

ADDENDUM DATED 5 APRIL 2018

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of UPP Holdings Limited, you should immediately forward this Addendum to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Addendum.



UPP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196700346M)

ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 5 APRIL 2018

IN RELATION TO:

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (2) THE PROPOSED CHANGE OF NAME OF THE COMPANY TO “AVARGA LIMITED”**

Except where the context otherwise requires, the following definitions apply throughout this Addendum:–

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	Annual general meeting of the Company
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	UPP Holdings Limited
“Companies Act”	:	Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time
“Constitution”	:	The existing Constitution of the Company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company (unless the SGX-ST determines otherwise) or a person who in fact exercises control over the Company, as defined under the Listing Manual
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“FY2017”	:	Financial year ended 31 December 2017
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	19 March 2018, being the latest practicable date prior to the printing of this Addendum
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“NAV”	:	Net asset value
“Proposed Change of Name”	:	The proposed change of name of the Company from “UPP Holdings Limited” to “Avara Limited”
“Off-Market Share Purchase”	:	A Share Purchase (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme (as defined under Section 76C of the Companies Act) for the purchase of Shares from the Shareholders

“On-Market Share Purchase”	:	A Share Purchase effected on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose
“Registrar”	:	Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with the Shares
“Share Purchase”	:	Purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	General mandate given by Shareholders to authorise the Board to purchase or otherwise acquire Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“Substantial Shareholder”	:	A person who has an interest in not less than 5% of the issued voting Shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Addendum shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Addendum between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

UPP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196700346M)

Directors:

Tong Kooi Ong (Executive Chairman and Chief Executive Officer)
Koh Wan Kai (Executive Director)
Khoo Hsien Ming Kevin (Executive Director)
Tong Ian (Executive Director)
Gary Ho Kwat Foong (Lead Independent Director)
Ng Shin Ein (Independent Director)
Kalimullah Bin Masheerul Hassan (Independent Director)
Ong Pang Liang (Independent Director)
Garson David Lee (Independent Director)

Registered Office:

1 Kim Seng Promenade #13-10
Great World City West Tower
Singapore 237994

5 April 2018

To: The Shareholders of UPP Holdings Limited

Dear Sir/Madam

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE AND THE PROPOSED CHANGE OF NAME OF THE COMPANY TO “AVARGA LIMITED”

1 INTRODUCTION

- 1.1** UPP Holdings Limited (the “**Company**”) has on 5 April 2018 issued a Notice convening the 51st Annual General Meeting of the shareholders of the Company (the “**Shareholders**”) to be held on 27 April 2018 (the “**2018 AGM**”).
- 1.2** We refer to Ordinary Resolution No. 9 relating to the proposed renewal of the Share Purchase Mandate. It is a requirement under the Companies Act that a company, which wishes to purchase or otherwise acquire its own shares, has to obtain the approval of its shareholders at a general meeting of the company. The Company proposes to seek the approval of the Shareholders at the forthcoming 2018 AGM for the renewal of the Share Purchase Mandate to authorise the Directors to buy back its issued and fully paid Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set out in the Companies Act and the Listing Manual.
- 1.3** We refer to Special Resolution No. 10 relating to the Proposed Change of Name of the Company to “Avarga Limited”. It is a requirement under the Companies Act that a company may change its name by special resolution.
- 1.4** The purpose of this Addendum is to explain the rationale for, and provide Shareholders with information relating to, the proposed renewal of the Share Purchase Mandate and the Proposed Change of Name.

2 THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 RATIONALE FOR THE SHARE PURCHASE MANDATE

- 2.1.1** The Share Purchase Mandate will give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during its validity period. The Directors believe that the Share Purchase Mandate will provide the Company with a mechanism to facilitate the return of any surplus cash in excess of the Group's working capital requirements in an expedient and cost-efficient manner. The Directors further believe that Share Purchases may also buffer short-term share price volatility and offset the effects of share price speculation. Where Shares are purchased by the Company and are held as treasury shares, it will also enable the Company to transfer the treasury shares for the purposes of the Company's employees' share option scheme.
- 2.1.2** If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Share Purchases or Off-Market Share Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.
- 2.1.3** The Share Purchases would be made only as and when the Directors consider it to be in the best interests of the Company and in appropriate circumstances which the Directors believe will not result in any material adverse effect on the liquidity and the orderly trading of the Shares, as well as the financial condition of the Group.

