Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Avarga Limited

Stock code: X5N

Meeting details:
Date: 27 July 2026
Time: 2.30 p.m.
Venue: YMCA @ One Orchard, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824

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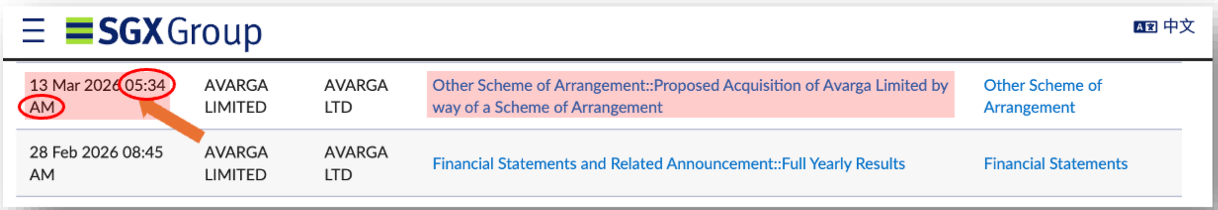
Q1. On 13 March 2026, the company and the offeror jointly announced the proposed privatisation of the company by way of a scheme of arrangement. Shareholders were offered $2.70 per share in cash, or $2.00 in cash together with one new redeemable preference share (RPS) in the capital of the offeror, TKO Pte. Ltd., which is to be mandatorily redeemed after five years at $1.20 for each RPS.

(i) Can the independent directors clarify the role they played in determining the scheme consideration? In particular, did they have substantive input into the pricing discussions, including proposing, challenging or negotiating the consideration with the offeror, the company or the controlling shareholder?

(ii) What due diligence, if any, did the independent directors undertake on the offeror's financial position, governance and ability to meet its future redemption obligations?

The joint announcement was released at 5:34 a.m. on a trading day, shortly before the market opened.



13 Mar 2026 05:34 AM	AVARGA LIMITED	AVARGA LTD	Other Scheme of Arrangement::Proposed Acquisition of Avarga Limited by way of a Scheme of Arrangement	Other Scheme of Arrangement
28 Feb 2026 08:45 AM	AVARGA LIMITED	AVARGA LTD	Financial Statements and Related Announcement::Full Yearly Results	Financial Statements

(Adapted from SGX; emphasis added)

(iii) Did the board consider requesting a trading halt to allow shareholders sufficient time to assess the announcement before trading commenced? If not, what factors led the board to conclude that a trading halt was unnecessary?

Q2. PrimePartners Corporate Finance Pte. Ltd. was appointed as the independent financial adviser (IFA) to provide an opinion on the terms of the proposed scheme of arrangement and to advise the non-conflicted directors.

(i) Can the independent directors explain the selection process for the IFA, including how many firms were shortlisted, the evaluation criteria applied, and the specific factors that led to the appointment of PrimePartners?

(ii) Could the independent directors clarify what role, if any, the executive directors or senior management played in the appointment of the IFA?

(iii) Following the appointment, what information, assumptions, financial projections or other inputs were provided by management to the IFA, and

what governance safeguards were implemented to ensure that the IFA's analysis and conclusions remained independent and free from management influence?

Q3. The IFA estimated the value of the company's shares to be in the range of $2.63 to $2.66 per share, with the lower bound based on adjusted RNTA and the upper bound based on the estimated realisable values of the group's business segments.

Our Valuation Approach – Asset-backed Approach

Accordingly, in assessing the estimated valuation of the Shares, we have considered the asset-backed approach as our valuation methodology, given the substantial tangible assets base of the Group and that the Taiga Group is publicly traded on the TSX.

We have considered the following to derive the estimated valuation of the Shares.

Valuation Methodology	Implied Valuation Range (S$'million)	
Adjusted RNTA	239.2	
Realisable Values of Segmental Business	241.2	
Median P/NTA of Comparable Companies	239.7	
Lower Bound – Adjusted RNTA	239.2	
Upper Bound – Realisable Values of Segmental Business	241.2	
	Lower Bound	**Upper Bound**
Implied Share Price (S$)	2.63	2.66

Based on the above, our estimated valuation range of the Shares is between **S$2.63 and S$2.66** ("**Estimated Valuation Range**").

(Source: scheme document dated 10 July 2026)

(i) **Can the independent directors explain their role in overseeing the IFA's work, including how they challenged assumptions, reviewed comparable companies, challenged valuation methodologies, and ensured that minority shareholder interests were adequately safeguarded?**

Specifically, the realisable value of building products division was derived using the market value of the group's stake in Taiga, based on Taiga's VWAP, adjusted for other factors, including a 10% control premium.

(ii) **Can the independent directors explain how the 10% premium was determined, including whether it reflects observed control premiums in**

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comparable North American transactions, the strategic value of obtaining control of Taiga, or other market evidence?

(iii) In addition, did the independent directors direct the IFA to consider whether acquiring the company, rather than Taiga directly, would provide a third-party offeror with a more tax-efficient means of obtaining control of Taiga? If so, was this strategic value reflected in the valuation, and how would it have affected the upper end of the estimated valuation range?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.