184	13,002	(9,734)	580
	Service concession receivables	-	-	-	4,095
	Trade receivables	80,353	71,625	19,991	(19,740)
	Other receivables	6,168	(11,781)	9,701	(9,702)
	Prepaid operating expenses	(2,117)	3,013	(1,084)	3,853
	Trade payables and accruals	(28,496)	12,068	(14,996)	15,558
	Other payables	(1,091)	(13)	(36)	(14)
	Cash generated from operations	101,155	115,988	50,693	64,917
	Interest received	468	3,324	2,202	5,013
	Interest paid	(1,537)	(2,731)	(3,271)	(5,795)
	Income tax paid	(8,403)	(6,049)	(14,312)	(16,069)
	Net cash generated from operating activities	91,683	110,532	35,312	48,066
Cash flows from investing activities					
	Purchase of property, plant and equipment	(2,726)	(2,827)	(5,225)	(4,127)
	Proceeds from disposal of property, plant and equipment	28,813	95	31,128	114
	Proceeds from disposal of discontinued operations	16	-	10,152	-
	Purchase of financial assets, at FVOCI	11	(8,131)	-	(8,131)
	Net cash generated from investing activities	17,956	7,420	17,772	6,139

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group			
	2nd half year ended 31 December 2025	2nd half year ended 31 December 2024	Full year ended 31 December 2025	Full year ended 31 December 2024
Note	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interest	-	-	(9,390)	-
Changes in revolving credit facility	(66,286)	-	10,224	-
Principal element of lease payments	(3,308)	(3,746)	(6,479)	(6,411)
Proceeds from bank borrowings	-	500	-	500
Repayment of bank borrowings	(9,500)	(5,168)	(10,105)	(17,456)
Interest paid	(53)	(273)	(259)	(743)
Purchase of treasury shares by a subsidiary corporation	-	-	-	(32)
Dividend paid by a subsidiary corporation to non-controlling interest	-	-	(43,293)	-
Dividend paid to equity holders of the Company	(108,998)	-	(108,998)	-
Net cash used in financing activities	(188,145)	(8,687)	(168,300)	(24,142)
Net (decrease)/increase in cash and cash equivalents	(78,506)	109,265	(115,216)	30,063
Cash and cash equivalents at beginning of period/year	161,476	93,616	200,617	172,094
Effects of currency translation on cash and cash equivalents	(836)	(2,264)	(3,267)	(1,540)
Cash and cash equivalents at end of period/year	82,134	200,617	82,134	200,617

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Avarga Limited (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Company are investment holding and providing management services. The principal activities of the Group are:

- (a) Investment holding;
- (b) Manufacture and sale of paper products and trading in recycled fibre. It is considered as a discontinued operation due to the cessation of the paper manufacturing business, retrenchment of staff, sale of operational assets, and continuation of only residual selling activities during the period ended 31 December 2025; and
- (c) Independent wholesale distributor of building products.

2. Basic of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim consolidated financial statements for the financial period ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (S\$’000) as indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The adoption of the new and revised standards had no material financial impact on the financial statements of the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group’s condensed interim consolidated financial statements for six months ended 31 December 2025.

3. Seasonal operations

The sales of the building products business of the Group, i.e. under Taiga Group are typically subject to seasonal variances that fluctuate in accordance with the normal home building season in Canada and the United States. Taiga generally experiences higher sales in the second and third quarters and reduced sales in the late fall and winter during its first and fourth quarters of each year, when home building activity is low due to the cold weather.

The Group's other businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment information

The Group's chief operating decision-maker ("CODM") comprises of the Executive Chairman, Chief Executive Officer, President, Investments and the heads of each business within each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the business from a business segment perspective. From a business segment perspective, the Group is organised into business units based on their products and services, and has two reportable operating segments.

- (a) Wholesale distribution of building products in Canada, United States and overseas, and
- (b) Others, which include corporate and investments segment.

