Avarga Limited
and its subsidiary corporations

Condensed interim consolidated financial statements
For the six months and full year ended 31 December 2023

Contents | **Page**

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group					
		2nd half year ended 31 December 2023	**2nd half year ended 31 December 2022**	**Increase/ (decrease)**	**Full year ended 31 December 2023**	**Full year ended 31 December 2022**	**Increase/ (decrease)**
	Note	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	4	835,294	989,225	(16)	1,699,978	2,368,337	(28)
Cost of sale		(736,142)	(871,935)	(16)	(1,500,529)	(2,057,786)	(27)
Gross profit		99,152	117,290	(15)	199,449	310,551	(36)
Other gains/(losses), net							
- Interest income – bank deposits		2,982	72	4,042	3,001	80	3,651
- Loss allowance on trade receivables and service concession receivables, net		(13,911)	(75)	18,448	(13,910)	(614)	2,165
- Others		(17,686)	(10,654)	66	(15,304)	(8,372)	83
Distribution expenses		(16,556)	(16,315)	1	(32,641)	(32,654)	-
Selling and administrative expenses		(49,135)	(62,097)	(21)	(94,161)	(149,894)	(37)
Finance expenses		(3,554)	(3,880)	(8)	(7,047)	(9,238)	(24)
Profit before income tax	6	1,292	24,341	(95)	39,387	109,859	(64)
Income tax expense	7	(2,957)	(8,841)	(67)	(14,017)	(33,298)	(58)
Net (loss)/profit		(1,665)	15,500	nm	25,370	76,561	(67)
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- Losses		(9,004)	(18,879)	(52)	(3,603)	(15,669)	(77)
Items that will not be reclassified subsequently to profit or loss:							
Financial asset, at FVOCI							
- Fair value losses – equity investments		-	-	-	-	(3)	(100)
Currency translation differences arising from consolidation							
- Losses		(3,210)	(6,863)	(53)	(438)	(5,141)	(91)
Other comprehensive losses, net of tax		(12,214)	(25,742)	(53)	(4,041)	(20,813)	(81)
Total comprehensive (loss)/income		(13,879)	(10,242)	36	21,329	55,748	(62)
Net (loss)/profit attributable to:							
Equity holders of the Company		(9,845)	7,656	nm	9,117	50,875	(82)
Non-controlling interests		8,180	7,844	4	16,253	25,686	(37)
		(1,665)	15,500	nm	25,370	76,561	(67)
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(18,849)	(11,223)	(68)	5,514	35,203	(84)
Non-controlling interests		4,970	981	407	15,815	20,545	(23)
		(13,879)	(10,242)	36	21,329	55,748	(62)
Earnings per share ('EPS") for profit/(loss) attributable to equity holders of the Company							
- Basic EPS (cents per share) [A]		(1.09)	0.84		1.00	5.60	
- Diluted EPS (cents per share) [B]		(1.09)	0.84		1.00	5.60	

nm - not meaningful

[A] The calculation of earnings per ordinary share was based on weighted average number of shares 908,314,000 (Second Half 2022: 908,314,000) and 908,314,000 (Full year 2022: 908,333,000) in issue during the period/year.

[B] The calculation of earnings per ordinary share (on a fully diluted basis) was based on weighted average number of shares 908,314,000 (Second Half 2022: 908,314,000) and 908,314,000 (Full year 2022: 908,333,000) in issue during the period/year.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current Assets					
Inventories		182,686	234,503	-	-
Service concession receivables*		11,325	15,982	-	-
Trade receivables		118,322	118,047	-	78
Other receivables		5,822	9,905	107,730	136,755
Prepaid operating expenses		5,597	5,191	17	22
Derivatives financial instruments		-	220	-	-
Income tax recoverable		14,284	15,211	-	-
Cash and cash equivalents		172,094	99,815	5,631	2,135
Total Current Assets		510,130	498,874	113,378	138,990
Non-current Assets					
Property, plant and equipment		136,757	156,769	768	408
Investments in subsidiary corporations		-	-	10,218	15,422
Financial assets, at FVPL		11,208	220	-	220
Service concession receivables*		-	11,892	-	-
Goodwill on consolidation		31,380	31,469	-	-
Intangible assets		13,332	18,508	-	-
Deferred income tax assets		5,409	8,072	-	-
Total Non-current Assets		198,086	226,930	10,986	16,050
Total Assets		**708,216**	**725,804**	**124,364**	**155,040**
LIABILITIES					
Current Liabilities					
Trade payables and accruals		(128,516)	(149,970)	(358)	(502)
Other payables		(140)	(131)	(79)	(76)
Derivatives financial instruments		(204)	-	-	-
Bank borrowings	11	(26,740)	(31,015)	-	-
Lease liabilities	11	(5,670)	(5,561)	(134)	(128)
Current income tax liabilities		(39)	(278)	-	-
Total Current Liabilities		(161,309)	(186,955)	(571)	(706)
Non-current Liabilities					
Lease liabilities	11	(89,582)	(91,421)	(94)	(215)
Deferred gains		(2,115)	(2,223)	-	-
Provisions		(151)	(261)	-	-
Deferred income tax liabilities		(8,805)	(12,436)	-	-
Total Non-current Liabilities		(100,653)	(106,341)	(94)	(215)
Total Liabilities		**(261,962)**	**(293,296)**	**(665)**	**(921)**
NET ASSETS		**446,254**	**432,508**	**123,699**	**154,119**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	169,597	169,597	169,597	169,597
Treasury shares	12	(12,130)	(12,130)	(12,130)	(12,130)
Retained profits/(accumulated losses)		217,522	208,039	(33,842)	(3,422)
Other reserves		(40,341)	(36,464)	74	74
		334,648	329,042	123,699	154,119
Non-controlling interests		111,606	103,466	-	-
Total Equity		**446,254**	**432,508**	**123,699**	**154,119**

