NEW WAVE HOLDINGS LTD.

ANNUAL REPORT 2019

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CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

The financial year ended 31 March 2019 ("FY2019") was distinctly challenging for the Group as we experienced a slowdown in demand for the Group's products, especially evident in both our Malaysia and People's Republic of China ("PRC") markets.

Trade tensions between China and the US weighed on the overall economy and our aluminium products distribution business is feeling the repercussions. Coupled with the US dollar fluctuation risks and London Metal Exchange (LME) price variations, the demand for our products remains volatile. Meanwhile, our components distribution division continues to face stiff competition from other industry players.

During the year, we took steps to widen our market coverage. We established a metal service centre in Penang, Malaysia to facilitate our aluminium products distribution business in the region. We believe that this move is in line with our corporate objective of increasing market share to achieve revenue growth.

We acquired Alutech Metals Asiatic Pte Ltd and its PRC subsidiary ("Alutech Group") in FY2019, which operates primarily in the PRC with an established customer network. This new acquisition should provide a further boost to our market presence in the region.

During the year, the Group recorded a year-on-year revenue increase of 5.6% to S$17.20 million in FY2019. Our gross profit rose by 19.4% as the gross margin improved from 20.0% in FY2018 to 22.6% in FY2019 due to a stronger gross margin contribution from Alutech Group's PRC subsidiary.

Separately, other income stood at S$0.13 million in FY2019 as compared to S$2.82 million in FY2018 in the absence of a non-recurring fair value gain on investment properties of S$2.51 million and an exchange gain of S$0.18 million recorded in FY2018. In FY2019 the Group suffered an exchange loss of S$0.10 million instead.

Where expenses were concerned, all categories of expenses increased across the board due to the addition of Alutech Group's expenses as well as the operating expenses of the metal service centre in Penang set up in September 2018. Distribution costs increased by 20.8%. Expenses incurred under the Alutech Group comprised mainly freight charges, transport costs and entertainment expenses, while distribution costs incurred in Penang were mainly for sales commissions, entertainment and transport costs.

As a result of the above, the Group recorded a loss before income tax of S$1.41 million in FY2019, compared to a profit before income tax of S$1.61 million in FY2018.

The Group had a positive working capital of S$10.37 million at the end of FY2019. Inventories increased from S$8.77 million as of 31 March 2018 to S$10.28 million as of 31 March 2019 due to increased raw materials purchases to cater for additional products processed and distributed by the Alutech Group as well as to form the base stocks for the metal service centre in Penang.

SEGMENTAL REVIEW

Revenue for our aluminium products distribution division increased by 10.1% to S$15.16 million due to an addition of revenue from the newly acquired Alutech Group. On the other hand, sales of the components distribution division decreased 18.9% to S$2.04 million due to a reduction in project sales secured as a result of the intense competition.

Sales in the PRC segment increased by 71.4% to S$4.88 million with the contribution from the Alutech Group, However, the Singapore and Malaysia segments' revenue declined by 3.1% and 13.9% to S$5.50 million and S$6.59 million respectively due to weakened general market conditions.

FUTURE OUTLOOK

As escalating trade tensions amongst the larger economies continue to contribute to increasing economic uncertainty, we anticipate that the growth and profit margins of our business activities may be affected. To date, our aluminium products distribution business has been adversely impacted, especially in the PRC and in Malaysia where the slowdown of business activities were more pronounced. We expect customer confidence and spending ability to weaken, should the macro-environment continue to deteriorate further.

In view of the current developments, the Group intends to explore alternative suppliers and focus on consolidating our inventory portfolio to maintain our competitiveness, shorten our delivery lead time and obtain more cost-effective products.

Going forward, we will strive to maintain current cost levels, while we work towards consolidating our earnings and enhancing operational efficiency. With the acquisition of Alutech Group and the set-up of the metal service centre in Penang, Malaysia, we are in a better position to strengthen our customer base and expand our market share in the region.

IN APPRECIATION

On behalf of the Board of Directors, I would like to express my gratitude to Mr Lee Seng Chan who stepped down as an Independent Director on 30 July 2018. We are grateful for his invaluable contributions during his term of service.

At the same time, I would like to extend my appreciation to our staff and management for their dedication and efforts in helping the Group overcome these difficult times. I would also like to thank our shareholders and business partners for their staunch support and loyalty towards the Group as we strive to steer through the challenges ahead.

TITO SHANE ISAAC
Chairman

FINANCIAL REVIEW

TURNOVER

Group revenue increased by 5.6% from S$16.28 million in FY2018 to S$17.20 million in FY2019. The Group acquired Alutech Group at the start of FY2019, and the addition of revenue from Alutech Group's PRC subsidiary boosted contributions from the PRC segment so that sales from this segment grew by 71.4% when comparing FY2019 against FY2018. However, sales from both the Malaysian and Singapore segments fell by 13.9% and 3.1% respectively as the general market conditions weakened from the effect of the continued trade tensions amongst the larger economies.