2.2 AUTHORITY AND LIMITS ON THE SHARE PURCHASE MANDATE

The authority and limits placed on the Share Purchases under the Share Purchase Mandate are set out below:–

2.2.1 Maximum number of Shares

- (a) Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2018 AGM at which approval for the proposed renewal of the Share Purchase Mandate is being sought (the "**Approval Date**"). Under the Companies Act, any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the 10% limit.
- (b) For illustrative purposes only, on the basis of 876,667,121 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued prior to the 2018 AGM, not more than 87,666,712 Shares (representing 10% of the total number of issued Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in paragraph 2.2.2(a) below.

2.2.2 Duration of Authority

- (a) Share Purchases may be made, at any time and from time to time, on and from the Approval Date up to:–
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;

- (ii) the date on which the Share Purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

- (b) The authority conferred on the Board by the Share Purchase Mandate to purchase Shares may be renewed at the next annual general meeting of the Company or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next annual general meeting.

2.2.3 Manner of Share Purchases

- (a) Share Purchases may be made by way of:

- (i) an On-Market Share Purchase; and/or
- (ii) an Off-Market Share Purchase.

- (b) The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:–

- (i) offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:–
 - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

- (c) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:–

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptance;
- (iii) the reasons for the proposed Share Purchase;

- (iv) the consequences, if any, of Share Purchases that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Purchases made by the Company during the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.2.4 Maximum Purchase Price

- (a) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.
- (b) However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:–
 - (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
 - (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares,(the “**Maximum Price**”).
- (c) For the above purposes, “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Share Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days.

2.3 STATUS OF PURCHASED SHARES UNDER THE SHARE PURCHASE MANDATE

- 2.3.1** Under Section 76B of the Companies Act, any Share which is purchased shall, unless held as a treasury share, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. All Shares purchased by the Company, unless held as treasury shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.3.2 Some of the provisions on treasury shares under the Companies Act are summarised below:–

(a) Maximum Holdings

The number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares; and the Company shall be entered in the Register of Members or the Depository Register, as the case may be, as the member holding those Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings; and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number, as the case may be, is allowed so long as the total value of the treasury shares after the sub-division or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time:–

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for the Company's employees, directors or other persons;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

The Shares purchased under the Share Purchase Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;

- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.4 REPORTING REQUIREMENTS

- 2.4.1** Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Purchase Mandate, as the case may be, the Company shall lodge a copy of such resolution with the Registrar.
- 2.4.2** The Company shall lodge with the Registrar a notice of Share Purchase within 30 days of such Share Purchase. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of treasury shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.
- 2.4.3** Within 30 days of the cancellation or disposal of treasury shares in accordance with the Companies Act, the Company shall lodge with the Registrar a notice of the cancellation or disposal of treasury shares with such particulars as may be required in the prescribed form.

2.5 SOURCE OF FUNDS

- 2.5.1** The Company may only apply funds for the Share Purchases in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash and in the case of an On-Market Share Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- 2.5.2** The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share Purchases.
- 2.5.3** The Companies Act stipulates that any purchases of Shares may be made out of the Company's capital and/or profits so long as the Company is solvent. Under the Companies' Act, a Company is solvent if at the date of the payment made by the Company in consideration of acquiring any right with respect to the purchase or acquisition of its own Shares:
 - (a) there is no ground on which the Company could be found to be unable to pay its debts;
 - (b) if:
 - (1) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

- (2) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due within the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.5.4. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced. The Companies Act further stipulates that a payment for such purchase of shares shall include any expenses (including brokerage or commission) incurred directly in the purchase.

2.6 FINANCIAL EFFECTS

2.6.1 The financial effects on the Company and the Group arising from the Share Purchases will depend on, inter alia, whether the Share Purchases are made by way of On-Market Share Purchases or Off-Market Share Purchases, the price paid for such Shares and whether the Shares are held in treasury or cancelled.