* The Group recognised service concession receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The service concession receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the service concession receivables are measured at amortised cost using the effective interest rate method.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2023

	Note	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1H2023										
Balance at 1 January 2023		**169,597**	**(12,130)**	**208,039**	**1,070**	**(37,534)**	-	**(36,464)**	**103,466**	**432,508**
Profit for the financial period		-	-	18,962	-	-	-	-	8,073	27,035
Other comprehensive income for the financial period		-	-	-	-	5,401	-	5,401	2,772	8,173
Total comprehensive income for the financial period		**-**	**-**	**18,962**	**-**	**5,401**	**-**	**5,401**	**10,845**	**35,208**
Effect of subsidiary's shares buyback and cancelled		**-**	**-**	173	(108)	(7)	-	(115)	(336)	(278)
Balance at 30 June 2023		**169,597**	**(12,130)**	**227,174**	**962**	**(32,140)**	**-**	**(31,178)**	**113,975**	**467,438**
2H2023										
Loss for the financial period		-	-	(9,845)	-	-	-	-	8,180	(1,665)
Other comprehensive loss for the financial period		-	-	-	-	(9,004)	-	(9,004)	(3,210)	(12,214)
Total comprehensive loss for the financial period		**-**	**-**	**(9,845)**	**-**	**(9,004)**	**-**	**(9,004)**	**4,970**	**(13,879)**
Effect of subsidiary's shares buyback and cancelled		-	-	193	(144)	(15)	-	(159)	(361)	(327)
Dividend paid by a subsidiary company to non-controlling interests		-	-	-	-	-	-	-	(6,978)	(6,978)
Balance at 31 December 2023		**169,597**	**(12,130)**	**217,522**	**818**	**(41,159)**	**-**	**(40,341)**	**111,606**	**446,254**

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

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2022

	Note	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1H2022										
Balance at 1 January 2022		**169,597**	**(12,120)**	**157,130**	**1,098**	**(21,858)**	**(29)**	**(20,789)**	**83,045**	**376,863**
Profit for the financial period		-	-	43,219	-	-	-	-	17,842	61,061
Other comprehensive income for the financial period		-	-	-	-	3,210	(3)	3,207	1,722	4,929
Total comprehensive income for the financial period		**-**	**-**	**43,219**	**-**	**3,210**	**(3)**	**3,207**	**19,564**	**65,990**
Purchase of treasury shares		**-**	(10)	-	-	-	-	-	-	(10)
Transfer upon disposal of financial assets, at FVOCI		**-**	-	(32)	-	-	32	32	-	-
Balance at 30 June 2022		**169,597**	**(12,130)**	**200,317**	**1,098**	**(18,648)**	**-**	**(17,550)**	**102,609**	**442,843**
2H2022										
Profit for the financial period		-	-	7,656	-	-	-	-	7,844	15,500
Other comprehensive loss for the financial period		-	-	-	-	(18,879)	-	(18,879)	(6,863)	(25,742)
Total comprehensive loss for the financial period		**-**	**-**	**7,656**	**-**	**(18,879)**	-	**(18,879)**	**981**	**(10,242)**
Effect of subsidiary's shares buyback and cancelled		-	-	66	(28)	(7)	-	(35)	(124)	(93)
Balance at 31 December 2022		**169,597**	**(12,130)**	**208,039**	**1,070**	**(37,534)**	-	**(36,464)**	**103,466**	**432,508**

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

THE COMPANY

Statement of changes in equity for the year ended 31 December 2023

	Note	Share capital	Treasury shares	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1H2023							
Balance at 1 January 2023		**169,597**	**(12,130)**	**(3,422)**	**74**	**74**	**154,119**
Total comprehensive income for the financial period		-	-	1,165	-	-	1,165
Balance at 30 June 2023		**169,597**	**(12,130)**	**(2,257)**	**74**	**74**	**155,284**
2H2023							
Total comprehensive loss for the financial period		-	-	(31,585)	-	-	(31,585)
Balance at 31 December 2023		**169,597**	**(12,130)**	**(33,842)**	**74**	**74**	**123,699**