During the second half of FY2019, the Group's 60% subsidiary, Twin Metal (Penang) Sdn Bhd, commenced operations of its aluminium service centre in Penang, Malaysia. Contribution of revenue from Penang was not significant yet in FY2019, but with the addition of revenue from the newly acquired Alutech Group, the aluminium products distribution division managed to record increased sales of 10.1% in FY2019 when compared to FY2018. Sales of the components distribution division however declined 18.9% due to a reduction in project sales secured, as a result of intense competition.

GROSS PROFIT, INCOME AND EXPENSES

Gross profit increased by 19.4% from S$3.25 million in FY2018 to S$3.88 million in FY2019. Gross margins also improved from 20.0% in FY2018 to 22.6% in FY2019. These improvements were attributable to the contributions from Alutech Group as the Alutech China subsidiary enjoys stronger gross margin due to its significant project based sales.

Other income decreased 95.4% from S$2.82 million in FY2018 to S$0.13 million in FY2019 due mainly to a non-recurring fair value gain on investment properties of S$2.50 million recorded in FY2018 that was absent in FY2019. In addition, an exchange gain of S$0.18 million was registered for FY2018 whereas an exchange loss of S$0.10 million was incurred in FY2019.

All categories of expenses increased across the board due to the addition of Alutech Group's expenses as well as the operating expenses of the metal service centre in Penang set up in September 2018. This was the case for distribution costs which increased from S$0.41 million in FY2018 to S$0.49 million in FY2019, an increase of 20.8%. Expenses incurred under Alutech Group comprised mainly freight charges, transport costs and entertainment expenses, while distribution costs incurred in Penang were mainly for sales commission, entertainment and transport costs.

Administrative expenses increased by 10.2% from S$3.51 million in FY2018 to S$3.87 million in FY2019 due mainly to an increase in total employment costs of 15.8% after the addition of employment costs from Alutech Group and the Penang metal service centre. In FY2018, other administrative expenses consist of legal and other professional fees incurred in connection with the voluntary conditional cash offer for the Company's shares by JK Global Assets Pte. Ltd. of S$0.20 million. Excluding this non-recurring item, the other administrative expenses would have increased by 18.8% in FY2019 due mainly to the additional costs from the operations of Alutech Group and the Penang metal service centre. In addition, there was a substantial increase in rental expenses charged for the factory space occupied by the Kunshan subsidiary in the PRC.

Other expenses increased by 104.0% from S$0.42 million in FY2018 to S$0.87 million in FY2019. Included in other expenses in FY2019 was an exchange loss of S$0.10 million, whereas there was an exchange gain of $0.18 million in FY2018 recorded under other income. Amortisation of intangible assets also increased from S$0.15 million to S$0.38 million due to additional amortisation of the new intangible assets arising from the acquisition of Alutech Group. Depreciation expense increased 13.0% from S$0.22 million in FY2018 to S$0.24 million in FY2019 due to the addition of depreciation expense from Alutech Group as well as depreciation of the new assets purchased for the operations in Penang. With the adoption of SFRS(I) 9 – *Financial Instruments*, the Group has undertaken the exercise of reviewing all probable credit losses and the impairment of trade receivables for FY2019 has increased to S$0.09 million, compared to S$0.01 million for FY2018.

Finance costs, which comprised mainly interest charges for bank overdrafts, trust receipts and a term loan, increased by 44.1% from S$0.15 million in FY2018 to S$0.21 million in FY2019 due to increased usage of trust receipts as more purchases were made during FY2019 to cater for the increased sales and to form the base stocks for the metal service centre at Penang.

As a result of the above, the Group recorded a loss before income tax of S$1.41 million in FY2019, as compared to a profit before income tax of S$1.61 million in FY2018.

FINANCIAL POSITION

Property, plant and equipment decreased from S$2.63 million as at the start of FY2019 to S$2.61 million as at the end of FY2019. The assets acquired from Alutech Group amounted to S$0.08 million, while additional assets purchased during the year amounted to S$0.19 million. The additional assets were purchased mainly for the set-up of the Penang operations and included renovations, computers, machines, a lorry and a forklift totalling S$0.12 million. Other assets purchased included testing and analyzing equipment for the components distribution division of S$0.02 million and another van for the aluminium products distribution business in the PRC of S$0.03 million. These increases were offset by depreciation charges of S$0.24 million and sundry disposals during the year of S$0.01 million at a gain of S$0.01 million.

There was no change in the fair value of investment properties which remained at S$5.32 million as at the end of FY2019.

Intangible assets increased from S$0.82 million as at 31 March 2018 to S$2.51 million as at 31 March 2019 due to the addition of the intangible assets arising from the acquisition of Alutech Group which amounted to S$2.07 million. The intangible assets comprise of non-contractual customer relationships of S$1.59 million and goodwill of S$0.48 million. This addition was offset with a total amortisation charge of S$0.38 million for FY2019.

