



NEW WAVE  
HOLDINGS LTD.

---

ANNUAL REPORT 2017

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Jennifer Tan, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

# CONTENTS

CHAIRMAN'S MESSAGE	2
FINANCIAL REVIEW	4
BOARD OF DIRECTORS	6
KEY MANAGEMENT	7
CORPORATE INFORMATION	8
CORPORATE GOVERNANCE REPORT	9
DIRECTORS' STATEMENT	25
INDEPENDENT AUDITOR'S REPORT	29
FINANCIAL STATEMENTS	35
STATISTICS OF SHAREHOLDINGS	98
NOTICE OF ANNUAL GENERAL MEETING	100
PROXY FORM	

# CHAIRMAN'S MESSAGE

## DEAR SHAREHOLDERS

The financial year ended 31 March 2017 ("FY2017") continued to be challenging for the Group. We witnessed a combination of factors that continued from the year before, including slower growth, tough economic conditions and weakening of relevant trade currencies (mainly the Malaysian Ringgit and Renminbi) against the Singapore dollar which have affected the Group's revenue and profitability.

Against the uncertain economic backdrop, key challenges faced by the Group during the year comprised inventory management, cost control, as well as the monitoring and maintaining of the Group's profit margin.

Weaker demand has reduced our sales across all divisions. As such, the Group reported a 15.4% decrease in revenue to S\$17.67 million in FY2017. This was also a result of measures to consolidate and better balance our inventory portfolio as we position the Group for a continued period of global economic uncertainty in the face of growing political protectionism and a slowdown in growth for the People's Republic of China ("PRC").

In line with the dip in sales revenue, the Group's gross profit fell by 16.0% to S\$3.04 million during the year, while gross profit margin remained relatively consistent at 17.2% due to a series of prudent management initiatives over costs and risks, vigilant monitoring of trade receivables and stringent inventory control.

In line with the decrease in revenue, most expenses reduced across the board. Administrative expenses dipped by 12.5% to S\$3.43 million as a result of concerted efforts made to control spending.

Separately, distribution costs also fell by 10.5% to S\$0.41 million during the year mainly due to a 27.5% decrease in sales commission and an 11.7% drop in freight outward costs.

Concurrently, other expenses registered a 24.8% drop to S\$0.43 million in FY2017, led by lower impairment of trade receivables and inventories, as well as lower depreciation which declined by 13.1% with some higher value assets being fully depreciated by end FY2016. Finance costs fell significantly by 29.9% to S\$0.11 million mainly due to reduced usage of trust receipts as fewer purchases were made.

In view of the above, the Group registered a smaller loss before income tax of S\$1.11 million in FY2017 against a loss of S\$1.27 million in FY2016.

Overall, the Group maintained positive working capital of S\$12.79 million as at the end of FY2017. Inventories reduced by S\$3.64 million, contributing significantly to the improved cash position.

## SEGMENTAL REVIEW

Where business segments were concerned, the Aluminium Products Distribution Division remained the major revenue contributor, accounting for 81.8% of total sales. The division reported a 17.5% drop in revenue to S\$14.45 million in FY2017 due to weaker demand for our aluminium products. Concurrently, the Components Distribution Division also registered a 4.4% decrease in revenue to S\$3.21 million during the reporting year.

From the geographical aspect, all three major market segments reported a decline in sales in line with the weaker overall industrial situation. Singapore, Malaysia and the PRC market regions recorded sales that fell by 21.6%, 13.7% and 15.0% respectively. The decrease in sales was further aggravated by the weak exchange rates of the Malaysian Ringgit and the Renminbi against the Singapore dollar. Additionally, the China market did not deliver results that matched our expectations, as certain projects in the PRC were delayed along the way.

**OUTLOOK**

FY2018 started on a positive note as we experienced a modest improvement in demand for our aluminium products despite the perpetuation of uncertain global economic conditions. We hope to be able to seize and capitalise on opportunities to generate positive developments in the course of this upward trend.

Our immediate focus will be to take steps to further broaden our customer base through expansion and diversification of our product offerings, in order to better prepare for any potential long term structural headwinds.

Moving forward, we seek to increase our revenue with a more targeted inventory portfolio. We will also continue to identify new supply sources to cater to a wider range of demand, as well as monitor and maintain our profit margin to deliver greater shareholder value.

**IN APPRECIATION**

On behalf of the Board of Directors, I would like to extend my deepest gratitude to the staff and management for their diligence and contributions to the Group's operations. I would also like to thank our shareholders and business partners for their staunch support and faith in us over the years. We look forward to journeying on together with you in the years ahead.

**TITO SHANE ISAAC**  
Chairman

# FINANCIAL REVIEW

## TURNOVER

During the year under review, the Group experienced generally weaker demand for its products. Group revenue decreased by 15.4% from S\$20.87 million for the financial year ended 31 March 2016 ("FY2016") to S\$17.67 million for the financial year ended 31 March 2017 ("FY2017").

The business segment report showed that the weaker demand resulted in the aluminium products distribution division suffering a decrease in revenue of 17.5% from S\$17.51 million recorded in FY2016 to S\$14.45 million in FY2017. The components distribution division also experienced a small decrease in revenue of 4.4%, from S\$3.36 million recorded in FY2016 to S\$3.21 million in FY2017.

The geographical segment report showed that sales across all three major segments fell in FY2017 as compared to sales in FY2016 due to the weaker demand, by 21.6%, 13.7% and 15.0% respectively for Singapore, Malaysia and People's Republic of China ("PRC"). Further, in both the Malaysia and PRC segments, the decline in sales was also due to the depreciation of the Malaysian Ringgit and the Renminbi against the Singapore dollar.

## GROSS PROFIT, INCOME AND EXPENSES

In tandem with the decrease in sales revenue, the Group's gross profit decreased by 16.0%, from S\$3.62 million in FY2016 to S\$3.04 million in FY2017. Gross profit margin however maintained at a consistent level, recording at 17.2% in FY2017 as compared to 17.3% in FY2016.

Interest income earned from deposits at banks increased by 87.5% due to higher bank balances and improved interest rates. Other income increased by 2.4% from S\$0.21 million in FY2016 to S\$0.22 million in FY2017 mainly due to higher rents collected as the units available for rent had full occupation during the year. The increase was partially offset by the decrease in gain on disposal of plant and equipment. Included under other income in FY2017 was also a Productivity and Innovation Credit Scheme grant for a metal cutting machine purchased during the year.

Expenses decreased across the board in line with decrease in revenue. Distribution costs decreased by 10.5% from S\$0.46 million in FY2016 to S\$0.41 million in FY2017 largely due to a decrease of 27.5% in sales commission and 11.7% in freight outward costs.

Administrative expenses decreased by 12.5% due to reduced usage and to concerted efforts made to control spending. Rental expense fell 25.5% as the components distribution division did not renew the tenancy of a warehouse upon its expiry, while employment costs decreased by 13.6% mainly due to attrition.

Other expenses decreased 24.8% from S\$0.58 million in FY2016 to S\$0.43 million in FY2017. Allowance for impairment of trade receivables and write down of inventories were lesser in FY2017 at S\$0.01 million each, compared to S\$0.02 million and S\$0.04 million respectively in FY2016. Depreciation charge decreased by 13.0% as some higher value assets were fully depreciated by the end of the previous year.

Finance costs, which comprised finance lease interests and bank interests on trust receipts and a term loan, decreased by 29.9% from S\$0.16 million in FY2016 to S\$0.11 million in FY2017 mainly due to reduced usage of trust receipts as lesser purchases were made.

As a result of the above, the Group recorded a loss before income tax of S\$1.11 million in FY2017, as compared to a loss before income tax of S\$1.27 million in FY2016.

## FINANCIAL POSITION

Additions to plant and equipment totalled S\$0.25 million, of which S\$0.08 million was raised through finance leases. The aluminium products distribution business purchased a metal cutting machine, a motor vehicle for staff use and other sundry assets which totalled S\$0.24 million, while the components distribution division purchased a cable analyzer which cost S\$0.01 million.

The additions to property, plant and equipment were almost offset by a depreciation charge of S\$0.24 million incurred for FY2017. As some of the assets were located in Malaysia and the PRC, the translation of their values to the reporting currency (Singapore dollar) caused an exchange loss of S\$0.13 million, so that the

balance as at 31 March 2017 was S\$2.57 million, as compared with S\$2.69 million as at 31 March 2016.

Based on the valuation reports done by an independent professional valuer, there was no change in the fair value of the investment properties which totalled S\$2.82 million as at 31 March 2017 and 31 March 2016.

An amortisation charge of S\$0.15 million accounted for the reduction in intangible asset to S\$0.97 million as at 31 March 2017.

Inventories for both the components distribution division and the aluminium products distribution division decreased due to stringent monitoring of purchases and stock levels. Total inventories decreased from S\$10.36 million as at 31 March 2016 to S\$6.72 million as at 31 March 2017.

Trade and other receivables decreased from S\$5.09 million as at 31 March 2016 to S\$4.20 million as at 31 March 2017. Trade receivables decreased proportionately with the decrease in sales, while other receivables which comprised largely the recoverable value-added tax paid by the PRC subsidiary on imports also decreased in line with decreased purchases.

Prepayments decreased from S\$0.20 million as at 31 March 2016 to S\$0.10 million as at 31 March 2017. Included in prepayments as at 31 March 2016 was an amount of S\$0.08 million for down-payment made for a new motor vehicle, the purchase and delivery of which was completed at the start of FY2017.

Trade and other payables increased from S\$2.05 million as at 31 March 2016 to S\$2.31 million as at 31 March 2017. There was an amount of S\$0.24 million worth of goods-in-transit for the aluminium products distribution division for which liability was recorded at the end of FY2017 under trade payables but which were settled in the first month of the financial year ending 31 March 2018. There was also an increase in deposits from customers of S\$0.23 million, as the PRC subsidiary collected deposits for project sales due to the higher volumes involved. These increases were offset by decreases in other expense payables, accrued expenses and GST payables resulting generally from lower expenses and purchases.

Current interest-bearing liabilities, which comprised mainly bank trust receipts, decreased from S\$2.61 million as at the end of FY2016 to S\$2.11 million as at the end of FY2017. As lesser purchases were made during the financial year, the usage of trust receipts was correspondingly reduced.

Non-current interest-bearing liabilities, which comprised finance leases and a term loan, decreased from S\$1.08 million as at 31 March 2016 to S\$1.00 million as at 31 March 2017. The decrease was due to payment of the instalments of the term loan as well as translation exchange difference as the term loan is denominated in Malaysian ringgit.

The Group had a positive working capital of S\$12.79 million as at the end of FY2017.

#### **CASH FLOW**

Cash and cash equivalents increased from S\$3.18 million as at the end of FY2016 to S\$6.07 million as at the end of FY2017.

Net cash generated from operating activities amounted to S\$3.66 million for FY2017 and was mainly due to working capital changes from the decrease in inventories, decrease in trade and other receivables, and increase in trade and other payables of S\$3.36 million, S\$0.71 million and S\$0.32 million respectively. Inventories and trade and other receivables decreased in line with decrease in revenues, while the increase in trade and other payables was mainly due to purchases made at the end of FY2017 and recorded as goods-in-transit.

Net cash used in investing activities of S\$0.15 million was incurred for the purchase of plant and equipment with cash outlay of S\$0.17 million, offset by proceeds of S\$0.02 million from disposal of retired assets. The balance of S\$0.08 million of the consideration for the purchase of plant and equipment was financed through lease agreements.

Net cash used in financing activities amounted to S\$0.53 million in FY2017. Net payments made to settle trust receipts amounted to S\$0.45 million. Repayments of term loan and finance lease obligations made up the balance amount of S\$0.08 million.

---

## BOARD OF DIRECTORS

---

### TITO SHANE ISAAC

*Non-Executive Chairman and Independent Director*

Mr Tito Shane Isaac was first appointed to the Board on 30 August 2006 and last re-elected on 28 July 2016. Mr Isaac was appointed as the Non-Executive Chairman of the Company on 23 September 2010. He is a practicing advocate and solicitor with more than 20 years of experience in legal practice. He is the Managing Partner of Tito Isaac & Co LLP, a firm that provides a range of legal services including Commercial and Corporate Law, Intellectual Property Law, Civil and Criminal Litigation, Property, Family and Insurance Law. In 2006, Mr Isaac was admitted as a Fellow of the Singapore Institute of Arbitrators and in December 2008, he received the Minister for Law Appreciation Award. Mr Isaac is also an Independent Director of CPH Ltd. and Hiap Tong Corporation Ltd.

---

### ONG KIAN SOON

*Chief Executive Officer*

Mr Ong Kian Soon was appointed as the Chief Executive Officer of the Company on 1 July 2011 and his directorship was approved at the following annual general meeting of the Company held on 29 July 2011. Mr Ong was last re-elected on 31 July 2014. He has more than 15 years of experience in the areas of accounting, finance, administration and sales. He served as an Executive Director of CPH Ltd from 29 December 1998 till 30 June 2011, after which he was re-designated as Non-Executive Director.

Mr Ong is responsible for strategic planning and business development and oversees the business operations of the Group.

---

### TAN BON TAN

*Executive Director*

Mr Tan Bon Tan was first appointed to the Board on 20 August 2009 and was last re-elected on 30 July 2015. He has more than 15 years' experience in the installation and maintenance of computer network systems and telecommunication systems. He holds a Diploma in Electronics & Communications Engineering from the Singapore Polytechnic and a Postgraduate Certificate in Network Engineering from the Information Communication Institute of Singapore of Nanyang Technological University. Mr Tan obtained his RCDD (Registered Communication Distribution Designer) accreditation from BICSI (Building Industry Consulting Service International, Inc.), a global telecommunication association in February 2001 and is also a member of IEEE (Institute of Electrical and Electronics Engineers, Inc.). Mr Tan oversees the sales and operations of the Group's Components Distribution Division.

---

### CHAN TECK WAH

*Executive Director*

Mr Chan Teck Wah was first appointed to the Board on 23 September 2010 and was last re-elected on 28 July 2016. He holds an Honours Degree in Engineering (Civil & Structural) from the Nanyang Technological University and a Graduate Diploma in Systems Analysis from the National University of Singapore. Before joining the Group in 2004, he had 2 years of experience in projects management in construction and engineering firms, and another 2 years of experience in the analysis, design and implementation of information technology systems. Mr Chan oversees the sales and operations of the Group's Aluminium Products Distribution Division.

---

### CHEA CHIA CHAN

*Executive Director*

Mr Chea Chia Chan was first appointed to the Board on 23 September 2010 and was last re-elected on 30 July 2015. He joined the Group in 2007 and was instrumental in setting up the Group's first metal service centre in Malaysia. Before joining the Group, he was the production manager of Circuits Plus (M) Sdn Bhd and has more than 20 years of experience in the management of a business operation. He is responsible for the day-to-day functioning of the service centre and oversees the sales and marketing operations within Malaysia.



## KEY MANAGEMENT

### CHOO TUNG KHENG

*Non-Executive Director*

Mdm Choo Tung Kheng was first appointed to the Board on 19 November 1999 and was last re-elected on 28 July 2016. She has more than 15 years of experience in finance and accounting with local and multi-national companies prior to her appointment as Executive Director on 21 June 2002. Mdm Choo was redesignated as the Non-Executive Director of the Company with effect from 1 July 2011. She is the Managing Director of CPH Ltd.