Statement of changes in equity for the year ended 31 December 2022

	Note	Share capital	Treasury shares	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1H2022							
Balance at 1 January 2022		**169,597**	**(12,120)**	**2,794**	**74**	**74**	**160,345**
Total comprehensive income for the financial period		-	-	4,107	-	-	4,107
Purchase of treasury shares		-	(10)	-	-	-	(10)
Balance at 30 June 2022		**169,597**	**(12,130)**	**6,901**	**74**	**74**	**164,442**
2H2022							
Total comprehensive loss for the financial period		-	-	(10,323)	-	-	(10,323)
Balance at 31 December 2022		**169,597**	**(12,130)**	**(3,422)**	**74**	**74**	**154,119**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Group			
		2nd half year ended 31 December 2023	2nd half year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022
	Note	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
Profit before income tax		1,292	24,341	39,387	109,859
Adjustments for:					
Depreciation of property, plant and equipment	6	7,017	7,028	13,811	13,912
Amortisation of intangible assets	6	2,497	2,593	4,979	5,248
Amortisation of deferred gain	6	(59)	(61)	(118)	(125)
(Gain)/loss on disposal of property, plant and equipment	6	(225)	87	(200)	(10)
Impairment loss on property, plant and equipment	6	14,195	6,141	14,195	6,141
Provisions		(56)	(56)	(111)	(113)
Loss allowance on trade receivables	6	204	75	203	614
Loss allowance on service concession receivables	6	13,707	-	13,707	-
Net fair value loss/(gain) on derivatives		242	(361)	424	(1,078)
Fair value loss on financial assets, at FVPL	6	1,353	-	918	-
Finance income		(1,515)	(1,941)	(3,090)	(3,800)
Interest income	6	(2,982)	(72)	(3,001)	(80)
Interest expenses	6	3,554	3,880	7,047	9,238
Unrealised currency translation loss/(gains)		1,137	(12,220)	48	(7,943)
Operating cash flows before working capital changes		40,361	29,434	88,199	131,863
Changes in working capital:					
Inventories		11,489	3,445	52,285	(7,610)
Service concession receivables		3,975	4,730	5,397	9,738
Trade receivables		99,190	155,428	(221)	22,478
Other receivables		(2,778)	1,434	4,083	(774)
Prepaid operating expenses		1,090	1,662	(787)	(511)
Trade payables and accruals		(11,620)	(25,980)	(21,832)	(9,825)
Other payables		(3)	44	9	(28)
Cash generated from operations		141,704	170,197	127,133	145,331
Interest received		2,982	72	3,001	80
Interest paid		(2,863)	(2,929)	(5,759)	(6,877)
Income tax paid		(6,165)	(49,774)	(14,278)	(83,980)
Net cash generated from operating activities		135,658	117,566	110,097	54,554
Cash flows from investing activities					
Purchase of property, plant and equipment		(3,008)	(3,179)	(5,952)	(5,935)
Proceeds from disposal of property, plant and equipment		298	17	315	131
Proceed from disposal of listed equity security		-	-	-	382
Purchase of financial assets, at FVPL	9	(2,395)	-	(12,223)	-
Net cash used in investing activities		(5,105)	(3,162)	(17,860)	(5,422)
Cash flows from financing activities					
Principal element of lease payments		(3,605)	(3,238)	(6,271)	(5,964)
Proceeds from bank borrowings		2,000	4,135	2,000	11,583
Repayment of bank borrowings		(5,574)	(17,454)	(5,864)	(29,488)
Interest paid		(971)	(1,215)	(1,854)	(2,264)
Purchase of treasury shares		-	-	-	(10)
Purchase of treasury shares by a subsidiary corporation		(327)	(93)	(605)	(93)
Redemption of subordinated notes		-	(12,388)	-	(12,388)
Dividend paid by a subsidiary corporation to non-controlling interest		(6,978)	-	(6,978)	-
Net cash used in financing activities		(15,455)	(30,253)	(19,572)	(38,624)
Net increase in cash and cash equivalents		115,098	84,151	72,665	10,508
Cash and cash equivalents at beginning of period/year		58,418	14,644	99,815	88,257
Effects of currency translation on cash and cash equivalents		(1,422)	1,020	(386)	1,050
Cash and cash equivalents at end of period/year		172,094	99,815	172,094	99,815

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 2023 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Company are the trading of paper products, 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;
(c) Design, operate and maintain power plants for electricity generation and sell the electricity produced for the Myanmar Government; and
(d) Independent wholesale distributor of building products.

2. Basic of preparation

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 financial statements for the financial period ended 30 June 2023.

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 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 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 2022.

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 financial statements for six months ended 31 December 2023.

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 four reportable operating segments.

(a) The paper mill division manufactures and sells industrial grade paper products, collect and trades in waste paper products.

(b) Power division operates a 50 MW gas-fired generating plant in Yangon, Myanmar.

(c) Wholesale distribution of building products in Canada, United States and overseas.

(d) Others, which include the corporate and investments segment.