The Paper mill division, which manufactures and sells industrial grade paper products, was classified as a discontinued operation in the current period, with comparative information of its performance re-presented accordingly. Details of the discontinued operation are provided in Note 16.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group income taxes are managed on a group basis and are not allocated to operating segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

4.1 Reportable segments

The segment information provided to the CODM for the reportable segments are as follows:

Group

	Building Products		Others		Total for continuing operations	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customers	736,611	777,403	-	-	736,611	777,403
Results:						
Cost of sales	(653,113)	(694,375)	-	-	(653,113)	(694,375)
Finance expenses	(2,841)	(2,563)	(63)	(239)	(2,904)	(2,802)
Interest income	99	3,004	359	193	458	3,197
Depreciation	(5,852)	(5,730)	(231)	(124)	(6,083)	(5,854)
Amortisation of intangible assets	(888)	(909)	-	-	(888)	(909)
Impairment losses on goodwill and intangible assets	(19,053)	-	-	-	(19,053)	-
Segment profit/(loss) before income tax	5,810	29,386	(1,142)	(1,954)	4,668	27,432

	Building Products		Others		Total for continuing operations	
	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customers	1,523,785	1,592,861	-	-	1,523,785	1,592,861
Results:						
Cost of sales	(1,359,110)	(1,423,998)	-	-	(1,359,110)	(1,423,998)
Finance expenses	(5,324)	(5,477)	(258)	(555)	(5,582)	(6,032)
Interest income	1,679	5,720	501	212	2,180	5,932
Depreciation	(11,617)	(11,745)	(356)	(246)	(11,973)	(11,991)
Amortisation of intangible assets	(1,790)	(2,103)	-	-	(1,790)	(2,103)
Withholding tax	-	-	(18,652)	-	(18,652)	-
Impairment losses on goodwill and intangible assets	(19,053)	-	-	-	(19,053)	-
Segment profit/(loss) before income tax	35,938	64,212	(22,512)	(3,576)	13,426	60,636

4.1 Reportable segments (cont'd)

Group

	Paper Mill		Building Products		Others		Total		Adjustments and elimination		Note	Per Consolidated financial statements	
	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>31/12/2025</u>	<u>31/12/2024</u>		<u>31/12/2025</u>	<u>31/12/2024</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
Assets:													
Additions to:-													
- Property, plant and equipment	-	432	7,118	10,592	527	4	7,645	11,028	-	-		7,645	11,028
Segment assets	-	23,871	505,269	671,005	24,839	13,655	530,108	708,531	4,801	6,608	A	534,909	715,139
Segment liabilities	-	4,560	196,877	207,908	2,507	10,123	199,384	222,591	4,417	7,344	B	203,801	229,935

4.1 Reportable segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the condensed interim consolidated financial statements.

A The following items are added to segment assets to arrive at total assets reported in the condensed interim statement of financial position:

	Group	
	31/12/2025	31/12/2024
	S\$'000	S\$'000
Income tax recoverable	3,043	4,716
Deferred income tax assets	1,758	1,892
	4,801	6,608

B The following items are added to segment liabilities to arrive at total liabilities reported in the condensed interim statement of financial position:

	Group	
	31/12/2025	31/12/2024
	S\$'000	S\$'000
Deferred income tax liabilities	4,417	7,344
	4,417	7,344

The Group's revenue from its products and services are as follows: -

	Group			
	2nd half year	2nd half year	Full year	Full year
	ended 31	ended 31	ended 31	ended 31
	December	December	December	December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000

Continuing operations

Sales of goods

- Building products

	736,611	777,403	1,523,785	1,592,861
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The geographical information on the Group's revenue and non-current assets is not presented as it is not used for segmental reporting purposes.

A breakdown of sales:

	Group		
	Full year	Full year	
	ended 31	ended 31	
	December	December	Increase/
	2025	2024	(decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	787,174	815,458	(3)
Operating profit after tax before deducting non-controlling interests reported for first half year	3,307	24,402	(86)
Sales reported for second half year	736,611	777,403	(5)
Operating profit after tax before deducting non-controlling interests reported for second half year	16,461	11,930	38

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2025 and 31 December 2024:

	Group		Company	
	31/12/2025 S\$'000	31/12/2024 S\$'000	31/12/2025 S\$'000	31/12/2024 S\$'000
Financial Assets				
Financial assets, at FVPL	10,587	11,374	-	-
Financial assets, at FVOCI	7,595	-	-	-
Cash and bank balances, trade and other receivables (Amortised cost)	196,725	347,003	98,170	98,121
Derivative financial instruments	-	111	-	-
	<u>214,907</u>	<u>358,488</u>	<u>98,170</u>	<u>98,121</u>
Financial Liabilities				
Trade and other payables, lease liabilities and borrowings (Amortised cost)	(191,830)	(214,754)	(805)	(641)
Derivative financial instruments	(245)	-	-	-
	<u>(192,075)</u>	<u>(214,754)</u>	<u>(805)</u>	<u>(641)</u>