Inventories increased from S$8.77 million as at 31 March 2018 to S$10.28 million as at 31 March 2019 due to increased purchases to cater for additional sales from Alutech Group as well as to form the base stocks for the metal service centre in Penang.

Trade and other receivables decreased from S$4.30 million as at 31 March 2018 to S$4.00 million as at 31 March 2019. Trade receivables in the Malaysian segment decreased due to reduced sales. In addition, an impairment of S$0.09 million was made in accordance with SFRS(I) 9 – *Financial Instruments*. Increases in other receivables were due mainly to rental and utilities deposits made at the set-up of Penang operations and the addition of Alutech Group's assets; however these increases were offset by reduction in VAT recoverable recorded by the PRC entities as lesser purchases were made towards year end. Other receivables therefore remained at almost the same level over the two years under review.

Trade and other payables increased from S$2.33 million as at 31 March 2018 to S$3.05 million as at 31 March 2019. Trade payables decreased as lesser purchases were made towards year end, after the stocking-up in Penang was done. The decrease in trade payables has been offset by the increase in other payables which included the provision of the maximum deferred cash consideration of S$0.40 million payable for the acquisition of Alutech Group, which is expected to be paid upon receipt of the final audited accounts of Alutech Group by the first half of the financial year ending 31 March 2020. Other payables also included an advance payment from a customer of S$0.20 million for stocks which were to be delivered after the year end.

Current interest-bearing liabilities comprised mainly trust receipts owing to banks and bank overdrafts and increased from S$2.79 million as at 31 March 2018 to S$3.34 million as at 31 March 2019. The increase was due mainly to the additional bank loans needed to finance the increase in purchases in FY2019 to support the set-up of Penang operations.

Non-current interest-bearing liabilities comprised mainly a term loan owing to a bank and the non-current portion of finance leases. The borrowings decreased from S$1.06 million as at the start of FY2019 to S$0.97 million at the end of FY2019 as instalment payments were made for the term loan and the finance leases.

FINANCIAL REVIEW

Deferred tax liabilities increased from S$0.09 million as at 31 March 2018 to S$0.37 million as at 31 March 2019 due mainly to the addition of S$0.39 million deferred tax liabilities that were derived from the fair value adjustments relating to the assets and intangible assets of Alutech Group upon its acquisition by the Group.

As at the end of FY2019, the Group recorded a non-controlling interest of S$0.03 million to reflect the interest of the non-controlling shareholder in Twin Metal (Penang) Sdn Bhd, which commenced operations during the year in Penang, Malaysia.

The Group had a positive working capital of S$10.37 million as at the end of FY2019.

CASH FLOW AND WORKING CAPITAL

Cash and cash equivalents decreased from S$4.16 million as at 31 March 2018 to S$1.55 million net of bank overdrafts as at 31 March 2019.

Net cash used in operating activities amounted to S$1.84 million. Working capital changes included cash outflows from the increase in inventories of S$1.76 million and decrease of trade and other payables of S$0.39 million, offset by cash inflows from a decrease in trade and other receivables of S$1.38 million. Inventories increased due mainly to the set-up of the metal service centre in Penang, while trade and other receivables decreased due to decreased sales from the other Malaysian subsidiaries. Lesser purchases were made in the later part of FY2019 and hence trade and other payables decreased as well. Income taxes paid by the Malaysian subsidiaries and Alutech Group during the year totalled S$0.40 million.

Net cash used in investing activities amounted to S$0.66 million. The initial cash consideration paid for the acquisition of Alutech Group was S$0.60 million, while another S$0.15 million was used mainly towards purchasing plant and equipment for the start-up of the Penang operations, testing and analyzing equipment for the components distribution division and a van for the aluminium products distribution division. The inflows from investing activities included the cash and bank balances acquired from Alutech Group of S$0.08 million and gains from disposal of property and equipment of S$0.02 million.

Net cash used in financing activities amounted to S$0.07 million. The Group received the proceeds from share issues from the non-controlling shareholder for the investment in our Penang subsidiary of S$0.01 million. The proceeds from fresh trust receipts amounted to S$10.40 million and these were used mainly towards settlement of matured trust receipts of S$10.39 million. Payment of instalments for the bank term loan and finance leases amounted to 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 27 July 2017. 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 27 July 2017. 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.

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 2018. 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.

BOARD OF DIRECTORS

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 30 July 2018. 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 27 July 2017. 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 30 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.

KEY MANAGEMENT

SIM PUAY HWANG

Financial Controller

Ms Sim Puay Hwang is a member of the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants 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)

Chea Chia Chan
(Executive Director)

Choo Tung Kheng
(Non-Executive Director)

Lee Teong Sang
(Independent Non-Executive Director)

AUDIT COMMITTEE

Tito Shane Isaac
(Chairman)
Lee Teong Sang
Choo Tung Kheng

NOMINATING COMMITTEE

Lee Teong Sang
(Chairman)
Tito Shane Isaac
Choo Tung Kheng

REMUNERATION COMMITTEE

Tito Shane Isaac
(Chairman)
Lee Teong Sang
Choo Tung Kheng

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SHARE REGISTRAR

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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

COMPANY SECRETARIES

Koh Ee Koon
Koh Geok Hoon, Judy

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"), and the relevant provisions in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Rules of Catalist") as well as 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. The Board noted the revised Code of Corporate Governance issued on 6 August 2018 ("Revised Code"), which will be effective for the Company from its financial year commencing 1 April 2019, and will endeavour to comply with the Revised Code once it is effective.