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

	Paper Mill		Power Plant		Building Products		Others		Total		Adjustments and elimination			Per consolidated financial statements	
	6 months ended 31 December 2023	6 months ended 31 December 2022	6 months ended 31 December 2023	6 months ended 31 December 2022	6 months ended 31 December 2023	6 months ended 31 December 2022	6 months ended 31 December 2023	6 months ended 31 December 2022	6 months ended 31 December 2023	6 months ended 31 December 2022	6 months ended 31 December 2023	6 months ended 31 December 2022	Note	6 months ended 31 December 2023	6 months ended 31 December 2022
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000		S$'000	S$'000
Revenue:															
External customers	9,603	14,449	4,055	5,129	821,636	969,647	-	-	835,294	989,225	-	-		835,294	989,225
Results:															
Finance expenses	(180)	(191)	-	-	(2,639)	(2,991)	(735)	(698)	(3,554)	(3,880)	-	-		(3,554)	(3,880)
Interest income	8	-	-	-	2,965	-	9	72	2,982	72	-	-		2,982	72
Depreciation	(1,070)	(1,285)	(3)	(3)	(5,840)	(5,628)	(104)	(112)	(7,017)	(7,028)	-	-		(7,017)	(7,028)
Amortisation of intangible assets	-	-	-	-	(2,497)	(2,593)	-	-	(2,497)	(2,593)	-	-		(2,497)	(2,593)
Impairment loss on property, plant and equipment	(14,195)	(6,141)	-	-	-	-	-	-	(14,195)	(6,141)	-	-		(14,195)	(6,141)
Loss allowance on service concession receivables	-	-	(13,707)	-	-	-	-	-	(13,707)	-	-	-		(13,707)	-
Segment profit/(loss) before income tax	(16,449)	(10,388)	(12,005)	2,176	32,618	37,572	(2,872)	(5,019)	1,292	24,341	-	-		1,292	24,341

4.1 Reportable segments (cont'd)

	Paper Mill		Power Plant		Building Products		Others		Total		Adjustments and elimination			Per consolidated financial statements	
	Full year ended 31 December 2023	Full year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022	Full year ended 31 December 2023	Full year ended 31 December 2022	Note	Full year ended 31 December 2023	Full year ended 31 December 2022
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000		S$'000	S$'000
Revenue:															
External customers	22,124	35,776	8,352	9,928	1,669,502	2,322,633	-	-	1,699,978	2,368,337	-	-		1,699,978	2,368,337
Results:															
Finance expenses	(370)	(317)	-	-	(5,244)	(7,765)	(1,433)	(1,156)	(7,047)	(9,238)	-	-		(7,047)	(9,238)
Interest income	8	-	-	-	2,965	-	28	80	3,001	80	-	-		3,001	80
Depreciation	(2,199)	(2,572)	(6)	(6)	(11,392)	(11,112)	(214)	(222)	(13,811)	(13,912)	-	-		(13,811)	(13,912)
Amortisation of intangible assets	-	-	-	-	(4,979)	(5,248)	-	-	(4,979)	(5,248)	-	-		(4,979)	(5,248)
Impairment loss on property, plant and equipment	(14,195)	(6,141)	-	-	-	-	-	-	(14,195)	(6,141)	-	-		(14,195)	(6,141)
Loss allowance on service concession receivables	-	-	(13,707)	-	-	-	-	-	(13,707)	-	-	-		(13,707)	-
Segment profit/(loss) before income tax	(18,439)	(12,700)	(10,230)	4,251	72,037	123,879	(3,981)	(5,571)	39,387	109,859	-	-		39,387	109,859

	Paper Mill		Power Plant		Building Products		Others		Total		Adjustments and elimination			Per consolidated financial statements	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	Note	31/12/2023	31/12/2022
	S$'000	S$'000	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 for the year to:-															
- Property, plant and equipment	506	1,910	-	-	9,038	9,591	575	391	10,119	11,892	-	-		10,119	11,892
Segment assets	28,569	49,841	11,622	28,111	628,012	619,224	20,320	5,345	688,523	702,521	19,693	23,283	A	708,216	725,804
Segment liabilities	7,485	8,822	984	1,219	222,881	245,706	21,768	24,835	253,118	280,582	8,844	12,714	B	261,962	293,296

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	
	31/12/2023 S$'000	**31/12/2022** S$'000
Income tax recoverable	14,284	15,211
Deferred income tax assets	5,409	8,072
	19,693	23,283

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

	Group	
	31/12/2023 S$'000	**31/12/2022** S$'000
Income tax liabilities	39	278
Deferred income tax liabilities	8,805	12,436
	8,844	12,714

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

	Group			
	2nd half year ended 31 December 2023 S$'000	**2nd half year ended 31 December 2022** S$'000	**Full year ended 31 December 2023** S$'000	**Full year ended 31 December 2022** S$'000
Sales of goods				
- Paper products	9,603	14,449	22,124	35,776
- Building products	821,636	969,647	1,669,502	2,322,633
Operating and maintenance income	2,540	3,188	5,262	6,128
Finance income	1,515	1,941	3,090	3,800
	835,294	989,225	1,699,978	2,368,337

