

NEW WAVE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
Company Reg. No. 199906870Z

REPLY TO A SHAREHOLDER'S QUESTION WITH REFERENCE TO OUR ANNUAL GENERAL MEETING TO BE HELD ON 29 JULY 2024

Question:

New Wave Holdings Ltd. has been making losses for many years. Having been in the market for a long time, the company should be in a better position to deliver good results but it seems otherwise. Despite efforts to reinvent its businesses, nothing good has materialised to bring value to the shareholders. Your company share price has been drifting from a high of about \$0.60 in 2000 to \$0.004 in 2024. For the past 24 years, the company's financials do not seem to improve despite various right issues. Secondly, there is no interest in the company's shares probably due to the company's poor performance over the past 20 years. What steps have the management taken to bring the company to a sustainable recovery and profitability so as to enhance shareholder values and to instil confidence in the investing public. Considering that New Wave Holdings Ltd. has been in the business for so many years, I hope that Management should have the expertise and experience to bring the company forward with strong financial results.

The Company's Response:

The Board and the Management have been on a constant lookout for any new business opportunities which could have a synergistic effect on the Group's existing business so as to enhance stakeholders' value. The Group has owned and operated the components distribution business since its inception and as the business evolved, the highly challenging and competitive market environment has eroded its revenue and profit margin over the years. The Group thus decided to diversify into the aluminium products distribution business in the earlier part of the year 2000 and has sought to grow this business since then. It is also the Group's intention to expand this business with the acquisition of Twin Metal Service Centre Sdn Bhd in 2010 and the Alutech Group in April 2018, and the setting up of a joint venture in Penang, Malaysia in September 2018. The Group's aim is to establish a firm stronghold in the China and Malaysian markets. In this connection, the Group is currently stepping up its marketing efforts and coverage in the areas around Johor Bahru, Muar and Kuala Lumpur as the Group observed a continuing shift of manufacturing activities from Singapore to the neighbouring countries, especially Malaysia, over the recent few years, as manufacturers' operating costs increased and profit margins decreased. The Group is also actively monitoring its products portfolio, as we attempt to optimise the product mix with the more immediate target of improving our revenues and profit margins.

By Order of the Board

Ong Kian Soon
Chief Executive Officer
24 July 2024

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