2.6.2 For illustrative purposes only, the financial effects on the Company and the Group arising from the Share Purchases, based on the audited financial statements of the Company and the Group for FY2017, are prepared assuming the following:–

- (a) the Share Purchases comprised 87,666,712 Shares (representing the maximum 10% allowed under the Share Purchase Mandate of the 876,667,121 issued Shares excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date);
- (b) in the case of On-Market Share Purchases, the Maximum Price was S\$0.259 (being 5% above the Average Closing Price prior to the Latest Practicable Date) and accordingly, the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such On-Market Share Purchases would amount to approximately S\$22.7 million;
- (c) in the case of Off-Market Share Purchases, the Maximum Price was S\$0.296 (being 20% above the Average Closing Price prior to the Latest Practicable Date) and accordingly, the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such Off-Market Share Purchases would amount to approximately S\$25.9 million;
- (d) the Share Purchases were made out of the Company's capital and profits as the Company has decided that any Share Purchases made under the Share Purchase Mandate will be made out of capital and profits;
- (e) the Share Purchases took place on 1 January 2018 and the Shares purchased were (i) cancelled; or (ii) held as treasury shares; and
- (f) the Share Purchases were financed by a combination of internal source of funds and external short-term bank borrowings.

(i) On-Market Share Purchases

	Group			Company		
	Before Share Purchases S\$'000	After Share Purchases		Before Share Purchases S\$'000	After Share Purchases	
		Share Purchases cancelled \$'000	Share Purchases held as Treasury Shares S\$'000		Share Purchases cancelled \$'000	Share Purchases held as Treasury Shares S\$'000
As at 31 December 2017						
Share capital	150,519	127,813	150,519	150,519	127,813	150,519
Other reserves	(14,756)	(14,756)	(14,756)	74	74	74
Retained earnings	62,742	62,742	62,742	2,054	2,054	2,054
Treasury shares	–	–	(22,706)	–	–	(22,706)
	198,505	175,799	175,799	152,647	129,941	129,941
Non-controlling interests	66,670	66,670	66,670	–	–	–
Total Equity	265,175	242,469	242,469	152,647	129,941	129,941
Current assets	331,355	308,649	308,649	117,019	94,313	94,313
Current liabilities	(183,722)	(183,722)	(183,722)	(1,626)	(1,626)	(1,626)
Non-current assets	173,791	173,791	173,791	37,254	37,254	37,254
Non-current liabilities	(56,249)	(56,249)	(56,249)	–	–	–
Net Asset Value (NAV)	265,175	242,469	242,469	152,647	129,941	129,941
Total borrowings	142,503	142,503	142,503	–	–	–
Less: Cash and bank balances	38,701	15,995	15,995	25,100	2,394	2,394
Less: Other deposits with financial institutions	–	–	–	–	–	–
Net debt ⁽¹⁾	103,802	126,508	126,508	–	–	–
Profit after tax and non-controlling interests	16,340	16,340	16,340	8,884	8,884	8,884
Number of Shares outstanding as at 31 December 2017 ('000)	876,667	789,000	789,000	876,667	789,000	789,000
Weighted average number of Shares as at 31 December 2017						
– Basic ('000)	867,352	779,685	779,685	867,352	779,685	779,685
– Diluted ('000)	867,352	779,685	779,685	867,352	779,685	779,685
Financial Ratios						
NAV per share ⁽²⁾ (cents)	22.64	22.28	22.28	17.41	16.47	16.47
Gross debt gearing ⁽³⁾ (times)	0.66	0.74	0.74	–	–	–
Net debt gearing ⁽⁴⁾ (times)	0.48	0.66	0.66	–	–	–
Current ratio ⁽⁵⁾ (times)	1.80	1.68	1.68	71.97	58.00	58.00
EPS ⁽⁶⁾ (cents)						
– Basic	1.88	2.10	2.10	1.02	1.14	1.14
– Diluted	1.88	2.10	2.10	1.02	1.14	1.14

Notes:–

- (1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.
- (2) "NAV per share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2017.
- (3) "Gross debt gearing" represents total borrowings divided by net tangible asset value.
- (4) "Net debt gearing" represents net debt divided by net tangible asset value.
- (5) "Current ratio" represents current assets divided by current liabilities.
- (6) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2017.