6. Profit before income tax

6.1 Significant items

Profit for the period/year included the following:

	Group			
	2 nd half year ended 31 December 2025 S\$'000	2 nd half year ended 31 December 2024 S\$'000	Full year ended 31 December 2025 S\$'000	Full year ended 31 December 2024 S\$'000
Continuing operations				
Interest income	458	3,197	2,180	5,932
Amortisation of deferred gain	56	56	111	116
Gain on disposal of property, plant and equipment	3	95	139	105
Interest expenses	(2,904)	(2,802)	(5,582)	(6,032)
- Lease liabilities and bank borrowings	(2,792)	(2,687)	(5,357)	(5,797)
- Amortisation of financing costs	(112)	(115)	(225)	(235)
Depreciation of property, plant and equipment	(6,083)	(5,854)	(11,973)	(11,991)
Amortisation of intangible assets (Note 14)	(888)	(909)	(1,790)	(2,103)
Inventories (written down)/written back	(855)	305	(2,350)	(1,793)
Foreign exchange gain/(loss), net	120	1,880	(1,991)	1,711
Bad debt recovered	-	32	-	37
Write back of allowance/(allowance) on trade receivables	(766)	(507)	(1,248)	(703)
Net fair value gain/(loss) on derivatives	(168)	55	(333)	330
Fair value loss on financial assets, at FVPL (Note 10)	79	(159)	(210)	(9)
Withholding tax	-	-	(18,652)	-
Impairment losses on goodwill and intangible assets (Note 14)	(19,053)	-	(19,053)	-
Discontinued operations				
Interest income	9	32	21	51
Inventories written down	-	(1,464)	-	(1,464)
Gain on disposal of property, plant and equipment	16,117	-	18,266	-
Interest expenses – Lease liabilities and bank borrowings	-	(38)	(12)	(194)
Impairment loss on property, plant and equipment	-	(162)	-	(162)
Property, plant and equipment written off	-	(2,405)	-	(2,405)
Depreciation of property, plant and equipment	-	(365)	(103)	(697)
Foreign exchange gain/(loss), net	-	300	207	(19)
Bad debts written off	(1)	-	(1)	-
Write back of allowance/(allowance) on trade receivables	304	(868)	592	(868)
Gain on disposal of subsidiary corporations	-	2,383	-	2,383
Termination benefit	-	(1,202)	-	(1,202)

6. Profit before income tax (cont'd)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group			
	2 nd half year ended 31 December 2025 S\$'000	2 nd half year ended 31 December 2024 S\$'000	Full year ended 31 December 2025 S\$'000	Full year ended 31 December 2024 S\$'000
Continuing operations				
Current income tax expense	(6,342)	(9,937)	(13,848)	(19,292)
Deferred tax income/(expense)	2,633	(853)	2,974	(376)
Adjustments in respect of prior years	970	1,048	970	1,048
	<u>(2,739)</u>	<u>(9,742)</u>	<u>(9,904)</u>	<u>(18,620)</u>

8. Net Asset Value

	Group		Company	
	31/12/2025 S\$	31/12/2024 (Restated)* S\$	31/12/2025 S\$	31/12/2024 (Restated)* S\$
Net asset value per ordinary share	<u>2.82</u>	<u>3.98</u>	<u>1.21</u>	<u>1.21</u>

As at the end of the reporting period, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude treasury shares.

* Prior year comparatives for ordinary shares were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the number of shares

9. Property, plant and equipment

During the year ended 31 December 2025, the Group acquired assets amounting to S\$7,645,000 (31 December 2024: S\$11,028,000) and disposed of assets amounting to S\$11,694,000 (31 December 2024: S\$73,000).

10. Financial assets, at FVPL

	Group	
	31/12/2025 S\$'000	31/12/2024 S\$'000
Beginning of financial year	11,374	11,208
Fair value loss (Note 6.1)	(210)	(9)
Currency translation differences	(577)	175
End of financial year	<u>10,587</u>	<u>11,374</u>
Non-current		
Non-listed securities:		
- Equity securities – Private Asian Real Estate Fund	8,332	9,094
- Debt securities – Private Guaranteed Bond	2,255	2,280
	<u>10,587</u>	<u>11,374</u>

The instruments are all mandatorily measured at fair value through profit or loss.

The investment in a private guaranteed bond bears an interest rate of 8% per annum, along with a share of revenues maturing on 29 December 2026.