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 disposals 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 and as prescribed under the Catalist Rules. The training of Directors will be arranged and funded by the Company.

CORPORATE GOVERNANCE REPORT

During the financial year ended 31 March 2019 ("FY2019"), 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. A Director and an Executive Officer attended a seminar conducted by the Singapore Institute of Directors to receive updates on changes in the Code of Corporate Governance and the SGX-ST's Listing Rules. The Corporate Secretaries also disseminated briefing notes and explanations on the Code of Corporate Governance (2018) and changes in the Listing Rules.

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 FY2019 is set out as follows:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Directors	**No. of meetings held[1]**	**No. of meetings attended**	**No. of meetings held[1]**	**No. of meetings attended**	**No. of meetings held[1]**	**No. of meetings attended**	**No. of meetings held[1]**	**No. of meetings attended**
Tito Shane Isaac	2	2	2	2	1	1	1	1
Ong Kian Soon	2	2	2	2[2]	1	1[2]	1	1[2]
Choo Tung Kheng	2	2	2	2	1	1	1	1
Tan Bon Tan	2	2	2	2[2]	1	1[2]	1	1[2]
Chea Chia Chan	2	2	2	2[2]	1	1[2]	1	1[2]
Lee Seng Chan*	1	–	1	–	1	–	1	–
Lee Teong Sang	2	2	2	2	1	1	1	1

Notes:
(1) The number of meetings held as applicable to each individual Director.
(2) Attendance at meetings was on a "By Invitation" basis.
* Mr Lee Seng Chan retired as a director of the Company at the last annual general meeting held on 30 July 2018.

Principle 2: Board Composition and Guidance

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

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

Non-executive Director
Choo Tung Kheng

Independent Non-executive Directors
Tito Shane Isaac – Chairman of the Board
Lee Teong Sang

CORPORATE GOVERNANCE REPORT

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

	Number of Directors	Proportion of Board (%)
Core Competencies		
– Business management or accounting	6	100
– Legal	1	17
– Industry knowledge and experience	4	67
– Investor relations	1	17
Gender		
– Male	5	83
– Female	1	17

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 two 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 and the Catalist Rules, 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 Catalist Rule 406(3)(d) and the Code’s definition of what constitutes an independent director and has affirmed that Mr Tito Shane Isaac and Mr Lee Teong Sang are independent, notwithstanding both Directors have served as Independent Directors for more than nine years, as explained below.

Mr Tito Shane Isaac and Mr Lee Teong Sang have served on the Board as Independent Directors for more than nine years. Both 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.

CORPORATE GOVERNANCE REPORT

The Board is of the view that each of these two Directors, Mr Tito Shane Isaac and Mr Lee Teong Sang, brings invaluable expertise, experience and knowledge to the Board and resolved that they are independent, 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 FY2019.

Principle 4: Board Membership

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

Lee Teong Sang – Chairman
Tito Shane Isaac – Member
Choo Tung Kheng – Member

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.

CORPORATE GOVERNANCE REPORT

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 consultants 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 and the Catalist Rules 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 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:

Tito Shane Isaac
Tan Bon Tan

CORPORATE GOVERNANCE REPORT

Mr Tito Shane Isaac will upon his re-appointment, remain as the Independent, Non-executive Chairman of the Company, the Chairman of the Remuneration and Audit Committees and a member of the Nominating Committee. Mr Tito Shane Isaac is considered independent for the purposes of Rule 704(7) of the Rules of Catalist. Mr Tan Bon Tan will upon his re-appointment remain as an Executive Director of the Company. There are no relationships (including immediate family relationships) between each of Mr Tito Shane Isaac and Mr Tan Bon Tan and the other Directors, the Company and its 10% shareholders. The disclosure of information on the Directors seeking re-election can be found on pages 25 to 27 of this Annual Report.

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 7 and 8 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	27 July 2017	CPH Ltd.	Nil	Nil
Tan Bon Tan	Executive Director	20 August 2009	27 July 2017	Nil	Nil	Nil
Chea Chia Chan	Executive Director	23 September 2010	30 July 2018	Nil	Nil	Nil
Choo Tung Kheng	Non-executive Director	19 November 1999	30 July 2018	CPH Ltd.	Nil	Managing Director of CPH Ltd.
Lee Teong Sang	Independent Non-executive Director	27 March 2003	27 July 2017	CPH Ltd.	Nil	Non-executive Chairman of CPH Ltd., Principal Consultant at Cyrus Capital Consulting, Director of Cyrus Corporation Pte Ltd and Kyrus Investment Pte. Ltd.