### LEE TEONG SANG

*Independent Non-Executive Director*

Mr Lee Teong Sang was first appointed to the Board on 27 March 2003 and was last re-elected on 30 July 2015. He holds a Bachelor of Pharmacy Degree from the University of London and a Master of Business Administration Degree from the University of Sheffield, UK. Mr Lee has more than 20 years of working experience in banking, equity research and investor relations. He is currently the principal consultant of Cyrus Capital Consulting. Mr Lee is also the Independent Non-Executive Chairman of CPH Ltd. and a director of Cyrus Corporation Pte Ltd and Kyrus Investment Pte. Ltd.

### LEE SENG CHAN

*Independent Non-Executive Director*

Mr Lee Seng Chan was first appointed to the Board on 29 August 2003 and was last re-elected on 28 July 2016. Mr Lee is an accountant by training and is a Certified Public Accountant in practice. He is a member of the Institute of Singapore Chartered Accountants, a member of The Malaysian Institute of Accountants as well as a member of The Institute of Certified Public Accountants of Australia. Mr Lee is a senior and managing partner of UHY Lee Seng Chan & Co and has been in public accounting practice for the last 40 years. Mr Lee is also the Independent Director of CPH Ltd.

### SIM PUAY HWANG

*Financial Controller*

Ms Sim Puay Hwang is a Chartered Accountant and has more than 30 years of working experience in finance and administration. Ms Sim is responsible for the areas of financial planning and reporting and corporate services of the Group and works closely with the Company Secretaries on secretarial matters.

### ONG SIEW KIM

*Accounts Manager*

Ms Ong Siew Kim has 30 years of working experience in the Company's subsidiary, General Electronics & Instrumentation Corporation Pte Ltd, handling accounts and administrative matters. She holds a London Chamber of Commerce and Industry higher stage group diploma in Accounting.

### TAN YEAT CHEONG

*Business Development Manager*

Mr Tan Yeat Cheong holds a Bachelor of Science Degree from SIM University. He first joined the Group in October 2006 and underwent training in various areas of the Group's operations, including sales and corporate services. He was promoted to his current position on 18 January 2012. He is responsible for the development of the aluminium products distribution business in Malaysia and China.

Mr Tan is the son of Mdm Choo Tung Kheng, a Non-Executive Director of the Company.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Tito Shane Isaac  
*(Non-Executive Chairman and  
Independent Director)*

Ong Kian Soon  
*(Chief Executive Officer)*

Tan Bon Tan  
*(Executive Director)*

Chan Teck Wah  
*(Executive Director)*

Chea Chia Chan  
*(Executive Director)*

Choo Tung Kheng  
*(Non-Executive Director)*

Lee Seng Chan  
*(Independent Non-Executive Director)*

Lee Teong Sang  
*(Independent Non-Executive Director)*

## AUDIT COMMITTEE

Tito Shane Isaac  
*(Chairman)*

Lee Seng Chan  
Choo Tung Kheng

## COMPANY SECRETARIES

Koh Ee Koon  
Koh Geok Hoon, Judy

## REGISTERED OFFICE

101 Kitchener Road #02-17  
Jalan Besar Plaza  
Singapore 208511  
Tel: (65) 6268 3377  
Fax: (65) 6261 9961

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

## INDEPENDENT AUDITOR

BDO LLP  
Public Accountants and Chartered Accountants  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778  
Partner-in-Charge: Ng Kian Hui  
(Appointed since the financial year ended 31 March 2016)

## PRINCIPAL BANKERS

United Overseas Bank Limited  
Malayan Banking Berhad  
Bank of China Limited

## SPONSOR

PrimePartners Corporate Finance Pte. Ltd.  
16 Collyer Quay  
#10-00 Income at Raffles  
Singapore 049318

# CORPORATE GOVERNANCE REPORT

New Wave Holdings Ltd. recognises the importance of maintaining good corporate governance to protect the interest of shareholders and promote investors' confidence. This report describes the Company's corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2012 (the "Code"), as required under Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Rules of Catalist") and the disclosure guide developed by the SGX-ST in January 2015 (the "Guide"). The Company has adhered to the principles and guidelines of the Code and the Guide where applicable and any deviations are explained in this report.

## **Principle 1: The Board's Conduct of Affairs**

The Board of Directors of the Company (the "Board") sets the overall strategic direction for the Group, establishes goals for management and monitors the achievement of these goals. The Board also reviews the internal controls and risk management systems and ensures compliance with the Code, and/or the Companies Act (Chapter 50) of Singapore (the "Companies Act"), and other relevant statutes and regulations.

The Board has identified, without limitation, the following matters that require its approval:

- Approval of periodic financial results announcements;
- Approval of annual audited financial statements;
- Declaration of interim and proposal of final dividends, if any;
- Major corporate policies on key areas of operations;
- Major funding proposals or bank borrowings;
- Corporate restructuring;
- Mergers and acquisitions;
- Material acquisitions and disposal of assets;
- Share issuances;
- Material interested party transactions exceeding 3% of the latest audited net tangible assets of the Company; and
- Board changes.

To improve management efficiency, certain functions have been delegated to the Board Committees, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. Each of these Board Committees has its own terms of reference and its actions are reported regularly to and monitored by the Board.

Directors are provided with regular updates on changes in the relevant laws and regulations that impact the Group's operations. They are encouraged to attend workshops and seminars to enhance their skills and knowledge. In the event that new Directors are appointed, they will receive comprehensive orientation and briefings on the Group's history, business operations, policies and strategies. Newly appointed Directors will also receive formal appointment letters setting out their duties and obligations. The Company will also provide training for first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

# CORPORATE GOVERNANCE REPORT

During the financial year ended 31 March 2017 ("FY2017"), the Directors were briefed by the external auditors, BDO LLP, on the developments in financial reporting and corporate governance standards at both the half-yearly review meetings.

The Board conducts regular meetings to oversee the business affairs of the Group and approve the Group's financial results announcements. Ad-hoc meetings are arranged as and when necessary. The Company's Constitution also provides for telephonic and videoconference meetings.

The attendance of the Directors at meetings of the Board and Board Committees held in FY2017 are set out as follows:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held <sup>(1)</sup>	No. of meetings attended	No. of meetings held <sup>(1)</sup>	No. of meetings attended	No. of meetings held <sup>(1)</sup>	No. of meetings attended	No. of meetings held <sup>(1)</sup>	No. of meetings attended
Tito Shane Isaac	2	2	2	2	1	1	1	1
Ong Kian Soon	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Choo Tung Kheng	2	2	2	2	1	1	1	1
Tan Bon Tan	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Chan Teck Wah	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Chea Chia Chan	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Lee Seng Chan	2	2	2	2	1	1	1	1
Lee Teong Sang	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>

**Notes:**

- (1) The number of meetings held as applicable to each individual Director.  
 (2) Attendance at meetings was on a "By Invitation" basis.

**Principle 2: Board Composition and Guidance**

The Board currently comprises four Executive Directors, a Non-executive Director and three Independent Non-executive Directors:

**Executive Directors**

Ong Kian Soon – Chief Executive Officer ("CEO")  
 Tan Bon Tan  
 Chan Teck Wah  
 Chea Chia Chan

**Non-executive Director**

Choo Tung Kheng

# CORPORATE GOVERNANCE REPORT

## **Independent Non-executive Directors**

Tito Shane Isaac – Chairman of the Board

Lee Seng Chan

Lee Teong Sang

When identifying director nominees, the Board would like to ensure a balanced combination of core competencies, knowledge, skills and experience. The current Board composition provides the following diversity of skills, experience, gender and knowledge:–

## **Balance and Diversity of the Board**

	<b>Number of Directors</b>	<b>Proportion of Board (%)</b>
<b>Core Competencies</b>		
– Business management or accounting	8	100
– Legal	1	12
– Industry knowledge and experience	5	63
– Investor relations	1	12
<b>Gender</b>		
– Male	7	88
– Female	1	12

To maintain or enhance its balance and diversity, the Nominating Committee conducts an annual review to assess if the existing attributes and core competencies of the Board are complementary and contribute to the efficacy of the Board. The review also explores any possible areas of expertise that may be lacking by the Board, with a view to using such results when recommending the appointment of new Directors.

There are three Independent Directors, who provide the necessary balance to the Board to ensure that strategies and plans proposed by the management of the Company are fully discussed and examined, taking into account the long-term interests of the Group. As such, the requirement of the Code that at least one third of the Board comprises Independent Directors when the Chairman of the Board is independent, is satisfied.

The Nominating Committee conducted rigorous reviews when considering the independence of each Independent Director, and took into account the examples of relationships as set out in the Code, whether the Director has any business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement. The Nominating Committee also reviews annually the independence of the Independent Directors based on the Code's definition of what constitutes an independent director and has affirmed that Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang are independent, notwithstanding all three Directors have served as Independent Directors for more than nine years, as explained on the following page.

# CORPORATE GOVERNANCE REPORT

Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang have served on the Board as Independent Directors for more than nine years. The Directors concerned had sought clarification and amplification when deemed necessary, contributed constructively and demonstrated strong independence both in character and in judgement over the years when discharging their duties and responsibilities as Independent Directors of the Company and upholding the interest of the non-controlling shareholders. In arriving at the assessment above, the Nominating Committee has considered specifically their length of service, contributions at Board meetings, the evaluations conducted as well as their independence declaration.

The Board is of the view that each of the three Directors, Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang, brings invaluable expertise, experience and knowledge to the Board and resolved that they should continue to serve as Independent Directors, notwithstanding they have served on the Board for more than nine years from the date of their first appointment.

## **Principle 3: Chairman and Chief Executive Officer**

The roles of the Chairman and the CEO are separate and distinct, with a clear division of responsibilities between the two Directors to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

As the Chairman of the Board, Mr Tito Shane Isaac is responsible for, among others, ensuring the effectiveness of the Board, exercising control over the quality, quantity and timeliness of the flow of information between the management of the Company and the Board, and ensuring compliance with the Company's guidelines on corporate governance.

As CEO, Mr Ong Kian Soon assumes full executive responsibilities for the operational decisions of the Group.

The Chairman and the CEO are not related to each other. All the Board Committees are chaired by Independent Directors and the Code's requirement that at least one third of the Board is made up of independent directors is also satisfied. There are, therefore, adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance.

The Independent Directors had met in the absence of Executive Directors, the Non-independent Non-executive Director and key management personnel in FY2017.

## **Principle 4: Board Membership**

The Nominating Committee ("NC") comprises the following Directors, the majority of whom, including the Chairman, are independent:

Lee Seng Chan – Chairman  
Tito Shane Isaac – Member  
Choo Tung Kheng – Member

# CORPORATE GOVERNANCE REPORT

The NC has adopted specific written terms of reference and is scheduled to meet at least once a year. The key terms of reference which set out the role of the NC include, amongst others, the following:

- establishes an objective and transparent process for the appointment or re-election of members of the Board and of the various Board Committees;
- evaluates and assesses the effectiveness of the Board as a whole, and the contribution of each Director to its effectiveness;
- determines the independence of Directors, and
- reviews training and professional development programs for the Board.

In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he or she will abstain from participating in the review and approval process relating to that matter.

For new appointment of Directors, the NC will take into consideration the current Board size and its mix and determine if the candidate's background, knowledge, expertise and business experience will bolster the core competencies of the Board. The selected candidate must also be a person of integrity and be prepared to commit time and attention to the Company's affairs, especially if he or she is serving on multiple boards.

In identifying suitable candidates, the NC may:

1. Advertise or use the services of external advisers to facilitate the search;
2. Approach alternative sources such as the Singapore Institute of Directors; and
3. Consider candidates from a wide range of backgrounds from internal or external sources.

After shortlisting the candidates, the NC shall:

- (a) consider and interview all candidates on merit against objective criteria, taking into consideration that the appointees will have sufficient time to devote to the position; and
- (b) evaluate and agree on a preferred candidate for recommendation to and appointment by the Board.

The Board does not deem it necessary at present to fix a maximum number of board representations that a Director may hold as long as each of the Board member is able to commit his or her time and attention to the affairs of the Group. The Board believes that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, bearing in mind his or her other commitments. The Board takes into consideration the number of other board representations, other principal commitments that these Board members hold, the size and composition of the Board and the nature, scope and size of the Group's operations to assess the capacity of the Directors. Although some of the Board members have board representations in other listed companies, the NC is satisfied that sufficient time and attention had been given by these Directors to the Group.

All Directors are required under Article 89 of the Company's Constitution to submit themselves for re-nomination and re-election at least once every three years. New Directors who were appointed by the Board during the year would hold office until the next annual general meeting and would be eligible for re-election. The NC reviews and

# CORPORATE GOVERNANCE REPORT

recommends to the Board the re-nomination and re-election of the retiring directors. In its review, the NC will take into consideration the time and effort that each respective Director devotes to the Group's business and affairs, his/her contribution in terms of experience, business perspective, management skills, individual expertise, pro-activeness in participation at meetings and his independence, where applicable.

The NC has reviewed the Directors due for retirement and re-election and has recommended to the Board that the following Directors be nominated for re-election under the provisions of Article 89 of the Company's Constitution at the forthcoming annual general meeting:

Ong Kian Soon  
Tan Bon Tan  
Lee Teong Sang

Mr Lee Teong Sang will, upon re-appointment, remain as Independent Non-executive Director of the Company. Mr Lee Teong Sang is considered to be independent for the purposes of Rule 704(7) of the Rules of Catalist.

In making the recommendation, the NC had considered the Directors' overall contribution and performance. The NC had also reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all the Directors have adequately discharged their duties.

Key information regarding the Directors is set out below and can also be found on pages 6 and 7 of this Annual Report.

Directors	Board Membership	Date of initial appointment	Date of last re-election	Directorships in other listed companies		Principal commitments
				Current	Past 3 Years	Current
Tito Shane Isaac	Non-executive Chairman and Independent Director	30 August 2006	28 July 2016	CPH Ltd. and Hiap Tong Corporation Ltd.	Nil	Managing Partner at Tito Isaac & Co LLP
Ong Kian Soon	Executive Director/Chief Executive Officer	1 July 2011	31 July 2014	CPH Ltd.	Nil	Nil
Tan Bon Tan	Executive Director	20 August 2009	30 July 2015	Nil	Nil	Nil
Chan Teck Wah	Executive Director	23 September 2010	28 July 2016	Nil	Nil	Nil
Chea Chia Chan	Executive Director	23 September 2010	30 July 2015	Nil	Nil	Nil



# CORPORATE GOVERNANCE REPORT

Directors	Board Membership	Date of initial appointment	Date of last re-election	Directorships in other listed companies		Principal commitments
				Current	Past 3 Years	Current
Choo Tung Kheng	Non-executive Director	19 November 1999	28 July 2016	CPH Ltd.	Nil	Managing Director of CPH Ltd.
Lee Teong Sang	Independent Non-executive Director	27 March 2003	30 July 2015	CPH Ltd.	Nil	Principal Consultant at Cyrus Capital Consulting, Director of Cyrus Corporation Pte Ltd and Kyrus Investment Pte. Ltd.
Lee Seng Chan	Independent Non-executive Director	29 August 2003	28 July 2016	CPH Ltd.	Nil	Managing Partner at UHY Lee Seng Chan & Co

## Principle 5: Board Performance

The Company did not use an external facilitator to perform the assessment of the Board, the Board Committees and each Director for the financial year in review. Instead, the Company has established an annual assessment procedure to evaluate the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board. The NC has proposed a set of performance criteria, approved by the Board, against which actual performances are measured.

The performance criteria for the Board's evaluation as a whole and the Board Committees include, *inter alia*, the Board structure, conduct of meetings, corporate strategy and planning, risk management and internal controls, recruitment and evaluation, compensation, succession planning, financial reporting and communication with shareholders.