11. **Financial assets, at FVOCI**

	Group	
	31/12/2025	31/12/2024
	S\$'000	S\$'000
Beginning of financial year	-	-
Additions	8,131	-
Fair value losses	(536)	-
End of financial year	<u>7,595</u>	<u>-</u>

Financial assets at FVOCI are analysed as follows:

Non-current assets

Listed equity securities	<u>7,595</u>	<u>-</u>
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12. **Fair value measurement**

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observables market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3
	S\$'000	S\$'000	S\$'000
Group			
31 December 2025			
Financial assets			
FVPL	-	2,255	8,332
FVOCI	7,595	-	-
Financial liabilities			
Derivative financial instruments	-	(245)	-
31 December 2024			
Financial assets			
FVPL	-	2,280	9,094
Derivative financial instruments	-	111	-

13. **Group's borrowings and debt securities**

	Group	
	31/12/2025	31/12/2024
	S\$'000	S\$'000
Secured borrowings		
Repayable within one year	16,981	5,827
Repayable after one year	80,593	86,756
	<u>97,574</u>	<u>92,583</u>
Unsecured borrowings		
Repayable within one year	<u>-</u>	<u>10,108</u>

Security granted

The Group's secured borrowings comprise a revolving credit facility of S\$10,626,000 (2024: S\$Nil) and lease liabilities of S\$86,948,000 (2024: S\$92,583,000).

The revolving credit facility, if utilised, will be secured by a first perfected security interest in all real and personal property of Taiga Building Products Ltd ("**Taiga**") and certain of its subsidiary corporations.

Lease liabilities of the Group are effectively secured over the right-of-use assets.

13. **Group's borrowings and debt securities (cont'd)**

Revolving credit facility

On 21 December 2022, Taiga entered into a new C\$250 million senior secured revolving credit facility (the "Facility") with a syndicate of lenders led by Bank of Montreal and including Scotiabank, Bank of America, TD Bank and CIBC. The Facility bear interest at variable rates plus variable margin, is secured by a first perfected security interest in all real and personal property of Taiga and certain of its subsidiary corporations, and matures on 20 December 2027. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories.

14. **Goodwill on consolidation and Intangible assets**

	Group			
	31/12/2025	31/12/2024		
	\$'000	\$'000		
<u>Composition</u>				
Goodwill	19,840	30,730		
Customers relationships and brand name	-	10,730		
Favourable lease terms	153	824		
	19,993	42,284		
	Goodwill	Customers relationships and brand name	Favourable lease terms	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
31 December 2025				
Cost				
Beginning of financial year	30,730	39,105	7,145	76,980
Currency translation differences	(841)	(1,293)	(79)	(2,213)
End of financial year	29,889	37,812	7,066	74,767
Accumulated depreciation and impairment losses				
Beginning of financial year	-	28,375	6,321	34,696
Amortisation charge (Note 6.1)	-	1,130	660	1,790
Impairment losses (Note 6.1)	10,054	8,999	-	19,053
Currency translation differences	(5)	(692)	(68)	(765)
End of financial year	10,049	37,812	6,913	54,774
Net book value				
End of financial year	19,840	-	153	19,993
Group				
31 December 2024				
Cost				
Beginning of financial year	31,380	39,530	7,507	78,417
Currency translation differences	(650)	(425)	(362)	(1,437)
End of financial year	30,730	39,105	7,145	76,980
Accumulated depreciation and impairment losses				
Beginning of financial year	-	27,768	5,937	33,705
Amortisation charge (Note 6.1)	-	1,414	689	2,103
Currency translation differences	-	(807)	(305)	(1,112)
End of financial year	-	28,375	6,321	34,696
Net book value				
End of financial year	30,730	10,730	824	42,284

14. Goodwill on consolidation and Intangible assets (cont'd)

Goodwill is allocated to the Group's cash-generating-units ("CGUs") identified according to countries of operation and business segments as follows:

	Group	
	31/12/2025	31/12/2024
	\$'000	\$'000
Building products		
Canada	19,840	20,062
United States	-	10,668
	<u>19,840</u>	<u>30,730</u>

Goodwill and intangible assets for Canada arose from the Group's acquisition of Taiga Building Products Ltd ("Taiga") in 2017. Goodwill and intangible assets for United States arose from the Group's acquisition of Exterior Wood, Inc. in 2018. The intangible assets of United States consisted primarily of customer relationships and a brand name. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually, or more frequently when indicators of impairment exist, in accordance with SFRS(I) 1-36 *Impairment of Assets*.