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 ended 31 December 2023 S$'000	**Full year ended 31 December 2022** S$'000	**Increase/ (decrease)** %
Sales reported for first half year	864,684	1,379,112	(37)
Operating profit after tax before deducting non-controlling interests reported for first half year	27,035	61,061	(56)
Sales reported for second half year	835,294	989,225	(16)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(1,665)	15,500	nm

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 2023 and 31 December 2022:

	Note	Group		Company	
		31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
		S$'000	S$'000	S$'000	S$'000
Financial Assets					
Financial assets, at FVPL		11,208	220	-	220
Cash and bank balances, trade and other receivables and services concession receivables (Amortised cost)		307,563	255,641	113,361	138,968
Derivative financial instruments		-	220	-	-
		318,771	256,081	113,361	139,188
Financial Liabilities					
Trade and other payables, lease liabilities and borrowings (Amortised cost)		(244,797)	(278,098)	(665)	(921)
Derivative financial instruments		(204)	-	-	-
		(245,001)	(278,098)	(665)	(921)

6. Profit before income tax

6.1 Significant items

Profit for the period/year included the following:

	Group			
	2nd half year ended 31 December 2023	**2nd half year ended 31 December 2022**	**Full year ended 31 December 2023**	**Full year ended 31 December 2022**
	S$'000	S$'000	S$'000	S$'000
Interest income	2,982	72	3,001	80
Amortisation of deferred gain	59	61	118	125
Gain/(loss) on disposal of property, plant and equipment	225	(87)	200	10
Impairment loss on property, plant and equipment	(14,195)	(6,141)	(14,195)	(6,141)
Interest expenses	(3,554)	(3,880)	(7,047)	(9,238)
- Revolving credit facility and other short-term liabilities	-	(167)	-	(290)
- Lease liabilities and bank borrowings	(3,434)	(3,021)	(6,808)	(7,610)
- Subordinated notes	-	(344)	-	(814)
- Amortisation of financing costs	(120)	(348)	(239)	(524)
Depreciation of property, plant and equipment	(7,017)	(7,028)	(13,811)	(13,912)
Amortisation of intangible assets	(2,497)	(2,593)	(4,979)	(5,248)
Inventories written down	(1,685)	(270)	(1,187)	(4,727)
Foreign exchange losses	(1,449)	(4,939)	(343)	(3,647)
Bad debt recovered	223	29	188	22
Loss allowance on trade receivables	(204)	(75)	(203)	(614)
Loss allowance on service concession receivables	(13,707)	-	(13,707)	-
Net fair value (loss)/gain on derivatives	(1,165)	347	(319)	1,099
Fair value loss on financial assets, at FVPL (Note 9)	(1,353)	-	(918)	-

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			
	2nd half year ended 31 December 2023	**2nd half year ended 31 December 2022**	**Full year ended 31 December 2023**	**Full year ended 31 December 2022**
	S$'000	S$'000	S$'000	S$'000
Current income tax expense	(5,219)	(5,824)	(17,034)	(33,772)
Deferred tax income/(expense)	49	(2,789)	804	3,237
Current tax adjustments in respect of prior years	2,213	(228)	2,213	(2,763)
	(2,957)	(8,841)	(14,017)	(33,298)

8. Net Asset Value

	Group		Company	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
	S$ cents	S$ cents	S$ cents	S$ cents
Net asset value per ordinary share	36.84	36.23	13.62	16.97

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.

9. Financial assets, at FVPL

	Group		Company	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
	S$'000	S$'000	S$'000	S$'000
Beginning of financial year	220	220	220	220
Additions	12,223	-	-	-
Fair value loss (Note 6.1)	(918)	-	(220)	-
Currency translation differences	(317)	-	-	-
End of financial year	11,208	220	-	220
Unlisted securities:				
- Equity securities – Singapore	8,813	220	-	220
- Debt securities – Hong Kong	2,395	-	-	-
	11,208	220	-	220

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

10.1 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:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) 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
(c) inputs for the asset or liability that are not based on observables market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
<u>**Group**</u>				
31 December 2023				
Financial assets				
FVPL	-	2,395	8,813	11,208
Financial liabilities				
Derivative financial instruments	-	(204)	-	(204)
31 December 2022				
Financial assets				
FVPL	-	-	220	220
Derivative financial instruments	-	220	-	220
<u>**Company**</u>				
31 December 2023				
Financial assets				
FVPL	-	-	-	-
31 December 2022				
Financial assets				
FVPL	-	-	220	220

11. Group's borrowings and debt securities

	Group	
	31/12/2023	**31/12/2022**
	S$'000	S$'000
Secured borrowings		
Repayable within one year	5,670	5,561
Repayable after one year	89,582	91,421
	95,252	96,982
Unsecured borrowings		
Repayable within one year	26,740	31,015
Repayable after one year	-	-
	26,740	31,015

<u>Security granted</u>
The Group's secured borrowings comprise a revolving credit facility of S$Nil (2022: S$Nil) and lease liabilities of S$95,252,000 (2022: S$96,982,000).