The assessment criteria for each individual Director include, *inter alia*, attendance at board meetings and related activities, adequacy of preparation for board meetings, generation of constructive debates, maintenance of independence (where applicable), contributions to strategic or business decisions or in other areas, for instance, in finance, legal or risk management, and disclosure of interested person transactions.

# CORPORATE GOVERNANCE REPORT

For the purpose of evaluating the Board's overall performance, each Director will complete an appraisal form and submit it to the Chairman of the NC who will have these compiled and thereafter reports its review and findings to the Board. Each Director will also complete a self-appraisal form and submit it to the NC for its evaluation and assessment of the individual Director's contribution to the effectiveness of the Board. The results of the evaluation process will be used by the NC, in consultation with the Chairman of the Board, to effect continuing improvements on Board processes.

The NC has assessed the current Board and Board Committee's performance to-date, as well as the performance of each individual Director and is of the view that the performance of the Board as a whole, the Board Committees, and of each individual Director has been satisfactory. The Board has met its performance objectives for FY2017.

The Company does not have any alternate Directors.

## **Principle 6: Access to Information**

The Board is provided with adequate and timely information to enable it to fulfil its responsibilities. Where a decision has to be made before a Board meeting, the necessary information including but not limited to financial reports are provided to the Directors to enable them to make informed decisions.

On a half-yearly basis, Directors are updated on the Group's results of operations with explanations provided for variances. They are also updated for any major changes in the environment and the markets within which the Group operates. At the half-yearly Board meetings, the Directors are provided with Board papers with explanatory information where necessary, as well as an updated report of the enterprise risk management framework.

The Directors have separate and independent access to the Group's management and the Company Secretaries at all times. At least one Company Secretary is present at all Board meetings to ensure that they are conducted in accordance with the Constitution of the Company and that the requirements of the Companies Act and the Rules of Catalist have been complied with. The Company Secretaries also ensure information flows well within the Board and its Board Committees and between management and Independent Directors. The appointment and removal of a Company Secretary is a matter for the Board as a whole. Should the Directors, whether individually or as a group, require independent professional advice, such professionals will be selected with the approval of the Board and will be appointed at the Company's expense.

## **Principle 7: Procedures for Developing Remuneration Policies**

### **Principle 8: Level and Mix of Remuneration**

### **Principle 9: Disclosure on Remuneration**

The Remuneration Committee ("RC") comprises the following Non-executive Directors, the majority of whom, including the Chairman, are independent:

Tito Shane Isaac – Chairman  
Lee Seng Chan – Member  
Choo Tung Kheng – Member

# CORPORATE GOVERNANCE REPORT

The RC has adopted specific written terms of reference and is scheduled to meet at least once a year.

The key terms of reference which set out the responsibilities of the RC include:

- Reviews and recommends to the Board a framework of remuneration and determine the appropriateness of specific remuneration packages awarded to attract, retain and motivate Executive and Non-executive Directors, the CEO and key management personnel. The recommendations should cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind;
- Considers the terms of compensation in the Directors' and the CEO's service contracts, if any, in the event of early termination with a view to be fair and avoid rewarding poor performance in the case of service contracts; and
- Considers whether the Directors, CEO and key management personnel should be eligible for benefits under share-based incentives and such other long-term incentive schemes as may from time to time be implemented.

As part of its review, the RC ensures that the remuneration packages are comparable within the industry and with companies with similar business activities to ensure that the Directors and key management personnel are adequately but not excessively remunerated. The RC has also taken into consideration the Group's relative performance and the performance of individual Directors.

The remuneration package for Executive Directors and key management personnel comprises a basic salary, allowances and a performance-related bonus linked to their respective contributions. The performance-related element of remuneration is designed to align the interests of the Executive Directors and key management personnel with those of shareholders and links rewards to corporate and individual performance. The performance related bonus is payable on the achievement of individual and corporate performance targets, such as sales targets.

In view of the challenging market and decrease in customer demand, the Group was not profitable in FY2017. Save for the abovementioned, the RC has reviewed and is satisfied that the corporate performance targets have been met for FY2017.

Non-executive Directors receive a basic fee for their services as Directors of the Company. The RC also ensures that the remuneration of Non-executive Directors is appropriate to their level of contribution.

All revisions to the remuneration packages for Directors and key management personnel are subject to the review and approval of the Board. No Director is involved in deciding his/her own remuneration package. Directors' fees will be paid only after approval by shareholders at the annual general meeting. Where necessary, the RC will consult human resource experts on remuneration matters of Directors and key management personnel. No remuneration consultants were engaged by the Company in FY2017.

# CORPORATE GOVERNANCE REPORT

The breakdown of the remuneration packages of Directors and key management personnel for FY2017 is as follows:

	Salary	Bonus	Others	Fees	Total
	%	%	%	%	%
<b>Directors</b>					
<i>Below \$250,000</i>					
Ong Kian Soon	86	8	6	–	100
Tan Bon Tan	92	8	–	–	100
Chan Teck Wah	92	8	–	–	100
Chea Chia Chan	92	8	–	–	100
Choo Tung Kheng	–	–	–	100	100
Lee Seng Chan	–	–	–	100	100
Lee Teong Sang	–	–	–	100	100
Tito Shane Isaac	–	–	–	100	100
<b>Key management personnel</b>					
<i>Below \$250,000</i>					
Sim Puay Hwang	92	8	–	–	100
Ong Siew Kim	92	8	–	–	100
Tan Yeat Cheong <sup>(1)</sup>	92	8	–	–	100

**Note:**

(1) Mr Tan Yeat Cheong is the son of Mdm Choo Tung Kheng, the Non-Executive Director of the Company. His aggregate remuneration was within the \$100,000 to \$150,000 band.

There were only three top key management personnel for FY2017. The Board is of the view that it would not be in the best interest of the Group to disclose the specific remuneration of each individual Director on a named basis (as recommended under Guideline 9.2 of the Code) or the aggregate total remuneration of the three top key management personnel (as recommended under Guideline 9.3 of the Code) due to competitive hiring issues and the need to maintain the Group's talent pool. The Board believes that the above disclosure of the remuneration in bands of S\$250,000 would provide a sufficient overview of remuneration matters.

For FY2017, there were no termination, retirement or post-employment benefits granted to Directors and key management personnel.

The Board members did not receive any share-based incentives or other long-term incentives in FY2017.

Further information on the Directors and key management personnel can be found on pages 6 and 7 of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## ***Immediate family members of a Director***

Save for Mr Tan Yeat Cheong whose remuneration is as disclosed in the table above, Mr Tan Yeat Chun, son of Mdm Choo Tung Kheng, the Non-Executive Director of the Company, had an aggregate remuneration between the S\$50,000 to S\$100,000 band during FY2017.

## ***Share option scheme***

The Company does not have any employee share option scheme.

## **Principle 10: Accountability**

The Board is accountable to the shareholders and disseminates information on the Group's performance, position and prospects through the half year and full year results announcements and the annual reports in compliance with statutory requirements and the Rules of Catalist.

In presenting the annual financial statements and half year and full year results announcements to shareholders, it is the aim of the Board to provide the shareholders with detailed analysis, explanation and assessment of the Group's financial position and prospects. The management currently provides the Board with management accounts of the Group's performance, position and prospects on a half yearly basis in line with the Company's half yearly reporting requirement.

In compliance with the Rules of Catalist, the Board provides a negative assurance statement to the shareholders in its half yearly results announcement, confirming to the best of its knowledge that nothing has come to the attention of the Board which may render the interim financial statements to be false or misleading in any material aspect.

## **Principle 11: Risk Management and Internal Controls**

The Board had assessed and decided that it would not be necessary to establish a separate Risk Management Committee to oversee the Group's risk management framework and policies. Instead, this responsibility would be assumed by the Audit Committee. The Group has established an enterprise-wide risk management framework ("ERM Framework") which is embedded in the internal controls system of the Group so as to enhance its risk management capabilities. The key risks have been identified and action plans are in place to mitigate these risks. Management will regularly review the key risks and improve the controls on the key risks and will take necessary measures to address and mitigate these risks.

On a yearly basis, the Audit Committee reviews the adequacy and effectiveness of the Company's internal control systems, including financial, operational, compliance and information technology controls as well as the risk management policies and systems established by the management.

The Group has in place a system of internal controls and a risk management framework that addresses financial, operational, compliance and information technology risks to safeguard shareholders' investment and the Group's assets. The internal controls and the risk management framework maintained by the management are in place throughout the financial year to provide reasonable assurance against material financial misstatements or loss, and

# CORPORATE GOVERNANCE REPORT

include the safeguarding of assets, the maintenance of proper accounting records, compliance with appropriate legislation, regulations and best practices, and the identification and containment of business risks. The Company's external auditors had conducted a review of the effectiveness and adequacy of the Company's internal controls and risk management policies and systems and had reported to the Audit Committee any material non-compliance or failures in internal controls, with recommendations for improvements where necessary. The Audit Committee had also reviewed the effectiveness of the actions taken by the management on the recommendations made by the external auditors.

For FY2017, the Board has received assurance from the CEO, the Financial Controller and the Risk Officer in charge of the ERM Framework that the Company's risk management and internal control systems were adequate and effective and that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Based on the Group's risk management framework and internal controls established and maintained by the Group, the assurance from the management and the work undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management system is adequate and effective and that there are adequate internal controls in place to address financial, operational, compliance and information technology risks of the Group as at 31 March 2017.

The Company does not have formalised sustainability risk management procedures. Nevertheless the Company recognises the importance of sustainability issues in today's business environment and will implement appropriate procedures and policies when necessary.

## **Principle 12: Audit Committee**

The Audit Committee ("AC") currently comprises the following three Directors, all non-executive, the majority of whom, including the Chairman, are independent:

Tito Shane Isaac – Chairman  
Lee Seng Chan – Member  
Choo Tung Kheng – Member

Two of the members have accounting or related financial management expertise and the Board considers that the AC members are appropriately qualified to discharge the responsibilities of the AC. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

The AC meets at least twice each year and plays a key role in assisting the Board to ensure the quality and integrity of the accounting reports, audit procedures, internal controls and financial practices of the Group. The external auditors are in attendance at each of these meetings and update the AC on changes to accounting standards and other issues which may have a direct impact on the financial statements. The AC has explicit authority to investigate any matter within its terms of reference, full access to management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC has received full co-operation from the Group's officers and management in the course of carrying out its duties.

# CORPORATE GOVERNANCE REPORT

The key terms of reference which set out the main functions of the AC include the following:

- To review the overall scope of examination of the external auditors, the audit plan and their evaluation of the Group's system of internal accounting controls;
- To review significant financial reporting issues;
- To review on an annual basis the independence of the external auditors, recommend the appointment of the external auditors and their level of audit fees;
- To review the adequacy of the Company's internal controls and the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the final audits;
- To review the Group's half year and full year results announcements prior to the Board's approval;
- To review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalist;
- To review the effectiveness of the Company's internal audit function (as applicable);
- To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- To undertake such other functions and duties as may be required by statute or the Rules of Catalist, or by such amendments as may be made thereto from time to time.

The AC, having reviewed the scope and value of the non-audit services provided to the Group by the external auditors, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC is also satisfied with the level of co-operation rendered by management to the external auditors and the adequacy of the scope and quality of their audits.

The AC has met with the external auditors without the presence of the management in FY2017.

The AC has recommended to the Board the nomination of BDO LLP for re-appointment as external auditors at the forthcoming annual general meeting.

The breakdown of audit and non-audit fees paid or payable to the external auditors of the Company, BDO LLP, for their services rendered to the Group for FY2017 is as follows:

Description	Amount	Percentage (%)
Statutory audit fees	S\$85,000	86.8
Non-audit fees payable in respect of tax advisory services rendered to the Group	S\$12,900	13.2
Total	S\$97,900	100.0

# CORPORATE GOVERNANCE REPORT

The Company is in compliance with Rules 712 and 715 of the Rules of Catalist.

The Company has formulated the guidelines for a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting and other matters. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The Company has extended the whistle-blowing policy to external parties who may now voice their concerns or lodge any complaint of improprieties conducted by the staff or officers of the Company to the AC via the email address (auditcom@newwave.com.sg) indicated on the Company's website.

## **Principle 13: Internal Audit**

The Board is of the opinion that the size of the Group's operations does not warrant the Group having a separate internal audit function. Nevertheless the Company has in place a system of internal controls that has been approved and endorsed by the AC and the Board. The Company has appointed a Risk Officer ("RO") to provide executive oversight and co-ordination of the Group's enterprise-wide risk management framework. The role of the RO is to:

- design, implement and monitor the risk management and internal control systems of the Group in accordance with Board policies on risks and controls, using effective processes and procedures;
- identify the risks relevant to the businesses of the Group and manage the risks in accordance with the risk policies and directions from the Board;
- identify changes to risks or emerging risks and promptly bring these to the attention of the Board where appropriate; and
- ensure the quality, adequacy and timeliness of the information that goes to the Board.

The AC has reviewed and is satisfied with the adequacy and effectiveness of the RO's scope for FY2017. The AC has met with the RO without the presence of the management in FY2017.

The AC and the Board will assess the adequacy of internal control systems maintained by the management on a periodic basis and may commission an independent audit if it is not satisfied with the effectiveness of these internal controls.

## **Principle 14: Shareholder Rights**

### **Principle 15: Communication with Shareholders**

### **Principle 16: Conduct of Shareholder Meetings**

In line with the continuing obligations of the Group pursuant to the Rules of Catalist and the Companies Act, the Board's policy is to treat all shareholders fairly and equitably and to provide them with timely information on the Group's financial performance and material developments. The Group does not practise selective disclosure. Shareholders are provided with information on the Company through public announcements via SGXNET, publications in the press where appropriate, circulars to shareholders and the annual reports.



# CORPORATE GOVERNANCE REPORT

At the annual general meeting, the Board and management together with the external auditors are present to address any queries of the attending shareholders or their proxies. Shareholders are encouraged to attend and participate actively at these meetings and to raise questions, air their views and put in their votes for each of the resolutions tabled at the meetings.

To facilitate voting by shareholders, the Company's Constitution allows a shareholder, who is not a relevant intermediary (as defined by Section 181(6) of the Companies Act), to appoint one or two proxies to attend and vote on his/her behalf at all general meetings. There is no limit imposed on the number of proxy votes for relevant intermediaries, which include entities holding capital markets services licence to provide custodial services for securities, banking corporation licensed under the Banking Act (Chapter 19) and the Central Provident Fund Board.

The attending Company Secretary will prepare minutes of general meetings that include relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. Such minutes are available to shareholders upon their request.

The Company does not have a dedicated investors' relations team. Instead the CEO is responsible for the Company's communications with shareholders. However, if the need arises, the Company may engage the assistance of an external investor relations company to facilitate communications with the public. This may take the form of press releases or media briefings to allow the public to have more in-depth understanding of the Company's performance and developments. Such briefings will also act as platforms to interact with investors and analysts and to solicit their views.

The Company currently does not have a fixed dividend policy. The declaration and payment of future dividends will depend upon the Group's operating results, cash flows projections and investment plans. The Company did not propose any dividend payment as the Company did not have any distributable profits for FY2017.

At its general meetings, the Company will conduct voting by poll for all resolutions. The detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced immediately at the meeting and also disclosed via SGXNET on the same day.

## **Dealings in Securities**

In line with Rule 1204(19) of the Rules of Catalist, the Group has adopted an internal code of conduct to provide guidance to its officers with regard to dealings in the Company's securities. The code prohibits dealing in the Company's securities by the Company, Directors and employees of the Group while in possession of unpublished price-sensitive information and during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the results. Directors and officers of the Company are also not allowed to deal in the Company's securities on short-term considerations. The Directors and officers are also required to adhere to the provisions of the Companies Act and any other relevant regulations with regard to their securities transactions. Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading periods.