Impairment Assessment – Canada

The Group performed its impairment testing by comparing the carrying value of the CGU against its value-in-use. The calculation of value-in-use of Taiga CGU requires the use of assumptions. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth of 1%. The value-in-use calculation includes cash flows relating to sustaining capital expenditure and working capital based on historical activity. Cash flows are discounted using a pre-tax discount rate of 8.9%.

Based on the impairment test, the value-in-use of Taiga CGU exceeded its carrying amounts. As a result, no allowance for impairment of goodwill was provided. There is a material degree of uncertainty with respect to the estimates of the recoverable amount of the Taiga CGU's net assets.

Impairment Assessment – United States

During fiscal 2025, management performed its annual impairment assessment of the Exterior Wood cash-generating unit (the "EW CGU") as at 31 October 2025.

The recoverable amount of the EW CGU was determined using a value-in-use methodology based on discounted cash flow projections. Key assumptions used in the impairment test included forecasted revenue growth of 1% to 3% and gross profit margins of 10.7% derived from management-approved budgets and forecasts, a terminal growth rate of 2% consistent with long-term market expectations, and a discount rate of 13.5% reflecting the risks specific to the EW CGU and the current market environment. The recoverable amount was compared to the carrying value of the EW CGU, including goodwill and intangible assets.

Impairment Recognised

As a result of this assessment, the carrying amount of the EW CGU exceeded its recoverable amount. Accordingly, during the year ended 31 December 2025, the Group recorded a full impairment of \$19.1 million of the goodwill and intangible assets related to the EW CGU. The impairment loss was allocated first to goodwill, with the remaining amount allocated to intangible assets, resulting in a \$Nil carrying value for both goodwill and intangible assets associated with EW CGU as at 31 December 2025.

The impairment loss was recognised in the consolidated statement of comprehensive income. No impairment was recorded to the EW CGU's tangible assets, as their recoverable amounts were determined to at least their carrying values.

Sensitivity

Management believes that any reasonably possible change in key assumptions used in the impairment assessment would not result in a further impairment of the EW CGU and would not result in the carrying amount of Taiga CGU to exceed its recoverable amount.

15. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issued share capital*	Treasury shares*	Share capital	Treasury shares
	'000	'000	S\$'000	S\$'000
Balance as at 1 July 2025 and 31 December 2025	95,014	(4,183)	169,597	(12,130)
Balance as at 1 July 2024 and 31 December 2024	95,014	(4,183)	169,597	(12,130)

Following the shareholders' approval at the AGM held on 25 April 2025, the Company's share consolidation of every ten (10) existing shares into one (1) consolidated share became effective on 23 May 2025.

The Company has no outstanding convertibles as at 31 December 2025 and 31 December 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024.

As at 31 December 2025, the issued and paid-up capital excluding treasury shares comprised 90,831,335 (31 December 2024: 90,831,335*) ordinary shares.

As at 31 December 2025, the number of treasury shares represented 4.61% (31 December 2024: 4.61%) of the total number of issued shares excluding treasury shares.

As at 31 December 2025, there were no sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings.

* Prior year comparative for ordinary shares were restated per SFRS(I) 1-33 through retrospective application of the consolidation factor of 10 to the number of shares.

16. Discontinued operations

(a) Cessation of Paper Mill Business

On 29 November 2024, the Company announced that the paper manufacturing operations carried by its wholly-owned subsidiary, UPP Pulp & Paper (M) Sdn Bhd ("UPP Malaysia"), will cease after 31 December 2024, after the gas supply contract for its plant in Ijok, Selangor expires on that date. Following the Company's decision to cease the paper mill business, the retrenchment of staff, sale of operational assets, and continuation of only residual selling activity during the financial period and in compliance with SFRS(I) 5 Non-current Assets Held-for-Sale and Discontinued operations, UPP Malaysia's financial results have been presented as "Discontinued Operations" as of 31 December 2025 and its prior period's financial results have been restated to reflect this change in the Consolidated Statement of Comprehensive Income.

On 26 March 2025, the Company announced that UPP Malaysia entered into two (2) Sale and Purchase with the Purchase for the sale to the Purchaser of the land and building that UPP Malaysia used for the paper manufacturing business. The total sale price of the properties was RM91 million (approximately S\$27.7 million). The disposal was completed on 5 August 2025 and 19 November 2025 respectively with a gain on disposal of S\$16,154,000.