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.

<u>Revolving credit facility</u>
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.

12. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S$'000	Treasury shares S$'000
Balance as at 1 July 2023 and 31 December 2023	950,145	(41,832)	169,597	(12,130)
Balance as at 1 July 2022 and 31 December 2022	950,145	(41,832)	169,597	(12,130)

The Company has no outstanding convertibles as at 31 December 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

As at 31 December 2023, the issued and paid-up capital excluding treasury shares comprised 908,313,642 (31 December 2022: 908,313,642) ordinary shares.

As at 31 December 2023, the number of treasury shares represented 4.61% (31 December 2022: 4.61%) of the total number of issued shares excluding treasury shares.

As at 31 December 2023, there were no sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Avarga Limited and its subsidiaries as at 31 December 2023 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

Group financial performance by business segments

2nd half year ended 31 December 2023 ("2H2023") Vs 2nd half year ended 31 December 2022 ("2H2022")

	2H2023 S$'000	Contribution %	2H2022 S$'000	Contribution %
Revenue				
Paper manufacturing	9,603	1	14,449	2
Building products	821,636	98	969,647	98
Power plant	4,055	1	5,129	-
	835,294	100	989,225	100
Gross profit/(loss)				
Paper manufacturing	(1,134)	(1)	(2,602)	(2)
Building products	98,535	99	117,616	100
Power plant	1,751	2	2,276	2
	99,152	100	117,290	100

Full year ended 31 December 2023 ("12M2023") Vs full year ended 31 December 2022 ("12M2022")

	12M2023 S$'000	Contribution %	12M2022 S$'000	Contribution %
Revenue				
Paper manufacturing	22,124	1	35,776	2
Building products	1,669,502	98	2,322,633	98
Power plant	8,352	1	9,928	-
	1,699,978	100	2,368,337	100
Gross profit/(loss)				
Paper manufacturing	(1,402)	(1)	(2,664)	(1)
Building products	197,203	99	308,797	99
Power plant	3,648	2	4,418	2
	199,449	100	310,551	100

Overview

For 2H2023, the Group reported a net loss of S$1.7 million, compared to a net profit of S$15.5 million for 2H2022. The Group's revenue for 2H2023 was S$835.3 million, compared to S$989.2 million for 2H2022. Overall gross profit decreased by S$18.1 million or 15% to S$99.2 million. Overall gross profit margin percentage fairly constant at 11.9% for 2H2023 and 2H2022.

The Group reported a net profit of S$25.4 million for 12M2023, a decrease of 67% or S$51.2 million from S$76.6 million for 12M2022. The Group's revenue for 12M2023 was S$1.7 billion, compared to S$2.4 billion for 12M2022. Overall gross profit decreased by S$111.1 million or 36% to S$199.4 million and overall gross profit margin percentage decreasing from 13.1% for 12M2022 to 11.7% for 12M2023. These decreases were largely due to lower commodity prices for commodity products of building products business.

Based on the business segmental information, building products business continue to contribute more than 95% of the Group's performance.

Revenue

Revenue from the building products business of Taiga for 2H2023 was S$821.6 million compared to S$969.6 million over the same period last year. Revenue from the building products business of Taiga for 12M2023 was S$1.7 billion compared to S$2.3 billion over the same period last year.

Gross margin

Gross margin from the building products business for 2H2023 decreased by S$19.1 million or 16% to S$98.5 million from S$117.6 million over the same period last year. Gross profit margin percentage of the building products business fairly constant at about 12% for 2H2022 and 2H2023.

Gross margin from the building products business for 12M2023 decreased by S$111.6 million or 36% to S$197.2 million from S$308.8 million over the same period last year. Gross profit margin percentage of the building products business decreased from 13.3% for 12M2022 to 11.8% for 12M2023. The decrease was primarily due to lower commodity prices of commodity products in 12M2023 as compared to 12M2022.

The gross loss incurred by the paper manufacturing business is primarily attributable to high operational costs, particularly energy expenses, along with compressed margins resulting from a highly competitive operating environment and limited economies of scale. The losses were reduced through the group's restructuring efforts.

Expenses

Distribution expenses was fairly constant at S$16.6 million and S$16.3 million for 2H2023 and 2H2022, and S$32.6 million and S$32.7 million for 12M2023 and 12M2022, respectively.

Selling and administrative expenses for 2H2023 were S$49.1 million as compared to S$62.1 million over the same period last year. Selling and administrative expenses for 12M2023 were S$94.2 million as compared to S$149.9 million over the same period last year. These decreases were primarily due to decreased compensation costs.

Finance expenses were S$3.6 million for 2H2023 and S$3.9 million for 2H2022. Finance expenses for 12M2023 were S$7.0 million as compared to S$9.2 million over the same period last year. The decrease was due to lower borrowing levels.