CORPORATE GOVERNANCE REPORT

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.

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 each 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 FY2019.

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.

Board meetings are called whenever it is deemed necessary to do so, and there will at least be a minimum of two meetings per year, so that Directors may, on a half yearly basis, be 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. The Directors are provided with Board papers with explanatory information where necessary, as well as an updated report of the enterprise risk management framework.

CORPORATE GOVERNANCE REPORT

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 Teong Sang – Member
Choo Tung Kheng – Member

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.

CORPORATE GOVERNANCE REPORT

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. The RC has reviewed and is satisfied that the corporate performance targets have been met for FY2019.

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 such remuneration consultants were engaged by the Company in FY2019.

The breakdown of the remuneration packages of Directors and key management personnel for FY2019 is as follows:

	Salary	Bonus	Others	Fees	Total
	%	%	%	%	%
Directors					
Below S$250,000					
Ong Kian Soon	85	7	8	–	100
Tan Bon Tan	92	8	–	–	100
Chea Chia Chan	92	8	–	–	100
Choo Tung Kheng	–	–	–	100	100
Lee Seng Chan(1)	–	–	–	100	100
Lee Teong Sang	–	–	–	100	100
Tito Shane Isaac	–	–	–	100	100
Key management personnel					
Below S$250,000					
Sim Puay Hwang	92	8	–	–	100
Ong Siew Kim	92	8	–	–	100
Tan Yeat Cheong(2)	92	8	–	–	100

Notes:
(1) Mr Lee Seng Chan retired as a director of the Company on 30 July 2018.
(2) 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 S$100,000 to S$150,000 band.

CORPORATE GOVERNANCE REPORT

There were only three top key management personnel for FY2019. 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 FY2019, 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 FY2019.

Further information on the Directors and key management personnel can be found on pages 7 and 8 of this Annual Report.

Immediate family members of a Director

Other than 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 FY2019.

Share option scheme

The Company does not have any employee share option schemes.

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.

CORPORATE GOVERNANCE REPORT

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 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 FY2019, 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 internal controls and 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 2019.

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 Teong Sang – Member
Choo Tung Kheng – Member

CORPORATE GOVERNANCE REPORT

One 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.

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 and comment on the independence, adequacy and effectiveness of the Company's internal audit function;
- 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 FY2019.

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

CORPORATE GOVERNANCE REPORT

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 FY2019 is as follows:

Description	Amount	Percentage (%)
Statutory audit fees	S$91,000	79.9
Non-audit fees payable in respect of tax advisory services rendered to the Group	S$22,918	20.1
Total	S$113,918	100.0

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 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. For FY2019, no correspondences relating to the whistle-blowing policy were received.

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 full-time 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 RO is an employee of a related company assigned to manage the internal audit function of the Group on a part-time basis. He reports to the Board and the AC in this role, and he is totally independent of the operations of the Group on which he is performing his assessment of its internal control systems. 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 independence, adequacy and effectiveness of the RO's scope for FY2019. The AC has met with the RO without the presence of the management in FY2019.

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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2019.

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 2019 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 FY2019 (excluding transactions less than S$100,000).

Non-sponsorship Fees

In compliance with Rule 1204(21) of the Rules of Catalist, there were no non-sponsorship fees paid or payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2019.

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 ("Placement Proceeds").

The following table shows the use of the Placement Proceeds as at the date of this report:

	S$ million		
Intended Use	**Approximate Amount Allocated**	**Amount Used To-Date**	**Amount Remaining**
General working capital	0.40	0.40[1]	–
Support business development, and provide liquidity for business expansion through acquisitions, joint ventures and collaborations	0.94	0.60	0.34
Expenses incurred in connection with the private placement	0.04	0.04	–
Total	**1.38**	**1.04**	**0.34**

Note:
(1) Mainly used for the purchase of inventories.

Sustainability Report

The Company acknowledges the importance of sustainability risks in today's business environment and is in the process of implementing appropriate policies and procedures to address such risks. The Group has identified its material environment, social and governance (ESG) factors and they are economic performance, procurement practices, anti-corruption, energy conservation, waste management, diversity and equal opportunity for its employment practices, occupational health and safety, corporate governance, enterprise risk management and business ethics. The Company's first Sustainability Report was issued and published on the SGX website separately on 28 March 2019. The Company will publish its second Sustainability Report before 31 August 2019.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tito Shane Isaac and Mr Tan Bon Tan are the Directors seeking re-election at the Company's forthcoming Annual General Meeting ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of SGX-ST:

	MR TITO SHANE ISAAC	**MR TAN BON TAN**
Date of Appointment	30 August 2006	20 August 2009
Date of Last Re-appointment (if applicable)	28 July 2016	27 July 2017
Age	48 years	55 years
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company having considered, among others, the recommendation of the Nominating Committee ("**NC**") and having reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tito Shane Isaac ("**Mr Isaac**") for re-appointment as Independent Non-Executive Director and Chairman of the Company. The Board has reviewed and concluded that Mr Isaac possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.	The Board of Directors of the Company having considered the recommendation of the NC and has reviewed and considered the past contribution and suitability of Mr Tan Bon Tan ("**Mr Tan**") for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Tan possesses the experience, expertise, knowledge and skills to continue to contribute towards the existing businesses of the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Mr Tan oversees the sales and operations of the Group's Components Distribution business.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TITO SHANE ISAAC	MR TAN BON TAN
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee	Executive Director
Professional qualifications	LLB Hons (Class 2 Div 1), The University of Leeds Barrister-at-Law, The Honorable Society of Gray's Inn Graduate Certificate in International Arbitration, National University of Singapore	Diploma in Electronics and Communications Engineering, Singapore Polytechnic Postgraduate Certificate in Network Engineering, Nanyang Technological University
Working experience and occupation(s) during the past 10 years	August 1999 to Present: Managing Partner of Tito Isaac & Co LLP	July 2007 to Present: Executive Director of General Electronics & Instrumentation Corporation Private Limited August 2009 to Present: Executive Director of New Wave Holdings Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct Interest: 23,175,000 shares Deemed Interest: 2,500 shares held by spouse
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TITO SHANE ISAAC	MR TAN BON TAN
Other Principal Commitments Including Directorships		
Other Directorships for the past 5 years	Upstream Petroleum Pte. Ltd.	Nil
Other Present Directorships	CPH Ltd. Hiap Tong Corporation Ltd. International Institute of Mediators (Singapore) Limited TIC Corporate Advisory (Pte.) Ltd.	General Electronics & Instrumentation Corporation Private Limited Eplus Technologies Pte Ltd Eplus Technologies Sdn. Bhd.
Other Principal Commitments	Nil	Nil

Mr Tito Shane Isaac and Mr Tan Bon Tan have provided negative confirmation on items (a) to (k) of Appendix 7F to the Rules of Catalist.

DIRECTORS' STATEMENT

The Directors of New Wave Holdings Ltd. (the "Company") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2019 and the statement of financial position of the Company as at 31 March 2019 and the statement of changes in equity of the Company for the financial year ended 31 March 2019.

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 properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 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:

Chea Chia Chan
Choo Tung Kheng
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 Act, except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.4.2018	Balance as at 31.3.2019	Balance as at 1.4.2018	Balance as at 31.3.2019
The Company		Number of ordinary shares		
Chea Chia Chan	19,500,000	**19,500,000**	–	**–**
Choo Tung Kheng	196,314,197	**196,314,197**	176,378,000	**176,378,000**
Ong Kian Soon	31,180,000	**31,180,000**	–	**–**
Tan Bon Tan	23,175,000	**23,175,000**	2,500	**2,500**

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 2019 in the shares of the Company have not changed from those disclosed as at 31 March 2019.

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 Teong Sang, 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	**Choo Tung Kheng**
Director	Director

Singapore
3 July 2019

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 39 to 108, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019;
- 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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2019, 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 financial 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 2019, the inventories of the Group amounted to $10,279,380, which represents 38% 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 aluminium 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.

During the financial year, the Group has written down inventories of $50,934 pursuant to a review of the net realisable value of the inventories.

We determined the net realisable value of inventories as a key audit matter as the carrying amount of the Group's inventories are of a significant amount and 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 notes 2.8, 3.2(ii) and 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 held discussions with management to understand the basis surrounding the write down of 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 and by comparing to market data.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements (Continued)

2 Impairment assessment of intangible assets

Key Audit Matter

As at 31 March 2019, the carrying amount of the Group's intangible assets was $2,511,676, which consist of goodwill and customer relationship amounting to $994,904 and $1,516,772 respectively. Management has determined that these intangible assets belong to the same cash-generating units ("CGU").

In carrying out the annual impairment assessment of the CGU, management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of the CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.

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 rates, gross profit margins and discount rates applied to future cash flows forecasts which may be affected by future market and economic conditions.

Related Disclosures

Refer to notes 2.6, 3.2(iv) and 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 rates, gross profit margins and discount rates, by corroborating the key market-related assumptions to external market and industry and historical customer data.

- We stress-tested the key assumptions used by analysing the impact on the recoverable amount from reasonable possible changes to the growth rates, gross profit margins and discount rates.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements (Continued)

3 Accounting for acquisition of Alutech Metals Asiatic Pte. Ltd. and its subsidiary

Key Audit Matter

On 16 April 2018, the Group obtained control over Alutech Metals Asiatic Pte. Ltd. and its wholly owned subsidiary, Alutech Metals Co., Ltd. (collectively the "Alutech Group"). The Group acquired 100% equity interest for a total purchase consideration of $2,380,000 comprising initial cash consideration of S$600,000, issuance of 120,000,000 new ordinary shares at $0.0115 per share of the Company and a deferred cash consideration of $400,000. The fair value of these shares is the published price of the shares at the acquisition date. The deferred cash consideration is payable upon achieving certain net profit after tax target as set out in the Sales and Purchase Agreement ("SPA") dated 5 February 2018. The target net profit after tax has been achieved by the subsidiary during the current financial year.