(b) Disposal of UPP Greentech Pte. Ltd and its subsidiary ("UPP Greentech Group")

On 21 June 2024, the Company entered into a Sale and Purchase agreement ("SPA") to dispose 100% equity interest in UPP Greentech Group for a sale consideration of US\$10,010,000 (equivalent to S\$13,513,000). In connection therewith, the Company has also assigned and transferred the account receivables of S\$12,804,000 owing by UPP Greentech Pte. Ltd. to the Company to the purchaser. Its financial results had been classified to "Discontinued operations" as of 31 December 2024 in the Consolidated Statement of Comprehensive Income. The disposal was completed on 10 July 2024 with a gain on disposal of S\$2,383,000.

Below are the results and impact of discontinued operations of UPP Malaysia and UPP Greentech Group:

(i) The financial performance and cash flows attributable to the discontinued operations for the year ended 31 December 2025 and 2024 were as follows:

	Group	
	Full year ended 31 December 2025 S\$'000	Full year ended 31 December 2024 S\$'000
Revenue		
- Sales of paper products	3,400	26,759
- Operating and maintenance income	-	3,321
- Finance income	-	1,879
	3,400	31,959
Cost of sales	(3,550)	(32,271)
Gross loss	(150)	(312)
Operating expenses	(949)	(7,415)
Loss before income tax	(1,099)	(7,727)
Income tax expense	(921)	(340)
Net loss for the year	(2,020)	(8,067)
Gain on disposal of assets/subsidiary corporations	18,266	2,383
Profit/(loss) from discontinued operations, net of tax	16,246	(5,684)
Basic/Diluted earnings/(loss) per share – Cents per share	17.89	(6.26)

(ii) The impact of the discontinued operations on the cash flow of the Group was as follows:

	Group	
	Full year ended 31 December 2025 S\$'000	Full year ended 31 December 2024 S\$'000
Net cash (used in)/from operating activities	(16,400)	10,134
Net cash from investing activities	30,932	9,849
Net cash used in financing activities	(636)	(5,725)
Total cash flows provided by discontinued operations	13,896	14,258

16. Discontinued operations (cont'd)

(iii) The effect of the disposals of UPP Greentech Group on the financial position of the Group was as follows:

	Group Full year ended 31 December 2024 S\$'000
Carrying amount of net assets disposed	9,448
Cumulative exchange differences in respects of net assets of the subsidiary corporations reclassified from equity upon disposal	(292)
Disposal costs	1,974
Gain on disposal of subsidiary corporations	2,383
Total sale consideration	<u>13,513</u>
Disposal costs paid	(1,974)
Less: Cash balance of discontinued operations	(1,387)
Net cash inflow on disposal of subsidiary corporations	<u><u>10,152</u></u>

17. Dividends

	Group and Company	
	6 months and full year ended 31 December 2025 S\$'000	6 months and full year ended 31 December 2024 S\$'000
Ordinary dividends paid:		
Interim exempt 2025 dividend of S\$1.20 per share (2024: Interim exempt 2024 dividend of S\$NIL cents per share)	<u>108,998</u>	-

18. Restatement

During the preparation of the 2025 year-end consolidated financial statements, the Group determined that an amount of S\$12,656,000 accrued in a prior period for risk management purposes did not meet the criteria for recognition as a liability. The effect of this restatement on the Group's balance sheet as at 31 December 2024 and 1 January 2024 is as follows:

- Reduction to trade payables and accruals of S\$12,656,000
- Reduction to deferred tax assets of S\$3,281,000
- Increase to retained earnings of S\$7,391,000
- Increase to non-controlling interests of S\$2,418,000
- Reduction to other reserves of S\$434,000

The restatement had no impact on the net profits, comprehensive income, earnings per share or cash flows for the year ended 31 December 2024.

F. OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Avarga Limited and its subsidiaries as at 31 December 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

(a) Group financial performance by business segments

Overview

For 2H2025, the Group reported a net profit of S\$16.5 million, representing an increase of 38% or S\$4.6 million from S\$11.9 million in 2H2024. This increase was mainly due to discontinuation of the paper business in Malaysia, which had incurred losses in the previous financial period, as well as a one-off gain of S\$16.1 million from the disposal of property, plant and equipment associated with this discontinued operation, partially offset by the impairment losses on goodwill and intangibles assets of S\$19.1 million recognised at Taiga's U.S. subsidiary.