In 2H2023, other gains/(losses) included a foreign exchange loss of S$1.4 million (2H2022: S$4.9 million) that arose mainly from the translation of intercompany receivables denominated in Canadian dollar, fair value losses on financial assets (including derivatives) of S$2.5 million (2H2022: fair value gain of S$0.3 million); a loss allowance of S$13.7 million (2H2022: S$Nil) recorded on service concession receivables related to the Group’s power plant business division and an impairment loss of S$14.2 million (2H2022: S$6.1 million) recorded for the plant and machinery of paper manufacturing business.

Other losses for 12M2023 included a foreign exchange loss of S$0.3 million (12M2022: S$3.6 million) that arose mainly from the translation of intercompany receivables denominated in Canadian dollar; fair value losses on financial assets (including derivatives) of S$1.2 million (12M2022: fair value gain of S$1.1 million); a loss allowance of S$13.7 million (12M2022: S$Nil) recorded on service concession receivables related to the Group’s power plant business division and an impairment loss of S$14.2 million (12M2022: S$6.1 million) recorded for the plant and machinery of paper manufacturing business.

The loss allowance on service concession receivables was made following management’s assessment of credit risk under SFRS(I) 9. Although there is no default on payment, the Group has determined that the credit risk on the service concession receivables has increased significantly, taking into consideration forward-looking information on the risk of foreign currency shortages, a weakening economy and Myanmar being categorised as a high-risk jurisdiction by the Financial Action Task Force, with increased risk of economic and financial sanctions. Accordingly, lifetime ECL is applied on the service concession receivables of the Group’s power plant business.

(a) Review of Statement of Financial Position

The Group's total assets decreased from S$725.8 million as at 31 December 2022 to S$708.2 million as at 31 December 2023.

Property, plant and equipment decreased to S$136.8 million as at 31 December 2023 compared to S$156.8 million as at 31 December 2022 primarily due to depreciation charge of S$13.8 million and an impairment loss of S$14.2 million on plant and machinery recognised in the current year for paper manufacturing business. The net book value of right of use assets included in property, plant and equipment as at 31 December 2023 was S$87.5 million after depreciation charge of S$7.4 million for the current year.

Inventories decreased to S$182.7 million as at 31 December 2023 compared to S$234.5 million as at 31 December 2022, primarily due to lower inventory build-up as a result of management’s expectation of declining housing markets for the first quarter of 2024.

Service concession receivables decreased to S$11.3 million as at 31 December 2023 compared to S$27.9 million as at 31 December 2022, primarily due to a loss allowance of S$13.7 million was made following management’s assessment of credit risk under SFRS(I) 9. Although there is no default on payment, the Group has determined that the credit risk on the service concession receivables has increased significantly, taking into consideration forward-looking information on the risk of foreign currency shortages, a weakening economy and Myanmar being categorised as a high-risk jurisdiction by the Financial Action Task Force, with increased risk of economic and financial sanctions. Accordingly, lifetime expected credit losses is applied on the service concession receivables.

Financial assets, at FVPL as at 31 December 2023 related to the long-term investment acquired by Taiga during the financial year.

Cash and cash equivalents increased to S$172.1 million as at 31 December 2023 from S$99.8 million as at 31 December 2022, primarily due to cash generated from operations.

Total liabilities of the Group decreased to S$262.0 million as at 31 December 2023 from S$293.3 million as at 31 December 2022. The decrease was primarily due to decreased accounts payables and accruals.

Account payables and accruals decreased to S$128.5 million as at 31 December 2023 compared to S$150.0 million as at 31 December 2022 mainly due to decreased payroll liabilities.

The Group's working capital was S$348.8 million as at 31 December 2023 compared to S$311.9 million as at 31 December 2022.

The Group's total equity as at 31 December 2023 amounted to S$446.3 million (31 December 2022: S$432.5 million).

(b) <u>Review of Statement of Cash Flows</u>

Cash flows from operating activities generated cash of S$135.7 million for 2H2023 compared to S$117.6 million for the same period last year. Cash flows from operating activities generated cash of S$110.1 million for 12M2023 compared to S$54.6 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 decreased inventories and decreased accounts payable and accruals.

Investing activities used cash of S$5.1 million for 2H2023, compared to S$3.2 million for the same period last year. Investing activities used cash of S$17.9 million for 12M2023, compared to S$5.4 million for 12M2022. Apart from cash flows related to the acquisition of property, plant and equipment, the net cash used in investing activities was mainly for the purchase of financial assets, at FVPL for long term investment purposes.

Financing activities used cash of S$15.5 million for 2H2023, compared to S$30.3 million for the same period last year. Financing activities used cash of S$19.6 million for 12M2023, compared to S$38.6 million for the same period last year. The changes were primarily due to a reduction in net repayment of bank borrowings, reflecting lower borrowing levels during the current financial period under review.

Overall, the net increase in cash and cash equivalents for 2H2023 and 12M2023 were S$115.1 million and S$72.7 million respectively.

As at 31 December 2023, the Group's cash and cash equivalents was S$172.1 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.

The Group operates across a diversified range of industries and countries, with different operating environment, outlooks, risks and challenges. The Group will continue to focus on improving operational efficiency for its portfolio of businesses, while mitigating risks, navigating challenges and evaluating opportunities for growth.