# CORPORATE GOVERNANCE REPORT

## **Material Contracts**

There were no material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or controlling shareholder, either still subsisting as at 31 March 2017 or if not then subsisting, entered into since the end of the previous financial year.

## **Interested Person Transactions**

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Rules of Catalist. The Board confirms that there were no interested person transactions conducted during FY2017 (excluding transactions less than S\$100,000).

## **Non-sponsorship Fees**

There were no non-sponsorship fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., by the Company in FY2017.

## **Update on Use of Placement Proceeds**

On 21 December 2015, the Company issued 150 million shares by way of a private placement and the net proceeds after deducting share issue expenses amounted to approximately S\$1.34 million ("Net Proceeds"). The Company has not as yet utilised the Net Proceeds which are intended to be used for (i) business development and to provide liquidity for business expansion through acquisitions, joint ventures and collaborations; and (ii) general working capital purposes. The Net Proceeds has been placed as term deposits with a bank.

# DIRECTORS' STATEMENT

The Directors of New Wave Holdings Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2017 and the statement of financial position of the Company as at 31 March 2017 and the statement of changes in equity of the Company for the financial year ended 31 March 2017.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Chan Teck Wah  
Chea Chia Chan  
Choo Tung Kheng  
Lee Seng Chan  
Lee Teong Sang  
Ong Kian Soon  
Tan Bon Tan  
Tito Shane Isaac

## 3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporation as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.4.2016	Balance as at 31.3.2017	Balance as at 1.4.2016	Balance as at 31.3.2017
<b>The Company</b>				
		<b>Number of ordinary shares</b>		
Chan Teck Wah	15,888,400	<b>15,888,400</b>	–	–
Chea Chia Chan	19,500,000	<b>19,500,000</b>	–	–
Choo Tung Kheng	196,314,197	<b>196,314,197</b>	176,378,000	<b>176,378,000</b>
Ong Kian Soon	31,180,000	<b>31,180,000</b>	–	–
Tan Bon Tan	23,175,000	<b>23,175,000</b>	2,500	<b>2,500</b>

By virtue of Section 7 of the Act, Mdm Choo Tung Kheng is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 April 2017 in the shares of the Company have not changed from those disclosed as at 31 March 2017.

## 5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

# DIRECTORS' STATEMENT

## 6. Audit committee

The audit committee of the Company is chaired by Tito Shane Isaac, an Independent Director, and includes Lee Seng Chan, also an Independent Director and Choo Tung Kheng, a Non-Executive Director. The audit committee has met twice since the last Annual General Meeting ("AGM") and has carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, including reviewing the following, where relevant, with the executive Directors and external auditor of the Company:

- (a) the audit plan of the external auditor and the results of the auditor's examination and evaluation of the Group's systems of internal accounting controls relevant to the preparation of the Group's financial statements;
- (b) the Company's and the Group's financial and operating results and accounting policies;
- (c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;
- (d) the half-yearly and annual announcements of the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Company's external auditor; and
- (f) the re-appointment of the external auditor of the Company.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external auditor has unrestricted access to the audit committee.

The audit committee has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming AGM of the Company.

# DIRECTORS' STATEMENT

## 7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

---

**Ong Kian Soon**

Director

Singapore

29 June 2017

---

**Chan Teck Wah**

Director

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of New Wave Holdings Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 35 to 97, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements (Continued)

### 1 Net realisable value of inventories

#### Key Audit Matter

As at 31 March 2017, the inventories of the Group amounted to \$6,719,460, which represents 28% of the total assets of the Group, and is one of the significant balances on the consolidated statement of financial position.

Inventories of the Group, which comprise aluminium products and component parts, are carried at lower of cost and net realisable value. Inventories may be written down to net realisable value if they are slow-moving, became obsolete, or if their selling prices have declined.

As the general market conditions continue to be challenging and competitive, there is a risk that net realisable values of the Group's inventories may be below cost, resulting in the overstatement of inventories.

We focused on this area as a key audit matter as significant management judgement is involved in identifying inventories that may be carried above their realisable value and estimating their net realisable values, including management's assessment of the selling prices and demand of the Group's inventories.

#### Related Disclosures

Refer to note 2.8, note 3.2(iii) and note 9 of the accompanying financial statements.

#### Audit Response

Our procedures included, amongst others, the following:

- We evaluated the process undertaken by management to identify inventories that may have to be written down to net realisable value, including obsolete and slow-moving inventories.
- We assessed the appropriateness of management's estimation of the net realisable value of the inventories by checking, on a sample-basis, to actual sales subsequent to the financial year.
- For aged inventories with no recent sales activity, we evaluated the reasonableness of management's basis where no write-down was made, including an assessment of the estimated scrap prices of those inventories.



TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements (Continued)

### 2 Impairment of intangible assets

#### Key Audit Matter

As at 31 March 2017, the carrying amount of the Group's intangible assets was \$967,120, which consist of goodwill and customer relationship amounting to \$512,392 and \$454,728 respectively. Management has determined that these intangible assets belong to the same cash-generating unit ("CGU").

At the end of the financial year, an assessment is made on whether the intangible assets are impaired, pursuant to the identification of certain indicators of impairment, including the impact of the volatile and challenging market conditions on their operating performance.

Management's determination of the recoverable amount is based on the estimation of the value-in-use by forecasting the present value of the expected future cash flows to be derived from the CGU. No impairment loss during the financial year was recognised following management's assessment.

We have assessed this to be a key audit matter as the value-in-use determination involves significant judgements and estimation by management on the key assumptions such as projected revenue growth rate, gross profit margin and discount rate applied to future cash flows forecasts which may be affected by future market and economic conditions.

#### Related Disclosures

Refer to note 2.6, note 3.2 (vi) and note 7 of the accompanying financial statements.

#### Audit Response

Our procedures included, amongst others, the following:

- We evaluated management's processes in estimating the recoverable amount of the CGU to determine if any impairment of the intangible assets was necessary, and checked the mathematical accuracy of the discounted cash flow model.
- We assessed and challenged the key assumptions and estimates used to determine the recoverable amount, including those relating to projected revenue growth rate, gross profit margin and discount rate, by corroborating the key market-related assumptions to external and historical data.
- We stress-tested the key assumptions used by analysing the impact on the recoverable amount from reasonable possible changes to the growth rates and discount rate.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements (Continued)

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements (Continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements (Continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Kian Hui.

**BDO LLP**  
**Public Accountants and**  
**Chartered Accountants**

**Singapore**  
**29 June 2017**

AS AT 31 MARCH 2017

## STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>Non-current assets</b>					
Property, plant and equipment	4	<b>2,568,647</b>	2,692,416	–	724
Investment properties	5	<b>2,815,000</b>	2,815,000	–	–
Investments in subsidiaries	6	–	–	<b>19,837,853</b>	19,837,853
Intangible assets	7	<b>967,120</b>	1,118,696	–	–
Deferred tax asset	8	<b>72,000</b>	72,000	–	–
		<b>6,422,767</b>	6,698,112	<b>19,837,853</b>	19,838,577
<b>Current assets</b>					
Inventories	9	<b>6,719,460</b>	10,363,755	–	–
Trade and other receivables	10	<b>4,203,402</b>	5,090,726	<b>5,819,394</b>	6,668,348
Prepayments		<b>97,897</b>	200,902	<b>11,335</b>	11,101
Cash and cash equivalents	11	<b>6,069,363</b>	3,181,360	<b>1,786,479</b>	1,807,512
Current income tax recoverable		<b>123,794</b>	87,395	–	–
		<b>17,213,916</b>	18,924,138	<b>7,617,208</b>	8,486,961
Less:					
<b>Current liabilities</b>					
Trade and other payables	12	<b>2,309,212</b>	2,050,627	<b>2,939,988</b>	3,031,095
Interest-bearing liabilities	13	<b>2,113,335</b>	2,607,897	–	–
		<b>4,422,547</b>	4,658,524	<b>2,939,988</b>	3,031,095
<b>Net current assets</b>		<b>12,791,369</b>	14,265,614	<b>4,677,220</b>	5,455,866
Less:					
<b>Non-current liabilities</b>					
Interest-bearing liabilities	13	<b>1,002,367</b>	1,080,988	–	–
Deferred tax liabilities	8	<b>87,653</b>	114,087	–	–
		<b>1,090,020</b>	1,195,075	–	–
<b>Net assets</b>		<b>18,124,116</b>	19,768,651	<b>24,515,073</b>	25,294,443
<b>Equity</b>					
Share capital	14	<b>26,088,313</b>	26,088,313	<b>26,088,313</b>	26,088,313
Asset revaluation reserve	15	<b>314,842</b>	314,842	–	–
Share-based payment reserve	16	<b>31,000</b>	31,000	<b>31,000</b>	31,000
Foreign currency translation reserve	17	<b>(1,639,653)</b>	(1,148,084)	–	–
Accumulated losses		<b>(6,670,386)</b>	(5,517,420)	<b>(1,604,240)</b>	(824,870)
<b>Equity attributable to owners of the parent</b>		<b>18,124,116</b>	19,768,651	<b>24,515,073</b>	25,294,443

The accompanying notes form an integral part of these financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	2017 \$	2016 \$
Revenue	18	<b>17,665,043</b>	20,873,013
Cost of sales		<b>(14,629,425)</b>	(17,257,237)
<b>Gross profit</b>		<b>3,035,618</b>	3,615,776
<b>Other items of income</b>			
Interest income from deposits with banks		<b>23,907</b>	12,748
Other income	19	<b>219,050</b>	213,979
<b>Other items of expense</b>			
Distribution costs		<b>(412,253)</b>	(460,493)
Administrative expenses		<b>(3,427,903)</b>	(3,918,879)
Finance costs	20	<b>(112,063)</b>	(159,762)
Other expenses		<b>(432,789)</b>	(575,675)
<b>Loss before income tax</b>	21	<b>(1,106,433)</b>	(1,272,306)
Income tax expense	22	<b>(46,533)</b>	(57,676)
<b>Loss for the financial year</b>		<b>(1,152,966)</b>	(1,329,982)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(491,569)</b>	(866,842)
<b>Total comprehensive income for the financial year</b>		<b>(1,644,535)</b>	(2,196,824)
<b>Loss attributable to:</b>			
Owners of the parent		<b>(1,152,966)</b>	(1,329,982)
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		<b>(1,644,535)</b>	(2,196,824)
<b>Loss per share (Cents)</b>			
– Basic and diluted	23	<b>(0.07)</b>	(0.09)

The accompanying notes form an integral part of these financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital \$	Asset revaluation reserve \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Equity attributable to owners of the parent \$
<b>Group</b>						
Balance as at 1.4.2016	26,088,313	314,842	31,000	(1,148,084)	(5,517,420)	19,768,651
Loss for the financial year	-	-	-	-	(1,152,966)	(1,152,966)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	(491,569)	-	(491,569)
Total comprehensive income for the financial year	-	-	-	(491,569)	(1,152,966)	(1,644,535)
Balance as at 31.3.2017	<b>26,088,313</b>	<b>314,842</b>	<b>31,000</b>	<b>(1,639,653)</b>	<b>(6,670,386)</b>	<b>18,124,116</b>

The accompanying notes form an integral part of these financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital \$	Asset revaluation reserve \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Equity attributable to owners of the parent \$
<b>Group</b>						
Balance as at 1.4.2015	24,752,128	314,842	31,000	(281,242)	(4,187,438)	20,629,290
<b>Contributions by owners of the parent:</b>						
Issue of shares, net of share issue expenses	1,336,185	-	-	-	-	1,336,185
Loss for the financial year	-	-	-	-	(1,329,982)	(1,329,982)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	(866,842)	-	(866,842)
Total comprehensive income for the financial year	-	-	-	(866,842)	(1,329,982)	(2,196,824)
Balance as at 31.3.2016	<u>26,088,313</u>	<u>314,842</u>	<u>31,000</u>	<u>(1,148,084)</u>	<u>(5,517,420)</u>	<u>19,768,651</u>

The accompanying notes form an integral part of these financial statements.



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## STATEMENT OF CHANGES IN EQUITY

	Share capital \$	Share-based payment reserve \$	Accumulated (losses)/profit \$	Total equity \$
<b>Company</b>				
Balance as at 1.4.2016	26,088,313	31,000	(824,870)	25,294,443
<b>Contributions by owners of the parent:</b>				
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(779,370)	(779,370)
Balance as at 31.3.2017	<b>26,088,313</b>	<b>31,000</b>	<b>(1,604,240)</b>	<b>24,515,073</b>
Balance as at 1.4.2015	24,752,128	31,000	110,038	24,893,166
<b>Contributions by owners of the parent:</b>				
Issue of shares, net of share issue expenses	1,336,185	–	–	1,336,185
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(934,908)	(934,908)
Balance as at 31.3.2016	<b>26,088,313</b>	<b>31,000</b>	<b>(824,870)</b>	<b>25,294,443</b>

*The accompanying notes form an integral part of these financial statements.*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	2017 \$	2016 \$
<b>Operating activities</b>		
Loss before income tax	<b>(1,106,433)</b>	(1,272,306)
Adjustments for:		
Allowance for impairment of trade receivables	<b>7,315</b>	17,571
Amortisation of intangible assets	<b>151,576</b>	151,576
Bad trade receivables written off	–	929
Depreciation of property, plant and equipment	<b>239,841</b>	276,104
Gain on disposal of plant and equipment	<b>(15,500)</b>	(41,638)
Interest expense	<b>112,063</b>	159,762
Interest income	<b>(23,907)</b>	(12,748)
Plant and equipment written off	<b>837</b>	–
Write back of allowance for impairment of trade receivables no longer required	<b>(9,206)</b>	(2,224)
Write down of inventories	<b>8,812</b>	41,508
Operating cash flows before working capital changes	<b>(634,602)</b>	(681,466)
Working capital changes:		
Inventories	<b>3,359,236</b>	1,851,872
Trade and other receivables	<b>714,931</b>	1,271,524
Trade and other payables	<b>322,352</b>	(1,123,354)
Prepayments	<b>100,031</b>	(49,749)
Cash from operations	<b>3,861,948</b>	1,268,827
Interest received	<b>23,907</b>	12,748
Interest paid	<b>(112,063)</b>	(159,762)
Income taxes paid, net	<b>(117,357)</b>	(187,298)
Net cash from operating activities	<b>3,656,435</b>	934,515
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	<b>15,500</b>	47,373
Purchase of property, plant and equipment	<b>(165,728)</b>	(152,605)
Net cash used in investing activities	<b>(150,228)</b>	(105,232)
<b>Financing activities</b>		
Proceeds from issuance of shares	–	1,336,185
Proceeds from trust receipts	<b>5,439,509</b>	10,823,984
Repayment of trust receipts	<b>(5,886,378)</b>	(13,657,045)
Repayment of term loan	<b>(34,616)</b>	(32,543)
Repayment of finance lease obligations	<b>(48,940)</b>	(41,029)
Net cash used in financing activities	<b>(530,425)</b>	(1,570,448)
Net change in cash and cash equivalents	<b>2,975,782</b>	(741,165)
Cash and cash equivalents as at the beginning of the financial year	<b>3,181,360</b>	4,030,677
Effects of currency translation on cash and cash equivalents	<b>(87,779)</b>	(108,152)
Cash and cash equivalents as at the end of the financial year (Note 11)	<b>6,069,363</b>	3,181,360

*The accompanying notes form an integral part of these financial statements.*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the financial statements.