(ii) Off-Market Share Purchases

	Group			Company		
	Before Share Purchases S\$'000	After Share Purchases		Before Share Purchases S\$'000	After Share Purchases	
		Share Purchases cancelled \$'000	Share Purchases held as Treasury Shares S\$'000		Share Purchases cancelled \$'000	Share Purchases held as Treasury Shares S\$'000
As at 31 December 2017						
Share capital	150,519	124,570	150,519	150,519	124,570	150,519
Other reserves	(14,756)	(14,756)	(14,756)	74	74	74
Retained earnings	62,742	62,742	62,742	2,054	2,054	2,054
Treasury shares	–	–	(25,949)	–	–	(25,949)
	198,505	172,556	172,556	152,647	126,698	126,698
Non-controlling interests	66,670	66,670	66,670	–	–	–
Total Equity	265,175	239,226	239,226	152,647	126,698	126,698
Current assets	331,355	305,406	305,406	117,019	91,070	91,070
Current liabilities	(183,722)	(183,722)	(183,722)	(1,626)	(1,626)	(1,626)
Non-current assets	173,791	173,791	173,791	37,254	37,254	37,254
Non-current liabilities	(56,249)	(56,249)	(56,249)	–	–	–
Net Asset Value (NAV)	265,175	239,226	239,226	152,647	126,698	126,698
Total borrowings	142,503	142,503	142,503	–	–	–
Less: Cash and bank balances	38,701	12,752	12,752	25,100	(849)	(849)
Less: Other deposits with financial institutions	–	–	–	–	–	–
Net debt ⁽¹⁾	103,802	129,751	129,751	–	849	849
Profit after tax and non-controlling interests	16,340	16,340	16,340	8,884	8,884	8,884
Number of Shares outstanding as at 31 December 2017 ('000)	876,667	789,000	789,000	876,667	789,000	789,000
Weighted average number of Shares as at 31 December 2017						
– Basic ('000)	867,352	779,685	779,685	867,352	779,685	779,685
– Diluted ('000)	867,352	779,685	779,685	867,352	779,685	779,685
Financial Ratios						
NAV per share ⁽²⁾ (cents)	22.64	21.87	21.87	17.41	16.06	16.06
Gross debt gearing ⁽³⁾ (times)	0.66	0.75	0.75	–	–	–
Net debt gearing ⁽⁴⁾ (times)	0.48	0.68	0.68	–	0.01	0.01
Current ratio ⁽⁵⁾ (times)	1.80	1.66	1.66	71.97	56.01	56.01
EPS ⁽⁶⁾ (cents)						
– Basic	1.88	2.10	2.10	1.02	1.14	1.14
– Diluted	1.88	2.10	2.10	1.02	1.14	1.14

Notes:–

- (1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.
- (2) "NAV per share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2017.
- (3) "Gross debt gearing" represents total borrowings divided by net tangible asset value.
- (4) "Net debt gearing" represents net debt divided by net tangible asset value.
- (5) "Current ratio" represents current assets divided by current liabilities.
- (6) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2017.

The financial effects set out above are purely for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date that the Share Purchase Mandate is renewed, the Company may not necessarily buy back or be able to buy back 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in full.

2.7 TAX IMPLICATIONS ARISING FROM SHARE PURCHASES

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 LISTING MANUAL RELATING TO SHARE PURCHASES

2.8.1 The Listing Manual specifies that a listed company shall notify the SGX-ST of any On-Market Share Purchases not later than 9.00 a.m. on the Market Day following the day on which the On-Market Share Purchase was made, and of any Off-Market Share Purchases not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Share Purchase. The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.8.2 While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, the Company will not undertake Share Purchases after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy any Shares during the period commencing 2 weeks before the announcement of the Company's results for each of the first, second and third quarters of its financial year, or one month before the announcement of the Company's annual results, as the case may be, and ending on the date of announcement of the relevant results.