For 12M2025, the Group reported a net profit of S\$19.8 million, representing a decrease of 46% or S\$16.5 million from S\$36.3 million in 12M2024. The change was mainly attributable to the following:

- (i) Non-recurring withholding tax expense of S\$18.6 million payable to the Canadian tax authority on dividends declared and paid by Avarga's Canadian subsidiary to its Singapore subsidiary;
- (ii) Impairment losses on goodwill and intangible assets of S\$19.1 million recognised at Taiga's U.S. subsidiary (Please see full details in Note 14 to the financial statements for Goodwill and Intangible assets), and
- (iii) net profit from discontinued operations of S\$16.2 million, compared to a net loss of S\$5.7 million in 12M2024 (Please see full details in Note 16 to the financial statements for Discontinued operations).

Based on the segment information, the building products business is the only active operating segment of the Group.

(i) Continuing operations – Building Products Business (Taiga)

Revenue, Gross Margin and Pre-tax profit

The Group's revenue from building products business for 2H2025 was S\$736.6 million, compared to S\$777.4 million in 2H2024. The decrease in revenue was largely due to lower average lumber prices as well as a decline in sales volume during the current period. Gross profit increased by S\$0.5 million or 1% from S\$83.0 million in 2H2024 to S\$83.5 million in 2H2025. Correspondingly, the gross profit margin improved from 10.7% in 2H2024 to 11.3% in 2H2025. The increase in gross profit and gross profit margin was primarily driven by lower product costs during the current period.

The Group's revenue from building products business for 12M2025 was S\$1.5 billion, compared to S\$1.6 billion in 12M2024. Gross profit decreased by S\$4.2 million or 2% from S\$168.9 million in 12M2024 to S\$164.7 million in 12M2025 despite a marginal improvement in gross profit margin from 10.6% in 12M2024 to 10.8% in 12M2025.

Other (losses)/gains, net

Other (losses)/gains for 2H2025 included impairment losses on goodwill and intangible assets of S\$19.1 million (2H2024: S\$Nil), partially offset by interest income of S\$0.5 million (2H2024: S\$3.2 million) and a foreign exchange gain of S\$120k (2H2024: S\$1.9 million).

Other (losses)/gains for 12M2025 included impairment losses on goodwill and intangible assets of S\$19.1 million (12M2024: S\$Nil), a foreign exchange loss of S\$2.0 million (12M2024: foreign exchange gain of S\$1.7 million), and withholding tax of S\$18.6 million (12M2024: S\$Nil) payable to the Canadian tax authority on dividends declared and paid by Avarga's Canadian subsidiary to its Singapore subsidiary. These losses were partially offset by interest income of S\$2.2 million (12M2024: S\$5.9 million).

Expenses

Distribution expenses were S\$15.1 million and S\$15.5 million for 2H2025 and 2H2024, and S\$30.3 million and S\$31.9 million for 12M2025 and 12M2024 respectively.

Selling and administrative expenses for 2H2025 were S\$41.6 million as compared to S\$41.5 million over the same period last year. Selling and administrative expenses for 12M2025 were S\$76.4 million as compared to S\$77.5 million over the same period last year.

Finance expenses were S\$2.9 million for 2H2025 and S\$2.8 million for 2H2024. Finance expenses for 12M2025 were S\$5.6 million as compared to S\$6.0 million over the same period last year.

(ii) **Discontinued operations**

Discontinued operations recorded a net profit after tax of approximately S\$16.2 million in 12M2025, contributed by the Group's paper mill business. In contrast, discontinued operations in 12M2024 comprise a net loss after tax of approximately S\$10.1 million from the Group's paper mill business, partially offset by a profit of S\$4.4 million generated by the Group's power plant business.

(b) **Review of Statement of Financial Position**

The Group's total assets decreased from S\$715.1 million as at 31 December 2024 to S\$534.9 million as at 31 December 2025.

Property, plant and equipment decreased to S\$109.5 million as at 31 December 2025 compared to S\$130.0 million as at 31 December 2024 primarily due to depreciation charge of S\$12.1 million and the disposal of assets relating to the paper mill business, which was discontinued during the year. The net book value of right of use assets included within property, plant and equipment as at 31 December 2025 amounted S\$75.3 million.

Goodwill on consolidation and intangible assets decreased to S\$20.0 million as at 31 December 2025, from S\$42.3 million as at 31 December 2024, mainly due to full impairment of S\$19.1 million of the goodwill and intangible assets related to the Taiga's U.S. subsidiary recognised during the financial year (Please see full details in Note 14 to the financial statements for impairment assessment of Goodwill and Intangible assets).