## 1. General corporate information

New Wave Holdings Ltd. (the "Company") is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 101 Kitchener Road, #02-17 Jalan Besar Plaza, Singapore 208511. The Company's registration number is 199906870Z. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("S\$") which is the functional and presentation currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with FRS requires the management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

In the current financial year, the Group has adopted all the new and revised FRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group were issued but not yet effective, and have not been adopted early in these financial statements:

		<b>Effective date (annual periods beginning on or after)</b>
FRS 7 (Amendments)	: Disclosure Initiative	1 January 2017
FRS 40 (Amendments)	: Transfer of investment property	1 January 2018
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2018
FRS 115 (Amendments)	: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	: Leases	1 January 2019
INT FRS 122	: Foreign Currency Transactions and Advance Consideration	1 January 2018

Consequential amendments were also made to various standards as a result of these new/revised standards.

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

#### ***FRS 7 (Amendments) Disclosure Initiative***

The amendments require additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group will adopt these amendments in the financial year beginning on 1 April 2017 and will include the additional disclosures in its financial statements for that financial year.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

#### **FRS 109 Financial Instruments**

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

#### *Classification and measurement*

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group can elect to recognise the gains and losses in other comprehensive income. Debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through other comprehensive income ("OCI").

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

The Group has completed its preliminary assessment of the classification and measurement of its financial assets, and expects the new guidance to have no significant impact on the measurement of its financial assets. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as Group does not have any such liabilities.

#### *Impairment*

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment loss allowances as well as interest revenue. For financial assets at amortised cost or debt instruments at fair value through other comprehensive income, the Group will recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition under the three-stage model or from initial recognition if the simplified model is applied.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

#### **FRS 109 Financial Instruments** (Continued)

##### *Impairment* (Continued)

The new impairment requirements are expected to result in changes to and likely increases in impairment loss allowances on trade receivables and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. For other receivables, the Group will initially provide for 12 months expected losses under the three-stage model. The Group is still in the process of determining how it will estimate expected credit losses and the sources of forward-looking data.

##### *Transition*

The Group plans to adopt FRS 109 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year.

The Group will also include additional disclosures in its financial statements in the financial year when the standard is adopted.

#### **FRS 115 Revenue from Contracts with Customers**

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of the standard, the Group has preliminarily assessed that there will be no significant impact on the timing and pattern of the revenue recognition as disclosed in Note 2.11 of the financial statements. The Group plans to adopt the standard in the financial year beginning on 1 April 2018 and will include additional disclosures in its financial statements for that financial year.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

#### ***FRS 116 Leases***

FRS 116 supersedes FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statements of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of this standard, there may be a potentially significant impact on the accounting treatment for the Group's leases, particularly rented factory and office premises, which the Group, as lessee, currently accounts for as operating leases. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 April 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

#### ***Adoption of IFRS-identical financial reporting standards***

Singapore-incorporated companies listed on the SGX-ST are required to apply a new financial reporting framework identical to IFRS in 2018. The Group will adopt the new framework on 1 April 2018 and will apply the equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards* to the transition. This will involve restating the comparatives for the financial ended 31 March 2018 and the opening statements of financial position as at 1 April 2017 in accordance with the new framework. The Group is in the process of assessing the impact of transition, including the impact from the adoption of IFRS 9 and 15 which is expected to be similar to the impact of FRS 109 and 115 disclosed above, as well as other transitional adjustments that may be required or elected under IFRS 1.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations

#### Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

#### Business combinations before 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations (Continued)

#### Business combinations before 1 April 2010 (Continued)

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the property, plant and equipment before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is calculated on the straight-line method so as to allocate the depreciable amount of the property, plant and equipment over their estimated useful lives as follows:

	<b>Years</b>
Plant and machinery	5 – 10
Office equipment	3 – 10
Furniture, fittings and renovation	3 – 10
Motor vehicles	4 – 5
Computer equipment and accessories	3 – 5
Buildings	50

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.4 Property, plant and equipment (Continued)

Freehold land has an unlimited useful life and therefore is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful life, residual values and depreciation method are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

### 2.5 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at their cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the financial year in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

On disposal or retirement of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.6 Intangible assets

#### Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of gain or loss on disposal.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination is identified and recognised separately from goodwill if the asset and its fair value can be measured reliably. The cost of such intangible asset is its fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination relates to customer relationships with finite useful life and is amortised on a straight-line method over the estimated useful life of 10 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revisions are recognised in profit or loss when the changes arise.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.7 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

#### Aluminium products distribution

Cost of inventories under this segment is determined on the "first-in, first-out" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Components distribution

Cost of inventories under this segment is determined on the "weighted average" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made for obsolete, slow-moving and defective inventories.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.9 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

#### **Financial assets**

Financial assets are initially measured at fair value, plus transaction costs.

The Group classifies its financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

#### Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables (excluding advance payments to suppliers and goods and services tax ("GST")/value-added tax ("VAT") recoverable) and cash and cash equivalents.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the asset have been impacted.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.9 Financial instruments (Continued)

#### Impairment of financial assets (Continued)

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

### **Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

#### Financial liabilities

The Group classifies its financial liabilities as other financial liabilities.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.9 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Financial liabilities (Continued)

##### *Other financial liabilities*

##### Trade and other payables

Trade and other payables (excluding deposits received from customers, accrued unutilised leave, GST payables and advance billings) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

##### Interest-bearing liabilities

Interest-bearing liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.17).

##### Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less cumulative amortisation in accordance with FRS 18 *Revenue*.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

### 2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

#### Sale of goods

Revenue from the sale of aluminium products and components is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Normally, these criteria are met when the goods are delivered to and accepted by the buyer.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

### 2.12 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

### 2.13 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.14 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.15 Share-based payments

The fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

### 2.16 Leases

When the Group is the lessee

#### *Finance leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.16 Leases (Continued)

When the Group is the lessee (Continued)

#### *Operating leases*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

When the Group is the lessor

#### *Operating leases*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 2.17 Borrowing costs

Borrowing costs are recognised as an expense in profit or loss in the financial year in which they are incurred using the effective interest method.

### 2.18 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.18 Taxes (Continued)

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.18 Taxes (Continued)

#### Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

### 2.19 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during that financial year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Summary of significant accounting policies (Continued)

### 2.19 Foreign currency transactions and translation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that operation is reclassified to profit or loss.

### 2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

## 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

#### Impairment of investments in subsidiaries

The Group and the Company follow the guidance of FRS 36 in determining when an investment in subsidiary is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the recoverable amount of an investment in subsidiary is less than its carrying amount and the financial health of and near-term business outlook for the investment including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses, within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of the property, plant and equipment to be within 3 to 50 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2017 were \$2,568,647 (2016: \$2,692,416) and Nil (2016: \$724) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment. Therefore, future depreciation charges could be revised.

(ii) Fair value of investment properties

The investment properties were stated at fair value in accordance with the accounting policy stated in Note 2.5 to the financial statements. The fair value of the investment properties is determined by a firm of independent professional valuers and the fair value of investment properties as at 31 March 2017 was \$2,815,000 (2016: \$2,815,000).

In making the judgements, consideration has been given to assumptions that are mainly based on market conditions existing at the end of the financial year. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(iii) Allowance for inventories obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "first-in, first-out" and "weighted average" method. The management estimates the net realisable value of inventories based on assessment of receipt of committed sales prices and provides for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, technological advances and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories.

The carrying amount of the Group's inventories as at 31 March 2017 was \$6,719,460 (2016: \$10,363,755) and the write down of inventories made during the financial year was \$8,812 (2016: \$41,508).

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

(iv) Allowance for impairment of trade and other receivables

The management establishes allowance for impairment of trade and other receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its counter-parties' financial position. If the financial conditions of its counter-parties were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of trade and other receivables of the Group and the Company as at 31 March 2017 were \$4,203,402 (2016: \$5,090,726) and \$5,819,394 (2016: \$6,668,348) respectively.

(v) Provision for income taxes

The Group has exposure to income taxes in several jurisdictions and recognises liabilities based on estimates of income tax payable. There are certain transactions and computation for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amounts of the Group's current income tax recoverable and current income tax payable as at 31 March 2017 were \$123,794 (2016: \$87,395) and Nil (2016: Nil) respectively.

The carrying amounts of the Group's deferred tax asset and deferred tax liabilities as at 31 March 2017 were \$72,000 (2016: \$72,000) and \$87,653 (2016: \$114,087) respectively.

(vi) Impairment of intangible assets

Determining whether intangible assets are impaired require an estimation of the value-in-use of the cash-generating units ("CGU") to which intangible assets have been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The carrying amount of the Group's intangible assets as at 31 March 2017 was \$967,120 (2016: \$1,118,696).



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## NOTES TO THE FINANCIAL STATEMENTS

## 4. Property, plant and equipment

Group	Plant and machinery	Office equipment	Furniture, fittings and renovation	Motor vehicles	Computer equipment and accessories	Buildings	Freehold land	Total
<b>Cost</b>								
Balance as at 1.4.2016	793,777	90,151	225,510	173,709	439,833	1,840,313	769,102	4,332,395
Additions	68,850	-	198	164,801	11,879	-	-	245,728
Disposals	(96)	-	(23,029)	-	(39,508)	-	-	(62,633)
Written-off	(1,371)	-	-	-	-	-	-	(1,371)
Foreign currency translation differences	(25,684)	(1,471)	(11,187)	(4,104)	(4,656)	(60,409)	(60,846)	(168,357)
Balance as at 31.3.2017	<b>835,476</b>	<b>88,680</b>	<b>191,492</b>	<b>334,406</b>	<b>407,548</b>	<b>1,779,904</b>	<b>708,256</b>	<b>4,345,762</b>
<b>Accumulated depreciation</b>								
Balance as at 1.4.2016	446,570	62,389	177,199	133,508	397,158	423,155	-	1,639,979
Depreciation for the financial year	77,682	12,027	37,773	50,605	27,009	34,745	-	239,841
Disposals	(96)	-	(23,029)	-	(39,508)	-	-	(62,633)
Written-off	(534)	-	-	-	-	-	-	(534)
Foreign currency translation differences	(17,786)	(1,206)	(9,583)	(4,036)	(3,163)	(3,764)	-	(39,538)
Balance as at 31.3.2017	<b>505,836</b>	<b>73,210</b>	<b>182,360</b>	<b>180,077</b>	<b>381,496</b>	<b>454,136</b>	<b>-</b>	<b>1,777,115</b>
<b>Carrying amount</b>								
Balance as at 31.3.2017	<b>329,640</b>	<b>15,470</b>	<b>9,132</b>	<b>154,329</b>	<b>26,052</b>	<b>1,325,768</b>	<b>708,256</b>	<b>2,568,647</b>

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## NOTES TO THE FINANCIAL STATEMENTS

## 4. Property, plant and equipment (Continued)

Group	Plant and machinery	Office equipment	Furniture, fittings and renovation	Motor vehicles	Computer equipment and accessories	Buildings	Freehold land	Total
<b>Cost</b>								
Balance as at 1.4.2015	716,595	71,874	260,750	256,117	437,757	1,899,702	828,922	4,471,717
Additions	157,807	22,550	200	-	25,936	-	-	206,493
Disposals	(46,775)	(1,765)	(23,081)	(77,773)	(20,714)	-	-	(170,108)
Foreign currency translation differences	(33,850)	(2,508)	(12,359)	(4,635)	(3,146)	(59,389)	(59,820)	(175,707)
Balance as at 31.3.2016	793,777	90,151	225,510	173,709	439,833	1,840,313	769,102	4,332,395
<b>Accumulated depreciation</b>								
Balance as at 1.4.2015	454,889	52,781	160,300	173,791	330,990	389,724	-	1,562,475
Depreciation for the financial year	56,035	12,589	46,144	36,442	89,454	35,440	-	276,104
Disposals	(46,775)	(1,215)	(23,081)	(72,588)	(20,714)	-	-	(164,373)
Foreign currency translation differences	(17,579)	(1,766)	(6,164)	(4,137)	(2,572)	(2,009)	-	(34,227)
Balance as at 31.3.2016	446,570	62,389	177,199	133,508	397,158	423,155	-	1,639,979
<b>Carrying amount</b>								
Balance as at 31.3.2016	347,207	27,762	48,311	40,201	42,675	1,417,158	769,102	2,692,416

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 4. Property, plant and equipment (Continued)

	<b>Computer equipment and accessories</b>
	<b>\$</b>
<b>Company</b>	
<b>Cost</b>	
Balance as at 1.4.2016/31.3.2017	<u>13,333</u>
<b>Accumulated depreciation</b>	
Balance as at 1.4.2016	12,609
Depreciation for the financial year	<u>724</u>
Balance as at 31.3.2017	<u>13,333</u>
<b>Carrying amount</b>	
Balance as at 31.3.2017	<u>–</u>
<b>Cost</b>	
Balance as at 1.4.2015/31.3.2016	<u>13,333</u>
<b>Accumulated depreciation</b>	
Balance as at 1.4.2015	11,648
Depreciation for the financial year	<u>961</u>
Balance as at 31.3.2016	<u>12,609</u>
<b>Carrying amount</b>	
Balance as at 31.3.2016	<u>724</u>

The carrying amount of property, plant and equipment of the Group which were pledged as security for banking facilities was as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Building	<u>652,771</u>	724,123
Freehold land	<u>708,256</u>	<u>769,102</u>

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 4. Property, plant and equipment (Continued)

As at the end of the financial year, the carrying amounts of property, plant and equipment which were acquired under finance lease agreements was as follows:

	Group	
	2017	2016
	\$	\$
Motor vehicles	131,841	27,140
Plant and machinery	38,175	54,389
Office equipment	7,296	14,592
	<b>177,312</b>	<b>96,121</b>

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial year comprised:

	Group	
	2017	2016
	\$	\$
Additions of property, plant and equipment	245,728	206,493
Acquired under finance lease agreements	(80,000)	(53,888)
Cash payments to acquire property, plant and equipment	<b>165,728</b>	<b>152,605</b>

## 5. Investment properties

	Group	
	2017	2016
	\$	\$
<u>At fair value</u>		
Balance as at the beginning and end of the financial year	<b>2,815,000</b>	2,815,000

The following amounts were recognised in profit or loss:

	Group	
	2017	2016
	\$	\$
Operating lease income – investment properties	62,182	55,280
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	<b>(25,159)</b>	<b>(35,874)</b>

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 5. Investment properties (Continued)

The fair values of the Group's investment properties as at 31 March 2017 and 2016 have been determined on the basis of valuation carried out by independent valuers having an appropriate recognised professional qualification and recent experience in the locations and category of the properties being valued. The valuations were arrived at by using the "Direct Comparison Method" by making reference to market evidence of transaction prices per square foot for similar properties, and were performed in accordance with International Valuation Standards. The estimation of the fair values of the properties is based on the highest and best use of the properties, which is in line with their current use.

### *Fair value hierarchy*

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of investment properties carried at fair value by level of fair value hierarchy:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Group</b>				
<b>2017</b>				
<b>Non-financial assets</b>				
Investment properties	–	–	<b>2,815,000</b>	<b>2,815,000</b>
<b>2016</b>				
<b>Non-financial assets</b>				
Investment properties	–	–	2,815,000	2,815,000

There were no transfers among levels during the financial year.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 5. Investment properties (Continued)

The following table presents the valuation technique and key inputs that were used to determine the fair value of the investment properties categorised under level 3 of the fair value hierarchy.