2.8.3 The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons. Based on the Registers of Directors' Shareholdings maintained by the Company and its subsidiaries and the Register of Substantial Shareholders maintained by the Company and the information received by the Company as at the Latest Practicable Date, there are 430,883,796 Shares held by public Shareholders, representing approximately 49.15% of the total number of issued Shares. Assuming the Company exercises the Share Purchase Mandate in full and purchases 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings through On-Market Share Purchases from the public, the number of Shares in the hands of the public would be reduced to approximately 343,217,084 Shares, representing approximately 43.50% of the total number of issued Shares excluding treasury shares. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. While the Share Purchase Mandate would authorise Share Purchases up to a maximum of 10% limit, Shareholders should note that Share Purchases may not be carried out up to the full 10% limit as authorised, or at all.

2.8.4 In undertaking any Share Purchases, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float held by the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9 TAKE-OVER CODE IMPLICATIONS ARISING FROM SHARE PURCHASES

2.9.1 The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchases, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

2.9.2 Under the Take-over Code, persons acting in concert or concert parties comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert, namely, (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

2.9.3 The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code ("**Appendix 2**").

2.9.4 In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such directors and their concert parties would increase to 30% or more, or, in the event that such directors and their concert parties hold between 30% and 50% of the voting rights in the Company, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

2.9.5 Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the voting rights in the Company, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

- 2.9.6** Shareholders and their concert parties will be subject to the provisions of Rule 14 if they acquire any Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of 6 months.
- 2.9.7** If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by its Shareholders at the 2018 AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.
- 2.9.8** Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, are set out in paragraph 2.11 of this Addendum.
- 2.9.9** Based on the shareholdings of the Directors and the Substantial Shareholders in the Company as at the Latest Practicable Date, none of the Directors nor the Substantial Shareholders will become obligated to make a mandatory offer by reason only of the buyback of 87,666,712 Shares by the Company pursuant to the Share Purchase Mandate.
- 2.9.10** The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to buy back Shares pursuant to the Share Purchase Mandate.
- 2.9.11** Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.

2.10 DETAILS OF SHARE PURCHASES DURING THE PREVIOUS 12 MONTHS

The Company did not purchase any Shares within the 12 months preceding the Latest Practicable Date.

2.11 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the proposed renewal of the Share Purchase Mandate (other than through their respective shareholdings in the Company).

2.11.1 Directors

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

<u>Director</u>	← Before Share Purchases (No. of Shares) →			Before Share Purchases % ⁽¹⁾	After Share Purchases % ⁽²⁾	Number of Shares comprised in outstanding warrants
	Direct Interest	Deemed Interest	Total Interest			
Tong Kooi Ong	–	221,925,000	221,925,000	25.31	28.13	216,088,900
Koh Wan Kai	–	–	–	–	–	–
Khoo Hsien Ming Kevin	–	–	–	–	–	–
Tong Ian	–	2,800,000	2,800,000	0.32	0.35	1,700,000
Gary Ho Kuat Foong	–	–	–	–	–	–
Ng Shin Ein	671,400	–	671,400	0.08	0.09	–
Kalimullah Bin Masheerul Hassan	–	30,000,000	30,000,000	3.42	3.80	30,000,000
Ong Pang Liang	5,000,000	–	5,000,000	0.57	0.63	5,000,000
Garson David Lee	–	1,300,000	1,300,000	0.15	0.16	1,300,000

Notes:–

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 876,667,121 Shares (excluding treasury shares and subsidiary holdings).
- (2) As a percentage of the total number of issued Shares, comprising 876,667,121 Shares (assuming that the Company purchases the maximum number of 87,666,712 Shares under the Share Purchase Mandate and excluding treasury shares and subsidiary holdings).
- (3) The Company has an option scheme, known as the "UPP Employee Share Option Scheme". As at the Latest Practicable Date, no options have been granted under the option scheme.