Trade receivables decreased to S\$108.8 million as at 31 December 2025 compared to S\$130.9 million as at 31 December 2024, primarily due to the lower sales by Taiga during the fourth quarter of 2025 as compared to the fourth quarter of 2024.

Cash and cash equivalents decreased to S\$82.1 million as at 31 December 2025 from S\$200.6 million as at 31 December 2024, mainly due to dividends paid to shareholders of the Company and dividend paid by a subsidiary to non-controlling interest, partially offset by cash generated from operations.

Total liabilities of the Group decreased to S\$203.8 million as at 31 December 2025 from S\$229.9 million as at 31 December 2024. The decrease was mainly due to a reduction in trade payables and accruals.

The Group's working capital was S\$264.0 million as at 31 December 2025 compared to S\$393.9 million as at 31 December 2024.

The Group's total equity as at 31 December 2025 amounted to S\$331.1 million (31 December 2024: S\$485.2 million).

(c) **Review of Statement of Cash Flows**

Cash flows from operating activities generated cash of S\$91.7 million for 2H2025 compared to S\$110.5 million for the same period last year. Cash flows from operating activities generated cash of S\$35.3 million for 12M2025 compared to S\$48.1 million for the same period last year. The change between the comparative periods were primarily due to changes in non-cash working capital, particularly due to accounts payable and accruals and trade and other receivables.

Investing activities generated cash of S\$18.0 million for 2H2025, compared to S\$7.4 million for the same period last year. Investing activities generated cash of S\$17.8 million for 12M2025, compared to S\$6.1 million for 12M2024. Apart from cash flows related to the acquisition of property, plant and equipment and purchase of financial assets, at FVOCI for long-term investment purposes, the net cash from investing activities was mainly generated from the disposal of property, plant and equipment or subsidiary corporations classified as discontinued operations in Note 16 of Section E.

Financing activities used cash of S\$188.1 million for 2H2025, compared to S\$8.7 million for the same period last year. Financing activities used cash of S\$168.3 million for 12M2025, compared to S\$24.1 million for the same period last year. The change was mainly due to dividends paid during the period/year.

Overall, the net decrease in cash and cash equivalents for 2H2025 and 12M2025 were S\$78.5 million and S\$115.2 million respectively.

As at 31 December 2025, the Group's cash and cash equivalents was S\$82.1 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result

No forecast was previously provided.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets in North America. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators. Taiga caters to both the primary housing and renovation markets. Taiga's primary and secondary markets are Canada and the United States respectively.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") in its 2026 Housing Market Outlook, housing starts in Canada are projected to decline from 259,000 units in 2025 to 247,000 units in 2026. In the United States, the National Association of Home Builders reported in February 2026 that housing starts are forecasted to total 1,333,000 units in the 2026 calendar year compared to 1,347,000 units in calendar year 2025.

5. Dividend information

(a) 2nd Half period ended 31 December 2025

Any dividend declared for the current financial period reported on? No

(b) 2nd Half period ended 31 December 2024

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

The Company had already paid an interim dividend of S\$1.20 per share for the year ended 31 December 2025 in August 2025. No final dividend has been declared for the financial year ended 31 December 2025 as the Company has no distributable reserves.

6. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	2025 S\$'000	2024 S\$'000
Ordinary	108,998	-
Preference	-	-
Total	108,998	-

7. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has produced undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tong Ian	38	Son of Tong Kooi Ong (Executive Chairman and substantial shareholder)	<p><u>Avarga Limited</u> Position: Executive Director (“ED”) and Chief Executive Officer (“CEO”) Duties: Oversees the Group’s operations Date when position first held: ED: 7 March 2017 CEO: 1 June 2020</p> <p><u>Taiga Building Products Ltd</u> Position: Director Duties: Non-executive Chairman Date when position first held: 20 July 2012</p>	Not applicable.
Tong Kooi Ong	66	Father of Tong Ian (Chief Executive Officer and Executive Director)	<p><u>Avarga Limited</u> Position: Executive Chairman Duties: Chairman of the Board and Executive Director Date when position first held: 15 March 2012</p> <p><u>Taiga Building Products Ltd</u> Position: Director Duties: Non-executive Director Date when position first held: 20 May 2005</p>	Not applicable.

BY ORDER OF THE BOARD

Tong Kooi Ong
 Executive Chairman

Tong Ian
 Chief Executive Officer

28 February 2026