The management, assisted by its external valuer, performed valuations to determine the fair values of purchase consideration and Alutech Group's identifiable assets acquired and liabilities assumed through a purchase price allocation ("PPA") as at the date of acquisition.

As disclosed in Note 6 to the financial statements, the Group recognised a goodwill of $482,512 and customer relationship of $1,592,728 from the acquisition of Alutech Group.

We have determined the accounting for acquisition of Alutech Group to be a key audit matter as the acquisition is a material transaction during the financial year and the complexities inherent in the accounting for business combination.

Related Disclosures

Refer to notes 2.3, 3.2(v), 6 and 7 of the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

- We obtained a copy of the signed sale and purchase agreement and understood the terms and conditions;
- We reviewed the basis of the determination made in the PPA that the resultant goodwill and customer relationship were the only identifiable intangible asset acquired as part of the acquisition of Alutech Group and the valuation method and the key assumptions used to determine its fair value;
- We assessed the independence and competency of the external valuer which included considering their experiences and qualification in performing valuations for such business combinations;
- We held discussion with management and the external valuer to obtain an understanding of the purchase price allocation exercise;
- We engaged our internal valuation specialists to assess the appropriateness of the valuation methodologies and reviewed the key assumptions used in the valuation methodologies, which relate to the future market conditions, growth rates taking into consideration of external data and our knowledge of the Group and the reasonableness of the discount rate applied;
- Evaluated the key business performance assumptions made by management, including the discount rates, growth rates against historical performance and terminal growth rate against market data; and
- Assessed the adequacy of the disclosure in the financial statements in relation to this business combination.

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 SFRS(I)s, 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 directors' 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
3 July 2019

AS AT 31 MARCH 2019

STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company		
		31 March		1 April	31 March		1 April
		2019	2018	2017	2019	2018	2017
		$	$	$	$	$	$
Non-current assets							
Property, plant and equipment	4	**2,605,878**	2,632,497	2,568,647	**1,264**	–	–
Investment properties	5	**5,320,000**	5,320,000	2,815,000	**–**	–	–
Investments in subsidiaries	6	**–**	–	–	**19,732,853**	19,732,853	19,837,853
Intangible assets	7	**2,511,676**	815,544	967,120	**–**	–	–
Deferred tax asset	8	**36,000**	36,000	72,000	**–**	–	–
		10,473,554	8,804,041	6,422,767	**19,734,117**	19,732,853	19,837,853
Current assets							
Inventories	9	**10,279,380**	8,767,551	6,719,460	**–**	–	–
Trade and other receivables	10	**4,004,078**	4,303,190	4,203,402	**7,059,920**	5,278,646	5,819,394
Prepayments		**160,729**	121,236	97,897	**9,485**	9,404	11,335
Cash and cash equivalents	11	**2,089,864**	4,159,525	6,069,363	**421,195**	1,457,588	1,786,479
Current income tax recoverable		**224,230**	125,372	123,794	**–**	–	–
		16,758,281	17,476,874	17,213,916	**7,490,600**	6,745,638	7,617,208
Less:							
Current liabilities							
Trade and other payables	12	**3,045,606**	2,331,491	2,309,212	**3,207,122**	3,082,359	2,939,988
Interest-bearing liabilities	13	**3,337,842**	2,786,094	2,113,335	**–**	–	–
Current income tax payable		**3,725**	28,763	–	**–**	–	–
		6,387,173	5,146,348	4,422,547	**3,207,122**	3,082,359	2,939,988
Net current assets		**10,371,108**	12,330,526	12,791,369	**4,283,478**	3,663,279	4,677,220
Less:							
Non-current liabilities							
Deferred tax liabilities	8	**366,128**	91,471	87,653	**–**	–	–
Interest-bearing liabilities	13	**971,021**	1,059,578	1,002,367	**–**	–	–
		1,337,149	1,151,049	1,090,020	**–**	–	–
Net assets		**19,507,513**	19,983,518	18,124,116	**24,017,595**	23,396,132	24,515,073
Equity							
Share capital	14	**27,459,753**	26,088,313	26,088,313	**27,459,753**	26,088,313	26,088,313
Asset revaluation reserve	15	**314,842**	314,842	314,842	**–**	–	–
Share-based payment reserve	16	**31,000**	31,000	31,000	**31,000**	31,000	31,000
Foreign currency translation reserve	17	**(1,505,507)**	(1,167,969)	(1,639,653)	**–**	–	–
Accumulated losses		**(6,763,525)**	(5,282,668)	(6,670,386)	**(3,473,158)**	(2,723,181)	(1,604,240)
Equity attributable to owners of the parent		**19,536,563**	19,983,518	18,124,116	**24,017,595**	23,396,132	24,515,073
Non-controlling interest		**(29,050)**	–	–	**–**	–	–
Total equity		**19,507,513**	19,983,518	18,124,116	**24,017,595**	23,396,132	24,515,073

