



## AVARGA LIMITED

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

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### PROPOSED ACQUISITIONS OF SHARES AND DEBT AS AN INTERESTED PERSON TRANSACTION (THE “PROPOSED ACQUISITIONS”)

#### - EXECUTION OF SUPPLEMENTARY AGREEMENT

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## 1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Avarga Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 23 March 2018 in relation to the Proposed Acquisitions. Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them respectively in the abovementioned announcement.

## 2. SUPPLEMENTARY AGREEMENT

The Board wishes to announce that the Parties have entered into a supplementary agreement (the “**Supplementary Agreement**”), pursuant to which the following terms of the SPA were amended:

- (a) *retained earnings of the Target* – the Parties had entered into the SPA on the premise that the Target had been used solely as a holding company and other than the Taiga Shares (which were funded by the Common Shares, the Preferred Shares and the Purchased Debt), the Target had no other assets or liabilities. Notwithstanding, the Target recorded retained earnings (attributable to the Common Shares) in the amount of C\$18,071 as at 30 June 2018. In light of the foregoing, the Parties have agreed that (i) the aggregate purchase consideration for the Proposed Acquisitions shall include the additional cash amount of C\$18,071, being an amount equivalent to such retained earnings, and (ii) such agreement be recorded in the Supplementary Agreement;
- (b) *number of Taiga Shares which the Target holds* – the SPA (as amended by the Supplementary Agreement) has been revised to correct the number of Taiga Shares which the Target holds from 18,460,760 to 18,460,759. This was done to rectify the minor discrepancy in the number of Taiga Shares held by the Target which was discovered after the SPA was entered into; and
- (c) *adjustment to aggregate consideration for the Proposed Acquisitions* – as a result of (b), the aggregate consideration for the Proposed Acquisitions would decrease by C\$1.50. Pursuant to the terms of the SPA (as amended by the Supplementary Agreement), the aggregate purchase consideration for the Proposed Acquisitions shall be C\$27,709,209.50, payable to Genghis by a combination of cash in the amount of C\$8,804,120.38 and the issuance of 73,439,000 Consideration Shares at an issue price of S\$0.26 per Consideration Share.

In light of the foregoing, the aggregate purchase consideration for the Proposed Acquisitions shall be allocated as follows and in the order outlined below:

- (i) firstly, to the Purchased Debt, C\$13,824,049, payable by a combination of cash in the amount of C\$8,786,049.38 and the issuance of 19,570,691 Consideration Shares, having an aggregate value of S\$5,088,379.66 (which shall be equivalent to approximately C\$5,037,999.62);
- (ii) secondly, to the Preferred Shares, C\$9,216,100, being C\$1.00 per Preferred Share, payable by the issuance of 35,801,004 Consideration Shares having an aggregate value of S\$9,308,261.04; and
- (iii) thirdly, to the Common Shares, C\$4,669,060.50, being C\$466,906.05 per Common Share, payable by the combination of the issuance of 18,067,305 Consideration Shares having an aggregate value of S\$4,697,499.30 and of cash in the amount of C\$18,071, being the retained earnings of C\$18,071 (attributable to such Common Shares) as at 30 June 2018.

Save as announced above, there are no other changes to the terms and conditions of the SPA.

### **3. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS**

The Circular containing further details of the Proposed Acquisitions, the opinion and recommendation of the IFA and enclosing a notice of extraordinary general meeting to be convened in connection with the Proposed Acquisitions will be despatched by the Company to the Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

#### **BY ORDER OF THE BOARD**

Khoo Hsien Ming, Kevin  
Executive Director

18 July 2018