<u>Location</u>	<u>Description</u>	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
101 Kitchener Road Jalan Besar Plaza Singapore 208511				
Unit #02-11	Shop unit	Direct comparison method	Price p.s.f.*	The higher the price, the higher the fair value.
Unit #02-22	Shop unit	Direct comparison method	Price p.s.f.*	The higher the price, the higher the fair value.
Unit #02-23	Shop unit	Direct comparison method	Price p.s.f.*	The higher the price, the higher the fair value.

\* The price per square foot ("p.s.f.") are determine based on the differences in location, area, age, condition, tenure, design and layout, dates of transaction and the prevailing economic conditions affecting the property market.

There have been no changes in the valuation techniques of investment properties as at the end of the financial year.

## 6. Investments in subsidiaries

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Unquoted equity in corporations, at cost	<b>41,895,236</b>	41,895,236
Allowance for impairment loss	<b>(22,057,383)</b>	(22,057,383)
	<b><u>19,837,853</u></b>	<u>19,837,853</u>

Movement in allowance for impairment loss is as follows:

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance as at the beginning/end of the financial year	<b><u>22,057,383</u></b>	<u>22,057,383</u>

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 6. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity held by the Group	
		2017 %	2016 %
<b><i>Held by the Company</i></b>			
General Electronics & Instrumentation Corporation Private Limited (Singapore) <sup>(1)</sup>	Trading in electrical and electronic equipment and components, hardware and software engineering in micro-computer and communication systems	<b>100</b>	100
Eplus Technologies Pte. Ltd. (Singapore) <sup>(1)</sup>	Trading in electrical and electronics components and provision of IT and software consultancy services	<b>100</b>	100
Manufacturing Network Pte. Ltd. (Singapore) <sup>(1)</sup>	Wholesale of aluminium plates, wedges and bars including cutting and refining aluminium plates, trading and distribution of metal precision components and investment holding	<b>100</b>	100
Eplus Technologies Sdn. Bhd. (Malaysia) <sup>(2)</sup>	Trading and distribution of cables, electrical and electronics components	<b>100</b>	100

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 6. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity held by the Group	
		2017 %	2016 %
<b>Held by Manufacturing Network Pte. Ltd.</b>			
MNPL Aluminium Centre Sdn. Bhd. (Malaysia) <sup>(2)</sup>	Wholesale of aluminium plates, rods and bars including cutting and refining aluminium plates, rods and bars	100	100
MNPL Investments Pte. Ltd. (Singapore) <sup>(1)</sup>	Investment holding	100	100
MSC Aluminium Holdings Pte. Ltd. (Singapore) <sup>(1)</sup>	Import and export of aluminium alloy products and investment holding	100	100
<b>Held by MNPL Investments Pte. Ltd.</b>			
MNPL Metals Co., Ltd. (People's Republic of China) <sup>(3)</sup>	Sale and distribution of aluminium alloy, steel, stainless steel and other ferrous and non-ferrous semi-finished products	100	100
<b>Held by MSC Aluminium Holdings Pte. Ltd.</b>			
Twin Metal Service Centre Sdn. Bhd. (Malaysia) <sup>(2)</sup>	Fabricating and trading of aluminium products	100	100

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO, Malaysia, a member of BDO International Limited

(3) Audited by SBA Stone Forest CPA Co Ltd, People's Republic of China



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 7. Intangible assets

	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>			
<b>Cost</b>			
Balance as at 1.4.2016 and 31.3.2017	<b>3,876,126</b>	<b>1,515,760</b>	<b>5,391,886</b>
<b>Accumulated amortisation</b>			
Balance as at 1.4.2016	–	909,456	909,456
Amortisation for the financial year	–	151,576	151,576
Balance as at 31.3.2017	<b>–</b>	<b>1,061,032</b>	<b>1,061,032</b>
<b>Accumulated impairment</b>			
Balance as at 1.4.2016 and 31.3.2017	<b>3,363,734</b>	–	<b>3,363,734</b>
<b>Carrying amount</b>			
Balance as at 31.3.2017	<b>512,392</b>	<b>454,728</b>	<b>967,120</b>
Average remaining useful lives		3 years	
<b>Cost</b>			
Balance as at 1.4.2015 and 31.3.2016	3,876,126	1,515,760	5,391,886
<b>Accumulated amortisation</b>			
Balance as at 1.4.2015	–	757,880	757,880
Amortisation for the financial year	–	151,576	151,576
Balance as at 31.3.2016	–	909,456	909,456
<b>Accumulated impairment</b>			
Balance as at 1.4.2015 and 31.3.2016	3,363,734	–	3,363,734
<b>Carrying amount</b>			
Balance as at 31.3.2016	512,392	606,304	1,118,696
Average remaining useful lives		4 years	

Amortisation expense was included in "Other expenses" line item of profit or loss.

Goodwill arising from business combination is allocated to the CGU that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to MSC Aluminium Holdings Pte. Ltd. and its subsidiaries ("MSC Group") as the single CGU.

The Group tests the CGU for impairment annually, or more frequently when there is an indication that the unit may be impaired.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 7. Intangible assets (Continued)

The recoverable amount of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and the forecasted zero growth rates to extrapolate cash flows beyond five years. The average gross profit margin and discount rate used for the next 5 years' cash flow forecasts are 15% (2016: 14%) and 5.56% (2016: 7.81%) respectively.

With regards to the assessment of value in use for the CGU, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of intangible assets exceed their recoverable amount.

Customer relationships were acquired in the financial year ended 31 March 2011 as part of the acquisition of MSC Group. The fair value on the date of initial recognition was based on its intended use and the expected future economic benefit to be derived from the future operating cash inflows from products associated with the acquired customer relationships.

## 8. Deferred tax asset/(liabilities)

	Group	
	2017	2016
	\$	\$
<b>Deferred tax asset – Unutilised tax losses</b>		
Balance as at the beginning/end of the financial year	<b>72,000</b>	72,000
<b>Deferred tax liabilities</b>		
Balance as at the beginning of the financial year	<b>(114,087)</b>	(144,617)
Credited to profit or loss	<b>25,531</b>	29,403
Foreign currency translation differences	<b>903</b>	1,127
Balance as at the end of the financial year	<b>(87,653)</b>	(114,087)
Recognised deferred tax liabilities are attributable to the following:		
Plant and equipment	<b>(10,349)</b>	(11,015)
Intangible assets – customer relationships	<b>(77,304)</b>	(103,072)
	<b>(87,653)</b>	(114,087)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Inventories

	Group	
	2017	2016
	\$	\$
Inventories held for resale	<b>6,239,526</b>	10,149,678
Goods-in-transit	<b>479,934</b>	214,077
	<b>6,719,460</b>	<b>10,363,755</b>

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss amounted to \$14,629,425 (2016: \$17,257,237). The inventories written down of \$8,812 (2016: \$41,508) pursuant to a review of the net realisable value of the inventories during the financial year were included under "other operating expense".

## 10. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade receivables	<b>3,845,751</b>	4,427,854	-	-
Allowance for impairment loss	<b>(8,987)</b>	(98,239)	-	-
	<b>3,836,764</b>	4,329,615	-	-
Other receivables				
– third parties	<b>23,926</b>	16,733	<b>2,271</b>	742
– subsidiaries	-	-	<b>5,817,123</b>	6,667,606
	<b>23,926</b>	16,733	<b>5,819,394</b>	6,668,348
Deposits	<b>29,965</b>	31,431	-	-
Advance payments to suppliers	<b>29,449</b>	36,342	-	-
GST/VAT recoverable	<b>283,298</b>	676,605	-	-
Trade and other receivables	<b>4,203,402</b>	5,090,726	<b>5,819,394</b>	6,668,348
Less: Advance payments to suppliers	<b>(29,449)</b>	(36,342)	-	-
Less: GST/VAT recoverable	<b>(283,298)</b>	(676,605)	-	-
Add: Cash and cash equivalents	<b>6,069,363</b>	3,181,360	<b>1,786,479</b>	1,807,512
Loans and receivables	<b>9,960,018</b>	7,559,139	<b>7,605,873</b>	8,475,860

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 10. Trade and other receivables (Continued)

Movements in allowance for impairment of trade receivables during the financial year were as follows:

	Group	
	2017	2016
	\$	\$
Balance as at the beginning of the financial year	98,239	84,009
Write-back of allowance no longer required	(9,206)	(2,224)
Write-off against allowance	(86,847)	(1,022)
Allowance made during the financial year	7,315	17,571
Foreign currency translation differences	(514)	(95)
Balance as at the end of the financial year	<b>8,987</b>	98,239

Trade receivables are non-interest bearing and generally on 7 to 90 days' credit terms.

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience. These trade receivables are individually determined to be impaired. Allowance for impairment of trade receivables of \$7,315 (2016: \$17,571) was recognised in profit or loss under "Other expenses" line item.

Allowance written back of \$9,206 (2016: \$2,224) was recognised in profit or loss under "Other income" line item, during the financial year when the related trade receivables were recovered.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
United States dollar	571,255	350,834	-	-
Singapore dollar	1,015,852	1,544,294	5,819,394	6,668,348
Malaysian ringgit	1,516,383	1,522,811	-	-
Chinese renminbi	1,099,912	1,672,787	-	-
	<b>4,203,402</b>	5,090,726	<b>5,819,394</b>	6,668,348

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## NOTES TO THE FINANCIAL STATEMENTS

## 11. Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Fixed deposits with banks	<b>2,113,229</b>	2,111,779	<b>1,763,144</b>	1,749,481
Cash and bank balances	<b>3,956,134</b>	1,069,581	<b>23,335</b>	58,031
	<b>6,069,363</b>	3,181,360	<b>1,786,479</b>	1,807,512

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
United States dollar	<b>1,681,143</b>	280,871	<b>12,350</b>	11,922
Singapore dollar	<b>3,089,996</b>	2,081,343	<b>1,774,129</b>	1,795,590
Malaysian ringgit	<b>1,177,444</b>	448,619	–	–
Chinese renminbi	<b>120,780</b>	370,527	–	–
	<b>6,069,363</b>	3,181,360	<b>1,786,479</b>	1,807,512

The fixed deposits with banks mature within 1 to 5 months from the end of the financial year. The weighted average effective interest rate on the fixed deposits is approximately 0.78% (2016: 0.76%) per annum.

Chinese renminbi is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese renminbi for foreign currencies through banks that are authorised to conduct foreign exchange business.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 12. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade payables – third parties	<b>1,347,276</b>	1,146,550	–	–
Other payables				
– third parties	<b>127,769</b>	247,119	<b>8,062</b>	71,698
– subsidiaries	–	–	<b>2,749,734</b>	2,767,460
	<b>127,769</b>	247,119	<b>2,757,796</b>	2,839,158
Deposits received from customers	<b>246,619</b>	13,940	–	–
Advanced billings	<b>38,845</b>	44,877	–	–
GST payables	<b>10,933</b>	43,965	–	–
Rental deposit received	<b>10,760</b>	10,760	–	–
Accrued operating expenses	<b>441,692</b>	448,387	<b>127,092</b>	132,017
Accrued unutilised leave	<b>85,318</b>	95,029	<b>55,100</b>	59,920
Trade and other payables	<b>2,309,212</b>	2,050,627	<b>2,939,988</b>	3,031,095
Less:				
Deposits received from customers	<b>(246,619)</b>	(13,940)	–	–
Advanced billings	<b>(38,845)</b>	(44,877)	–	–
GST payables	<b>(10,933)</b>	(43,965)	–	–
Accrued unutilised leave	<b>(85,318)</b>	(95,029)	<b>(55,100)</b>	(59,920)
Add: Interest-bearing liabilities	<b>3,115,702</b>	3,688,885	–	–
Other financial liabilities carried at amortised cost	<b>5,043,199</b>	5,541,701	<b>2,884,888</b>	2,971,175

Trade payables are non-interest bearing and generally on 30 to 90 days' credit terms.

The non-trade amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
United States dollar	<b>568,619</b>	277,698	–	–
Singapore dollar	<b>691,137</b>	1,000,808	<b>2,939,988</b>	3,031,095
Malaysian ringgit	<b>712,684</b>	712,332	–	–
Chinese renminbi	<b>336,772</b>	59,789	–	–
	<b>2,309,212</b>	2,050,627	<b>2,939,988</b>	3,031,095

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 13. Interest-bearing liabilities

	Group	
	2017	2016
	\$	\$
<u>Current liabilities</u>		
Finance lease – secured	24,531	33,278
Term loan – secured	34,811	37,029
Trust receipts – unsecured	2,053,993	2,537,590
	<b>2,113,335</b>	2,607,897
<u>Non-current liabilities</u>		
Finance lease – secured	56,747	17,410
Term loan – secured	945,620	1,063,578
	<b>1,002,367</b>	1,080,988
	<b>3,115,702</b>	3,688,885

The interest rates per annum charged during the financial year were as follows:

	Group	
	2017	2016
	%	%
Finance lease	3.31 – 7.01	3.31 – 7.01
Term loan	4.95	4.95
Trust receipts	1.20 – 5.51	1.20 – 3.25

The term loan is repayable over 240 monthly instalments from January 2014. The term loan is secured by a charge over a freehold property of the Group and a corporate guarantee from the Company.

Trust receipts have maturity date of 150 days from the date of invoice and/or the date of drawdown.

As at the end of the financial year, the Group's banking facilities (finance lease, term loan, trust receipts and letter of credit) amounting to \$10,475,115 (2016: \$14,245,800) are supported by corporate guarantees provided by the Company.

As at the end of the financial year, the Group has banking facilities as follows:

	2017	2016
	\$	\$
Facilities granted	10,475,115	14,245,800
Facilities utilised	5,094,572	5,151,307

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 13. Interest-bearing liabilities (Continued)

### Finance lease – secured

As at the end of the financial year, the Group had obligations under finance lease that are payable as follows:

	<b>Minimum lease payments</b>	<b>Future finance charges</b>	<b>Present value of minimum lease payments</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>			
<b>2017</b>			
Not later than one year	27,564	(3,033)	24,531
Later than one year and not later than five years	64,840	(8,093)	56,747
	<b>92,404</b>	<b>(11,126)</b>	<b>81,278</b>
<b>2016</b>			
Not later than one year	35,319	(2,041)	33,278
Later than one year and not later than five years	19,640	(2,230)	17,410
	54,959	(4,271)	50,688

The terms of the finance leases range from 2 to 5 years (2016: 2 to 5 years).

Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance lease are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

Interest-bearing liabilities are denominated in the following currencies:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
United States dollar	2,053,993	2,454,187
Singapore dollar	79,795	39,818
Malaysian ringgit	981,914	1,111,477
Euro	–	83,403
	<b>3,115,702</b>	<b>3,688,885</b>



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 14. Share capital

	Group and Company			
	2017	2016	2017	2016
	Number of ordinary shares		\$	
<b>Issued and fully paid up:</b>				
Balance at the beginning of the financial year	<b>1,607,469,695</b>	1,457,469,695	<b>26,088,313</b>	24,752,128
Issued during the financial year	–	150,000,000	–	1,336,185
Balance at the end of the financial year	<b>1,607,469,695</b>	1,607,469,695	<b>26,088,313</b>	26,088,313

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 21 December 2015, the Company completed a placement of 150,000,000 new ordinary shares at an issue price of \$0.0092 per placement share for business development and expansion and working capital purposes.

## 15. Asset revaluation reserve

### Group

Asset revaluation reserve represents surplus on revaluation of the Group's freehold property transferred from property, plant and equipment to investment property in 2009 and is not distributable.

## 16. Share-based payment reserve

### Group and Company

During the financial year ended 31 March 2010, a shareholder, who was also the Director of the Company, transferred his shares to certain employees to reward their services rendered to the Group. The fair value of the shares was measured at the weighted average quoted market price at the date of transfer.

The share-based payment reserve is non-distributable.