Increased geographical diversity of the Group’s assets also results in greater exposure to currency volatility when earnings are translated back to SGD. Included in the full year results for FY2023 was a currency exchange loss of S$0.3 million, compared to S$3.6 million for FY2022.

Outlook of the respective business divisions are as follows: -

a) <u>Building products business</u>

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 their Spring 2023 Housing Market Outlook, housing starts in Canada are expected to range between 223,783 and 211,917 in calendar 2024 compared to 261,849 units in 2023. In the United States, the National Association of Home Builders reported in December 2023 that housing starts are forecasted to total 1,336,000 units in the 2024 calendar year compared to 1,394,000 units in calendar year 2023.

b) Paper manufacturing business

After an already adverse year in FY2022, operating conditions for the paper manufacturing division in Malaysia became even more challenging in FY2023 with the entry of two more large Chinese competitors, as well as capacity expansion by an existing large Chinese player.

Meanwhile, cost pressures elevated further, especially for electricity and waste paper. In particular, waste paper costs rose sharply in 4Q2023 due to supply chain and logistics disruptions, and high shipping costs caused by geopolitical problems in the Middle East.

Despite the worsening operating environment in FY2023, our paper manufacturing business actually fared better. We had undertaken a major restructuring exercise, where we re-strategized our product mix, operations, business focus and downsized our scale of operations. This has reduced output and sales, but also helped mitigate losses.

In FY2023, revenue for this division declined by 34.1% to RM75.0 million from RM113.8 million, while sales volume declined 23.1% to 38,315 tonnes.

Excluding impairments of plant and machinery, pre-tax loss for the paper manufacturing division narrowed from RM21.1m in FY2022 to RM14.4m in FY2023.

However, to be prudent in view of the challenging outlook, we have decided to make further impairments on plant and machinery in FY2023 amounting to RM49.0 million (FY2022: RM20 million). With these impairments, we have almost fully impaired for the value of our machineries.

While the losses have narrowed, operating conditions for the industry will remain very challenging. The Group will continue to endeavour to mitigate losses and turnaround the business, and at the same time evaluate all available options for it.

c) Power plant business

The power plant in Myanmar started operations on 11 February 2014, and has now entered its eleventh year of operations. The power plant is backed by a 30-year power purchase agreement, expiring in February 2044, with the Electric Power Generation Enterprise ("EPGE"), under Myanmar's Ministry of Electricity and Energy.

In FY2023, the power plant produced 241.72 million kWh of electricity, a decline of 30% from 343.38 million kWh in FY2022. The decline in production was due largely to gas supply issues, as the plant faced severe gas supply disruptions due to a shortage of gas in Myanmar.

Under the power purchase agreement, the plant is committed to sell a minimum of 350 million kWh per year. For the year to 10 Feb 2024, production was 257.48 million kWh.

On 1 February 2021, the Tatmadaw assumed control of the government. It announced a state of emergency in Myanmar, which has been extended several times. Economic conditions in the country have deteriorated significantly since then. The exit of major foreign players in the oil and gas industry have resulted in a shortage of gas available for power plants in the country. Security and political concerns have also escalated sharply since late Oct 2023, with fighting between government and other forces in several parts of the country.

Given these increased uncertainties, we have decided to be prudent and impair the value of our power plant. We have made a one-off impairment of S$13.7 million, or 55% of the power plant's carrying value. Due to this impairment, the power plant division reported a pre-tax loss of S$10.2 million for FY2023, compared with a pre-tax profit of S$4.3 million in FY2022.

This is an increasingly difficult environment, and we will try to navigate and find possible solutions – none of which are likely to be fully satisfactory. More pain is inevitable.

5. **Dividend information**

(a) 2nd Half period ended 31 December 2023

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

(b) 2nd Half period ended 31 December 2022

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.

In view of the highly volatile and uncertain global operating environment, no dividend has been recommended for the current reporting period and for the financial year ended 31 December 2023, as it is crucial for the Group to conserve its cash resources to sustain its business operations, to meet its financial commitments and retain the cash in the Group for its future growth.

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

	2023 S$'000	**2022 S$'000**
Ordinary	-	-
Preference	-	-
Total	**-**	**-**

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	36	Son of Tong Kooi Ong (Executive Chairman and substantial shareholder)	Avarga Limited 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 Taiga Building Products Ltd Position: Director Duties: Non-executive Chairman Date when position first held: 20 July 2012	Not applicable.
Tong Kooi Ong	64	Father of Tong Ian (Chief Executive Officer and Executive Director)	Avarga Limited Position: Executive Chairman Duties: Chairman of the Board and Executive Director Date when position first held: 15 March 2012 Taiga Building Products Ltd Position: Director Duties: Non-executive Director Date when position first held: 20 May 2005	Not applicable.

BY ORDER OF THE BOARD

Tong Kooi Ong
Executive Chairman

Tong Ian
Chief Executive Officer

24 February 2024