2.11.2 Substantial Shareholders

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

<u>Substantial Shareholders</u>	← Before Share Purchases (No. of Shares) →			Before Share Purchases % ⁽¹⁾	After Share Purchases % ⁽²⁾	Number of Shares comprised in outstanding warrants
	Direct Interest	Deemed Interest	Total Interest			
Lim Eng Hock	183,246,925	–	183,246,925	20.90	23.23	183,246,925
Tong Kooi Ong	–	221,925,000	221,925,000	25.31	28.13	216,088,900

Notes:–

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 876,667,121 Shares (excluding treasury shares and subsidiary holdings).
- (2) As a percentage of the total number of issued Shares, comprising 876,667,121 Shares (assuming that the Company purchases the maximum number of 87,666,712 Shares under the Share Purchase Mandate and excluding treasury shares and subsidiary holdings).
- (3) Issued Shares held in the name of the registered holder, Phileo Capital Limited.

3 THE PROPOSED CHANGE OF NAME OF THE COMPANY TO “AVARGA LIMITED”

3.1 RATIONALE FOR THE CHANGE OF NAME

3.1.1 The Directors are proposing to change the Company’s name from UPP Holdings Limited to “Avarga Limited”.

3.1.2 Previously, the principal business activity of the Group was the manufacture and sale of paper products and the Company was known as “United Pulp & Paper Company Limited”. The Company changed its name in May 2010, and “United Pulp & Paper” was shortened to “UPP”. The current business activities of the Group include investment holding, the operation of a power plant for electricity generation in Myanmar, a pulp and paper mill in Malaysia, and through Taiga Building Products Ltd (“**Taiga**”) which is based in Canada, the distribution of building materials including lumber, panels, molding and doors. As the Group’s business activities have expanded beyond the manufacture of paper products, the Board is of the view that the Proposed Change of Name would better reflect the Company’s business activities and direction.

3.1.3 Shareholders should note that the change of the Company’s name, if approved and effected, does not affect the identity or legal status of the Company, any of the rights or obligations of the Company, the Group’s operations or financial position, or any of the rights of the Shareholders, and the existing Shares will continue to be traded on SGX-ST.

3.2 APPROVALS

3.2.1 Reservation of Name

ACRA has given its approval for the use of the name “Avarga Limited”. The Company has reserved the proposed name “Avarga Limited” until 10 May 2018.

3.2.2 Shareholders’ Approval

The Proposed Change of Name will be tabled as a special resolution (Special Resolution No. 10 of the Notice of AGM) for Shareholders’ approval at the 2018 AGM. Subject to the approval of the Shareholders and registration by ACRA, the Company will change its name to “Avarga Limited” and the name “UPP Holdings Limited” shall be substituted by “Avarga Limited” wherever the former appears in the Company’s Constitution. Apart from the substitution of the Company’s name, no amendments will be made to the Constitution.

The Company will make an announcement when the change of name of the Company is effected.

3.2.3 Existing Share Certificates

Shareholders should note that notwithstanding the change of the Company’s name, the Company will not recall existing share certificates. Existing share certificates will continue to be *prima facie* evidence of legal title. **No further action is required from Shareholders in respect of the existing share certificates.**

4 DIRECTORS' RECOMMENDATION

4.1 The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution No. 9 relating to the proposed renewal of the Share Purchase Mandate, to be proposed at the 2018 AGM.

4.2 The Directors are of the opinion that the Proposed Change of Name is in the interests of the Company and accordingly recommend that the Shareholders vote in favour of Special Resolution No. 10 relating to the Proposed Change of Name, to be proposed at the 2018 AGM.

5 ACTION TO BE TAKEN BY SHAREHOLDERS

5.1 Appointment of Proxies

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote at the AGM on their behalf, will find attached to this Addendum a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 not less than 72 hours before the time fixed for the AGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.

5.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 72 hours before the time fixed for the AGM.

6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the Proposed Change of Name, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

7 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office during normal business hours from the date of this Addendum up to the date of the 2018 AGM:

- (a) the Company's Constitution; and
- (b) the approval of ACRA for the Company's application for the reservation of the name "Avarga Limited".

Yours faithfully,
For and on behalf of the Board of Directors of
UPP HOLDINGS LIMITED

Tong Kooi Ong
Executive Chairman and Chief Executive Officer

5 April 2018