## 17. Foreign currency translation reserve

### Group

The foreign currency translation reserve comprises the foreign exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency and is non-distributable.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 18. Revenue

	Group	
	2017	2016
	\$	\$
Components distribution	<b>3,211,925</b>	3,358,204
Aluminium products distribution	<b>14,453,118</b>	17,514,809
	<b>17,665,043</b>	<b>20,873,013</b>

## 19. Other income

	Group	
	2017	2016
	\$	\$
Gain on disposal of plant and equipment	<b>15,500</b>	41,638
Government grants		
– PIC cash payout	<b>74,693</b>	27,137
– Special/Temporary Employment Credit	<b>20,699</b>	17,065
– Wage Credit Scheme	<b>7,943</b>	24,525
– Others	<b>2,828</b>	5,180
Operating lease income – investment properties	<b>62,182</b>	55,280
Write back of allowance for impairment of trade receivables no longer required	<b>9,206</b>	2,224
Miscellaneous income	<b>25,999</b>	40,930
	<b>219,050</b>	<b>213,979</b>

## 20. Finance costs

	Group	
	2017	2016
	\$	\$
Interest expenses on:		
– overdraft	<b>338</b>	5,559
– finance leases	<b>4,247</b>	3,645
– term loan	<b>52,677</b>	56,940
– trust receipts	<b>54,801</b>	93,618
	<b>112,063</b>	<b>159,762</b>

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 21. Loss before income tax

The above is arrived at after charging:

	Group	
	2017	2016
	\$	\$
<u>Distribution costs</u>		
Entertainment expenses	<b>70,005</b>	55,185
Freight outwards	<b>194,596</b>	220,453
Sales commission	<b>44,798</b>	61,753
Transport expenses	<b>32,557</b>	36,461
Travelling expenses	<b>21,772</b>	25,041
	<b>403,728</b>	404,894
<u>Administrative expenses</u>		
Directors' fees	<b>187,000</b>	187,000
Fees paid/payable to auditors of the Company		
– Audit fees	<b>85,000</b>	85,000
– Non-audit fees	<b>12,900</b>	15,550
Fees paid/payable to other auditors		
– Audit fees	<b>16,886</b>	15,704
– Non-audit fees	<b>3,824</b>	3,604
Operating lease expenses		
– office equipment	<b>794</b>	1,087
– factory and office premises	<b>175,476</b>	235,415
Professional fees	<b>135,388</b>	154,268
Employee benefits expense*		
– salaries, bonus and other benefits	<b>2,000,981</b>	2,318,467
– defined contribution plans	<b>184,573</b>	212,481
	<b>2,185,554</b>	2,530,948
<u>Other expenses</u>		
Allowance for impairment of trade receivables	<b>7,315</b>	17,571
Amortisation of intangible asset	<b>151,576</b>	151,576
Bad trade receivables written off	–	929
Depreciation of property, plant and equipment	<b>239,841</b>	276,104
Foreign exchange loss, net	<b>24,408</b>	87,987
Write down of inventories	<b>8,812</b>	41,508

\* These include key management personnel remuneration as disclosed in Note 25 to the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 22. Income tax expense

	Group	
	2017	2016
	\$	\$
Current income tax		
– current financial year	<b>90,751</b>	83,249
– (over)/under provision in prior financial years	<b>(18,687)</b>	3,830
	<b>72,064</b>	87,079
Deferred income tax		
– current financial year	<b>5,933</b>	(20,448)
– overprovision in prior financial years	<b>(31,464)</b>	(8,955)
	<b>(25,531)</b>	(29,403)
Total income tax expense recognised in profit or loss	<b>46,533</b>	57,676

### Reconciliation of effective income tax rate

Domestic income tax is calculated at 17% of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% to loss before income tax as a result of the following differences:

	Group	
	2017	2016
	\$	\$
Loss before income tax	<b>(1,106,433)</b>	(1,272,306)
Income tax using statutory tax rate	<b>(188,094)</b>	(216,292)
Effect of different tax rate in other countries	<b>(44,335)</b>	(41,929)
Tax effect of expenses not deductible for tax purposes	<b>139,799</b>	115,520
Tax effect of income not subject to tax	<b>(3,766)</b>	(13,035)
(Over)/Under provision of current income tax in prior financial years	<b>(18,687)</b>	3,830
Overprovision of deferred tax in prior financial years	<b>(31,464)</b>	(8,955)
Deferred tax assets not recognised in profit or loss	<b>223,524</b>	241,135
Utilisation of deferred tax assets previously not recognised	<b>(34,923)</b>	(6,409)
Others	<b>4,479</b>	(16,189)
	<b>46,533</b>	57,676

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 22. Income tax expense (Continued)

### Unrecognised deferred tax assets

	Group	
	2017	2016
	\$	\$
Balance as at the beginning of the financial year	<b>1,875,267</b>	1,658,075
Deferred tax assets not recognised	<b>223,524</b>	241,135
Adjustments	<b>36,068</b>	(17,534)
Utilised during the financial year	<b>(34,923)</b>	(6,409)
Balance as at the end of the financial year	<b><u>2,099,936</u></b>	<b><u>1,875,267</u></b>

Unrecognised deferred tax assets are attributable to the following:

	Group	
	2017	2016
	\$	\$
Property, plant and equipment	<b>139,632</b>	123,664
Unutilised tax losses	<b>1,960,304</b>	1,751,603
	<b><u>2,099,936</u></b>	<b><u>1,875,267</u></b>

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of \$11,211,000 (2016: \$11,098,000) available for offset against future profits. A deferred tax asset has been recognised in respect of \$423,000 (2016: \$423,000) of such losses. No deferred tax asset has been recognised in respect of the remaining \$10,788,000 (2016: \$10,675,000) due to the unpredictability of profit streams.

The unutilised tax losses arising from the subsidiary in the jurisdiction of People's Republic of China amounting to \$2,298,000 (2016: \$1,760,000) can only be utilised for the set-off against its future taxable profits within five years from the date the tax losses were incurred. The unutilised tax losses will expire at various dates up to and including 2022.

Except as disclosed above, the unutilised tax losses may be carried indefinitely subject to the conditions imposed by relevant tax authorities and provisions of the tax legislations of the respective countries in which the Group operates.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Loss per share

	Group	
	2017	2016
Loss per share (Cents)		
– Basic and diluted	<u>(0.07)</u>	<u>(0.09)</u>
The calculation of basic and diluted loss per share is based on:		
Loss attributable to the owners of the parent (\$)	<u>(1,152,966)</u>	<u>(1,329,982)</u>
Weighted average number of ordinary shares	<u>1,607,469,695</u>	<u>1,499,387,503</u>

Basic loss per share is calculated by dividing the Group's loss attributable to the owners of the parent by the actual (2016: weighted average) number of shares in issue during the financial year.

Diluted loss per share for the current financial year is the same as the basic loss per share as the Group does not have any potential dilutive ordinary shares as at the end of the financial year.

## 24. Operating lease commitments

When the Group is a lessor

As at the end of the financial year, there are operating lease commitments for premises receivable in subsequent accounting periods as follows:

	Group	
	2017	2016
	\$	\$
Not later than one year	<u>9,112</u>	20,982
Later than one year and not later than five years	<u>–</u>	9,112
	<u>9,112</u>	<u>30,094</u>

The above lease agreement expires on 14 October 2017. The current rents receivable under the leases are subject to revision after expiry. The above commitment was based on prevailing rental rates for the current financial year.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 24. Operating lease commitments (Continued)

### When the Group is a lessee

In addition to the commitments with a related party as disclosed in Note 25 to the financial statements, commitment in respect of a non-cancellable operating lease for factory and office premises from a third party at the end of the financial year is as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	<b>79,273</b>	88,032
Later than one year and not later than five years	–	78,338
	<b>79,273</b>	166,370

The above lease agreements expire on 31 January 2018 and 19 February 2018 respectively (2016: 19 February 2018). The current rents payable under the lease agreements are subject to revision after expiry. The above commitments were based on prevailing rental rates for the current financial year.

## 25. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<u>With a related party</u>		
– operating lease expense – office premises	<b>80,432</b>	87,119

The related party refers to a Company where a director and substantial shareholder of the Company has beneficial interests.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 25. Significant related party transactions (Continued)

### Key management personnel remuneration

The remuneration of key management personnel of the Group and the Company during the financial year are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Directors' fee	<b>187,000</b>	187,000	<b>61,000</b>	61,000
Short-term employee benefits	<b>758,877</b>	771,765	<b>421,002</b>	416,963
Post-employment benefits	<b>76,422</b>	70,927	<b>37,133</b>	35,056
	<b>1,022,299</b>	1,029,692	<b>519,135</b>	513,019

The remuneration to the Directors of the Company and of the subsidiaries during the financial year are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Directors of the Company</i>				
Directors' fee	<b>187,000</b>	187,000	<b>61,000</b>	61,000
Short-term employee benefits	<b>444,980</b>	446,772	<b>221,292</b>	215,385
Post-employment benefits	<b>42,960</b>	38,787	<b>9,117</b>	8,075
	<b>674,940</b>	672,559	<b>291,409</b>	284,460
<i>Directors of subsidiaries</i>				
Short-term employee benefits	<b>193,906</b>	205,003	<b>121,631</b>	123,500
Post-employment benefits	<b>20,995</b>	20,995	<b>20,995</b>	20,995
	<b>214,901</b>	225,998	<b>142,626</b>	144,495
	<b>889,841</b>	898,557	<b>434,035</b>	428,955



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 25. Significant related party transactions (Continued)

### Commitment with a related party

At the end of the financial year, commitment in respect of non-cancellable operating lease in respect of rental of factory and office premises is as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	<b>71,071</b>	50,819
Later than one year and not later than five years	<b>112,528</b>	–
	<b>183,599</b>	50,819

The lease agreement expires on 31 October 2019. The current rents payable under the lease is subject to revision after expiry. The above commitment was based on prevailing rental rate for the current financial year.

## 26. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 26. Segment information (Continued)

### Business segments

The Group is organised into two main business segments namely:

- (i) Components distribution; and
- (ii) Aluminium products distribution.

	Components distribution	Aluminium products distribution	Unallocated	Consolidated
	\$	\$	\$	\$
<b>Group</b>				
<b>2017</b>				
<b>Revenue</b>				
External revenue	3,211,925	14,453,118	–	17,665,043
<b>Results</b>				
Segment results	(32,311)	199,296	(793,845)	(626,860)
Interest income	23	8,685	15,199	23,907
Finance costs	–	(112,063)	–	(112,063)
Amortisation of intangible assets	–	(151,576)	–	(151,576)
Depreciation expense	(32,219)	(206,898)	(724)	(239,841)
Loss before income tax	(64,507)	(262,556)	(779,370)	(1,106,433)
Income tax expense	–	(46,533)	–	(46,533)
Loss after income tax	(64,507)	(309,089)	(779,370)	(1,152,966)
Capital expenditure				
– Property, plant and equipment	11,829	233,899	–	245,728
<b>Assets and liabilities</b>				
Segment assets	5,104,404	16,536,400	1,800,085	23,440,889
Current income tax recoverable and deferred tax asset	72,000	123,794	–	195,794
Total assets	5,176,404	16,660,194	1,800,085	23,636,683
Segment liabilities	511,151	4,723,509	190,254	5,424,914
Current income tax payable and deferred tax liabilities	–	87,653	–	87,653
Total liabilities	511,151	4,811,162	190,254	5,512,567

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 26. Segment information (Continued)

### Business segments (Continued)

	<b>Components distribution</b>	<b>Aluminium products distribution</b>	<b>Unallocated</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>				
<b>2016</b>				
<b>Revenue</b>				
External revenue	3,358,204	17,514,809	–	20,873,013
<b>Results</b>				
Segment results	(113,632)	353,706	(937,686)	(697,612)
Interest income	23	8,986	3,739	12,748
Finance costs	–	(159,762)	–	(159,762)
Amortisation of intangible assets	–	(151,576)	–	(151,576)
Depreciation expense	(62,375)	(212,768)	(961)	(276,104)
Loss before income tax	(175,984)	(161,414)	(934,908)	(1,272,306)
Income tax expense	–	(57,676)	–	(57,676)
Loss after income tax	<u>(175,984)</u>	<u>(219,090)</u>	<u>(934,908)</u>	<u>(1,329,982)</u>
Capital expenditure				
– Property, plant and equipment	<u>200</u>	<u>206,293</u>	<u>–</u>	<u>206,493</u>
<b>Assets and liabilities</b>				
Segment assets	5,025,549	18,617,228	1,820,078	25,462,855
Current income tax recoverable and deferred tax asset	<u>72,000</u>	<u>87,395</u>	<u>–</u>	<u>159,395</u>
Total assets	<u>5,097,549</u>	<u>18,704,623</u>	<u>1,820,078</u>	<u>25,622,250</u>
Segment liabilities	699,925	4,775,952	263,635	5,739,512
Current income tax payable and deferred tax liabilities	<u>–</u>	<u>114,087</u>	<u>–</u>	<u>114,087</u>
Total liabilities	<u>699,925</u>	<u>4,890,039</u>	<u>263,635</u>	<u>5,853,599</u>

### Geographical information

The Group's business segments operate in four main geographical areas. Sales revenue is based on the country in which goods are delivered. Non-current assets consist primarily of property, plant and equipment, investment properties and intangible assets. Non-current assets are shown by the geographical area in which the assets are located.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 26. Segment information (Continued)

Geographical information (Continued)

	Singapore	Malaysia	People's Republic of China	Others	Consolidated
	\$	\$	\$	\$	\$
<b>Group</b>					
<b>2017</b>					
Total revenue from					
external customers	5,186,228	6,674,181	5,422,177	382,457	17,665,043
Non-current assets	<u>4,778,063</u>	<u>1,406,167</u>	<u>166,537</u>	<u>–</u>	<u>6,350,767</u>
<b>2016</b>					
Total revenue from					
external customers	6,612,994	7,731,315	6,377,070	151,634	20,873,013
Non-current assets	<u>4,820,058</u>	<u>1,597,921</u>	<u>208,133</u>	<u>–</u>	<u>6,626,112</u>

Major customers

Revenue from two (2016: two) customers of the aluminium products distribution segment represents approximately 24% (2016: 28%) of total revenue.

## 27. Contingent liabilities – Unsecured

The Company

As at the end of the financial year, there were contingent liabilities in respect of guarantees given by the Company to banks in connection with banking facilities granted to the subsidiaries amounting to \$10,475,115 (2016: \$14,245,800) and to a supplier on behalf of its subsidiary for supplying goods to the subsidiary amounting to \$698,250 (2016: \$674,400). The amount utilised by certain subsidiaries amounted to approximately \$5.2 million (2016: \$5.2 million).

These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the term of the facilities drawn. The financial guarantees have not been recognised in the financial statements of the Company as the probability of reimbursement is remote.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risk, market risks (including interest rate risk and foreign exchange risk), and liquidity risk. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

### 28.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. The Group and the Company perform ongoing credit evaluation of the counterparties' financial condition and generally do not require a collateral.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for four (2016: three) trade receivables from third parties of the Group amounting to approximately \$968,235 (2016: \$721,824) as at the end of the financial year.

The Group's and the Company's major classes of financial assets are cash and bank balances, fixed deposits with banks and trade and other receivables.

Bank deposits are mainly deposits with reputable banks.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. The Group's and the Company's historical experience in the collection of receivables falls within the recorded allowances.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management (Continued)

### 28.1 Credit risk (Continued)

The age analysis of trade receivable – third parties is as follows:

	<b>Gross receivables 2017 \$</b>	<b>Impairment 2017 \$</b>	<b>Gross receivables 2016 \$</b>	<b>Impairment 2016 \$</b>
<b>Group</b>				
Not past due	<b>2,511,327</b>	–	3,013,975	–
Past due for 1 to 90 days	<b>1,111,483</b>	–	1,181,305	–
Past due for 91 to 180 days	<b>174,417</b>	<b>1,781</b>	76,791	–
Past due for 181 to 365 days	<b>35,276</b>	–	66,673	9,129
Past due for more than 365 days	<b>13,248</b>	<b>7,206</b>	89,110	89,110
	<b>3,845,751</b>	<b>8,987</b>	4,427,854	98,239

### 28.2 Market risks

The Group's and the Company's activities expose them primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group and the Company seek to identify areas of significant risks as well as appropriate measures to control and mitigate these risks.

#### Foreign currency risks

Currency risk arises from transactions denominated in currencies other than the respective functional currencies of the entities of the Group. The currency that give rise to this risk is primarily the United States dollar ("USD").

The Group and the Company monitor their foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group and the Company enter into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks (mainly export sales and import purchases).

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management (Continued)

### 28.2 Market risks (Continued)

#### Foreign currency risks (Continued)

As at the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the entities within the Group are as follows:

	Monetary liabilities		Monetary assets	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Group</b>				
USD	<b>9,972,794</b>	12,962,446	<b>9,602,553</b>	10,860,015
<b>Company</b>				
USD	–	–	<b>12,350</b>	11,922

#### *Foreign currency sensitivity analysis*

The Group and the Company are mainly exposed to fluctuations in the United States dollar ("USD").

The sensitivity analysis below shows the effect on loss before income tax of a 5% (2016:5%) change in the relevant foreign currency against the functional currency of the entities within the Group. The sensitivity analysis assumes an instantaneous 5% (2016:5%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in USD are included in the analysis.

	Group		Company	
	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
	profit or loss	profit or loss	profit or loss	profit or loss
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>USD</b>				
Strengthens against SGD	<b>(18,512)</b>	(105,122)	<b>618</b>	596
Weakens against SGD	<b>18,512</b>	105,122	<b>(618)</b>	(596)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management (Continued)

### 28.2 Market risks (Continued)

#### Interest rate risks

The Group's and the Company's exposure to the risk of changes in interest rates arise mainly from the Group's and the Company's fixed deposits placed with banks and from finance leases, term loan and trade financing activities. The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts. For interest income from fixed deposits, the Group and the Company manage the interest rate risks by placing fixed deposits with its principal bankers on varying maturities and interest rate terms.

#### *Interest rate sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2016:1%) change in the interest rates from the end of the financial year, with all variables held constant.

If the interest rate increases/decreases by 1% (2016:1%), loss before income tax will increase or decrease by:

	Profit or loss	
	2017	2016
	\$	\$
<b>Group</b>		
Term loan	<b>9,804</b>	11,006
Trust receipts	<b>20,540</b>	25,376

The Company does not have any significant interest rate risk exposure.

### 28.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of overall prudent liquidity management, the Group and the Company maintain sufficient level of cash to meet working capital requirements.

The following table details the Group's and the Company's remaining contractual maturity for its financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay. The table includes both interest and principal cash flows.



FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management (Continued)

## 28.3 Liquidity risk (Continued)

Contractual maturity analysis

	Effective interest rate %	On demand or less than one year \$	Within two to five years \$	More than five years \$	Total \$
<b>Group</b>					
<b><u>Financial liabilities</u></b>					
Non-interest bearing	–	1,927,497	–	–	1,927,497
Fixed interest bearing	3.31 – 7.01	27,564	64,840	–	92,404
Variable interest bearing	1.20 – 5.51	2,146,970	333,904	980,842	3,461,716
<b>As at 31.3.2017</b>		<b>4,102,031</b>	<b>398,744</b>	<b>980,842</b>	<b>5,481,617</b>
<b><u>Financial liabilities</u></b>					
Non-interest bearing	–	1,852,816	–	–	1,852,816
Fixed interest bearing	3.31 – 7.01	35,319	19,640	–	54,959
Variable interest bearing	1.20 – 4.95	2,614,886	362,590	1,155,755	4,133,231
<b>As at 31.3.2016</b>		<b>4,503,021</b>	<b>382,230</b>	<b>1,155,755</b>	<b>6,041,006</b>
<b>Company</b>					
<b><u>Financial liabilities</u></b>					
Non-interest bearing		2,884,888	–	–	2,884,888
<b>As at 31.3.2017</b>		<b>2,884,888</b>	<b>–</b>	<b>–</b>	<b>2,884,888</b>
Corporate guarantees		5,232,497	–	–	5,232,497
<b><u>Financial liabilities</u></b>					
Non-interest bearing	–	2,971,175	–	–	2,971,175
<b>As at 31.3.2016</b>		<b>2,971,175</b>	<b>–</b>	<b>–</b>	<b>2,971,175</b>
Corporate guarantees	–	5,225,509	–	–	5,225,509

The Group's and the Company's operation are financed mainly through equity and interest bearing liabilities. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the Group's interest-bearing liabilities are disclosed in Note 13 to the financial statements.

The maximum amount that the Company could be forced to settle under the corporate guarantee obligations if the full guaranteed amount is claimed by the counterparties to the guarantees, is \$5.2 million (2016: \$5.2 million). The earliest period that the guarantees could be called is within 1 year (2016: 1 year) from the end of the financial year. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments, financial risks and capital management (Continued)

### 28.4 Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' value. The capital structure of the Group consists of debt and equity attributable to owners of the parent, comprising issued capital, asset revaluation reserve, share-based payment reserve, foreign currency translation reserve and accumulated losses as disclosed in Notes 14, 15, 16 and 17. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks to maintain a debt-to-equity ratio of not exceeding 150% (2016: 150%). The Group's and the Company's strategy, which was unchanged from the previous financial year, is also to maintain gearing ratio of not exceeding 150% for the Group and the Company.

A subsidiary of the Group is required by the Foreign Enterprise Law of PRC to contribute and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group and the Company are in compliance with externally imposed capital requirements for the financial years ended 31 March 2017 and 2016.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as interest-bearing liabilities plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2017	2016	2017	2016
	\$	\$	\$	\$
Net debt	<b>(644,449)</b>	2,558,152	<b>1,153,509</b>	1,223,583
Total equity	<b>18,124,116</b>	19,768,651	<b>24,515,073</b>	25,294,443
Total capital	<b>17,479,667</b>	22,326,803	<b>25,668,582</b>	26,518,026
Gearing ratio	<b>N.M.</b>	11.5%	<b>4.5%</b>	4.6%

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

# NOTES TO THE FINANCIAL STATEMENTS

## **28. Financial instruments, financial risks and capital management (Continued)**

### **28.5 Fair value of financial assets and financial liabilities**

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments.

The carrying amounts of the Group's non-current financial liabilities in relation to bank borrowings approximates its fair value as these financial instruments are mostly at floating interest rates.

## **29. Authorisation of financial statements**

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2017 were authorised for issue by the Board of Directors on 29 June 2017.

AS AT 16 JUNE 2017

# STATISTICS OF SHAREHOLDINGS

Issued and fully paid up share capital	:	S\$26,088,313
Number of shares	:	1,607,469,695
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

Based on the information available to the Company as at 16 June 2017, approximately 58.58% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited has been complied with.

## Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	44	1.92	528	0.00
100 – 1000	114	4.97	71,111	0.00
1,001 – 10,000	267	11.64	1,774,311	0.11
10,001 – 1,000,000	1,749	76.28	318,899,803	19.84
1,000,001 and above	119	5.19	1,286,723,942	80.05
<b>Total:</b>	<b>2,293</b>	<b>100.00</b>	<b>1,607,469,695</b>	<b>100.00</b>

## Twenty Largest Shareholders

No.	Name	No. of shares	%
1	CHOO TUNG KHENG	196,314,197	12.21
2	KOH WEE MENG	187,346,300	11.65
3	CITIBANK NOMINEES SINGAPORE PTE LTD	176,678,000	10.99
4	POH CHONG PENG	70,000,000	4.35
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	46,072,180	2.87
6	ONG KIAN SOON	31,180,000	1.94
7	KOH SWEE LENG	27,863,772	1.73
8	ZENG HANG CHENG	27,653,900	1.72
9	ANG KIM CHUAN	25,000,000	1.56
10	TAN BON TAN	23,175,000	1.44
11	DBS NOMINEES (PRIVATE) LIMITED	22,908,260	1.43
12	ONG POH CHOO	20,100,000	1.25
13	LIM KAH HIN	20,000,000	1.24
14	TAN KOCK HENG	20,000,000	1.24
15	YEO TIONG BOON	20,000,000	1.24
16	CHEA CHIA CHAN	19,500,000	1.21
17	CHOO SOON KIAH	16,505,000	1.03
18	CHAN TECK WAH	15,888,400	0.99
19	PERIAKARUPPAN ARAVINDAN	13,791,300	0.86
20	HO WEE CHI (HE WEIQI)	11,000,000	0.68
		<b>990,976,309</b>	<b>61.63</b>

AS AT 16 JUNE 2017

# STATISTICS OF SHAREHOLDINGS

## **Substantial Shareholders' Information as at 16 June 2017**

<b>Name</b>	<b>Direct interest</b>		<b>Deemed interest</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Choo Tung Kheng	196,314,197	12.21	176,378,000 <sup>(1)</sup>	10.97
Koh Wee Meng	187,346,300	11.65	–	–

### **Note:**

- (1) Mdm Choo Tung Kheng ("**Mdm Choo**") is deemed to be interested in 176,378,000 shares held by Citibank Nominees Singapore Pte Ltd for the account of Sea Treasures Ltd, a Cayman Islands incorporated company, wholly-owned by Mdm Choo.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting (“**AGM**”) of New Wave Holdings Ltd. (the “**Company**”) will be held at 8 First Lok Yang Road, Singapore 629731 on Thursday, 27 July 2017 at 11.00 a.m. to transact the following business:–

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2017 together with the Independent Auditor’s Report thereon. **Resolution 1**
2. To re-elect the following Directors of the Company, each of whom will retire pursuant to Article 89 of the Constitution of the Company and who, being eligible, will offer themselves for re-election:
  - (a) Mr Lee Teong Sang **Resolution 2**
  - (b) Mr Tan Bon Tan **Resolution 3**
  - (c) Mr Ong Kian Soon **Resolution 4**
  - *Mr Lee Teong Sang will, upon re-election as a Director of the Company, continue to serve as an Independent Director of the Company. Mr Lee Teong Sang is considered to be independent for the purposes of Rule 704(7) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist. There are no relationships including immediate family relationships between Mr Lee Teong Sang and the other Directors or its 10% shareholders. Detailed information on Mr Lee Teong Sang can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.*
  - *Mr Tan Bon Tan will, upon re-election as a Director of the Company, continue to serve as an Executive Director of the Company. There are no relationships including immediate family relationships between Mr Tan Bon Tan and the other Directors or its 10% shareholders. Detailed information on Mr Tan Bon Tan can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.*
  - *Mr Ong Kian Soon will, upon re-election as a Director of the Company, remain as Chief Executive Officer of the Company. There are no relationships including immediate family relationships between Mr Ong Kian Soon and the other Directors or its 10% shareholders. Detailed information on Mr Ong Kian Soon can be found under the “Board of Directors” and “Corporate Governance Report” sections in the Company’s Annual Report.*
3. To approve the payment of Directors’ fees of S\$61,000 for the financial year ended 31 March 2017 (FY2016: S\$61,000). **Resolution 5**
4. To re-appoint BDO LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

# NOTICE OF ANNUAL GENERAL MEETING

5. To transact any other ordinary business that may be transacted at an annual general meeting.

## AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:-

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

### Resolution 7

- (1) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (calculated in accordance with sub-paragraph (b) below), or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares and convertible securities to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising share options or vesting of share awards which are outstanding and/or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (c) in exercising the authority conferred by this Resolution, the Directors shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (d) unless previously revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note below]

By Order of the Board

Koh Geok Hoon (Ms)  
Koh Ee Koon (Ms)  
Joint Company Secretaries

Singapore  
11 July 2017



# NOTICE OF ANNUAL GENERAL MEETING

## Notes

1. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead at the AGM. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shares to be represented by each proxy.
2. Pursuant to Section 181(6) of the Companies Act, Chapter 50 of Singapore, a member who is a relevant intermediary (as defined therein) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. If the member is a corporation, the instrument or form appointing the proxy(ies) must be given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
5. The instrument or form appointing a proxy(ies), duly executed, must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time for holding the above AGM or any adjournment thereof.
6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his name appears on the Depository Register not less than seventy-two (72) hours before the time of the AGM.

## EXPLANATORY NOTE IN RELATION TO SPECIAL BUSINESS

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the next annual general meeting, to allot and issue Shares and/or convertible securities (whether by way of rights, bonus or otherwise) at any time. The number of Shares and/or convertible securities that the Directors of the Company may allot and issue under this Resolution must not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of which the aggregate number of Shares and/or convertible securities issued other than on a pro rata basis to existing shareholders of the Company must not be more than fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

# NEW WAVE HOLDINGS LTD.

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

## IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend, speak and vote at the Annual General Meeting (please see Note 3 for the definition of "relevant intermediary").
2. For investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors are requested to contact their respective Agent Banks for any queries which they may have to their appointment as proxies.

## PROXY FORM Annual General Meeting

I/We, \_\_\_\_\_ (Name)

NRIC/Passport No./Company Registration No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of New Wave Holdings Ltd. (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
(a)			
and/or (delete as appropriate)			
(b)			

or failing him/them, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at 8 First Lok Yang Road, Singapore 629731 on Thursday, 27 July 2017 at 11.00 a.m. and at any adjournment thereof. I/we direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

No	RESOLUTIONS RELATING TO:	FOR*	AGAINST*
	<b>Ordinary Business</b>		
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2017 together with the Independent Auditor's Report thereon		
2	To re-elect Mr Lee Teong Sang as a Director of the Company		
3	To re-elect Mr Tan Bon Tan as a Director of the Company		
4	To re-elect Mr Ong Kian Soon as a Director of the Company		
5	To approve the payment of Directors' Fees of S\$61,000 for the financial year ended 31 March 2017 (FY2016: S\$61,000)		
6	To re-appoint BDO LLP as Independent Auditor of the Company and to authorize the Directors to fix their remuneration		
	<b>Special Business</b>		
7	To approve the authority to Directors to issue shares and/or convertible securities		

\* Voting will be conducted by poll. Please indicate your votes "For" or "Against" the relevant Resolution with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2017

Total number of shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Individual Shareholder/  
Common Seal of Corporate Shareholder



**Notes:**

1. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote on his/her behalf at the AGM.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's opinion to treat this proxy form as invalid.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.  
  
"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.
4. A proxy need not be a member of the Company.
5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

*fold along this line (1)*

Please  
affix  
postage  
stamp

**New Wave Holdings Ltd.**  
c/o Boardroom Corporate & Advisory Services Pte Ltd  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

*fold along this line (2)*

6. The proxy form must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the AGM.
7. The proxy form must be under the hand of the appointor or of his/her attorney duly authorized in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorized officer.
8. Where the proxy form is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form shall be treated as invalid.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy**

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2017.

This page has been intentionally left blank

This page has been intentionally left blank



**NEW WAVE HOLDINGS LTD.**  
Registration No 199906870Z

101 Kitchener Road #02-17  
Jalan Besar Plaza  
Singapore 208511

Tel: (65) 6268 3377  
Fax: (65) 6261 9961