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2019 $	2018 $
Revenue	18	**17,202,307**	16,283,539
Cost of sales		**(13,320,730)**	(13,033,451)
Gross profit		**3,881,577**	3,250,088
Other items of income			
Interest income from deposits with banks		**15,891**	28,769
Other income	19	**129,581**	2,824,172
Other items of expense			
Distribution costs		**(491,444)**	(406,877)
Administrative expenses		**(3,870,445)**	(3,512,633)
Finance costs	20	**(210,323)**	(145,907)
Loss allowance for trade receivables		**(93,484)**	(10,966)
Other expenses		**(773,364)**	(413,881)
(Loss)/Profit before income tax	21	**(1,412,011)**	1,612,765
Income tax expense	22	**(111,185)**	(225,047)
(Loss)/Profit for the financial year		**(1,523,196)**	1,387,718
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(337,538)**	471,684
Total comprehensive income for the financial year		**(1,860,734)**	1,859,402
(Loss)/Profit attributable to:			
Owners of the parent		**(1,480,857)**	1,387,718
Non-controlling interest		**(42,339)**	–
		(1,523,196)	1,387,718
Total comprehensive income attributable to:			
Owners of the parent		**(1,818,395)**	1,859,402
Non-controlling interest		**(42,339)**	–
		(1,860,734)	1,859,402
(Loss)/Earnings per share (Cents)			
– Basic and diluted	23	**(0.09)**	0.09

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENTS 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 $	Non-controlling interest $	Total equity $
Group								
Balance as at 1.4.2018	26,088,313	314,842	31,000	(1,167,969)	(5,282,668)	19,983,518	–	19,983,518
Issue of shares, net of issue expenses	1,371,440	–	–	–	–	1,371,440	–	1,371,440
Non-controlling interest	–	–	–	–	–	–	13,289	13,289
Loss for the financial year	–	–	–	–	(1,480,857)	(1,480,857)	(42,339)	(1,523,196)
Other comprehensive income for the financial year								
Exchange differences on translating foreign operations	–	–	–	(337,538)	–	(337,538)	–	(337,538)
Total comprehensive income for the financial year	–	–	–	(337,538)	(1,480,857)	(1,818,395)	(42,339)	(1,860,734)
Balance as at 31.3.2019	**27,459,753**	**314,842**	**31,000**	**(1,505,507)**	**(6,763,525)**	**19,536,563**	**(29,050)**	**19,507,513**

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENTS 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 $
Group						
Balance as at 1.4.2017	26,088,313	314,842	31,000	(1,639,653)	(6,670,386)	18,124,116
Profit for the financial year	–	–	–	–	1,387,718	1,387,718
Other comprehensive income for the financial year						
Exchange differences on translating foreign operations	–	–	–	471,684	–	471,684
Total comprehensive income for the financial year	–	–	–	471,684	1,387,718	1,859,402
Balance as at 31.3.2018	26,088,313	314,842	31,000	(1,167,969)	(5,282,668)	19,983,518

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share-based payment reserve	Accumulated losses	Total equity
	$	$	$	$
Company				
Balance as at 1.4.2018	26,088,313	31,000	(2,723,181)	23,396,132
Issue of shares, net of issue expenses	1,371,440	–	–	1,371,440
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(749,977)	(749,977)
Balance as at 31.3.2019	**27,459,753**	**31,000**	**(3,473,158)**	**24,017,595**
Balance as at 1.4.2017	26,088,313	31,000	(1,604,240)	24,515,073
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(1,118,941)	(1,118,941)
Balance as at 31.3.2018	26,088,313	31,000	(2,723,181)	23,396,132

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019 $	2018 $
Operating activities		
(Loss)/Profit before income tax	**(1,412,011)**	1,612,765
Adjustments for:		
Allowance for impairment of trade receivables	**93,484**	10,966
Amortisation of intangible assets	**379,108**	151,576
Bad trade receivables written off	**121**	1,492
Change in fair value of investment properties	**–**	(2,505,000)
Depreciation of property, plant and equipment	**243,951**	216,069
Gain on disposal of plant and equipment	**(11,507)**	(17,952)
Interest expense	**210,323**	145,907
Interest income	**(15,891)**	(28,769)
Plant and equipment written off	**32**	4,605
Write back of allowance for impairment of trade receivables no longer required	**(1,117)**	(3,790)
Write down of inventories	**50,934**	40,019
Operating cash flows before working capital changes	**(462,573)**	(372,112)
Working capital changes:		
Inventories	**(1,761,683)**	(1,842,558)
Trade and other receivables	**1,379,373**	54,571
Trade and other payables	**(385,444)**	(31,928)
Prepayments	**(21,060)**	(20,250)
Cash used in operations	**(1,251,387)**	(2,212,277)
Interest received	**15,891**	28,769
Interest paid	**(210,323)**	(145,907)
Income taxes paid, net	**(398,792)**	(152,990)
Net cash used in operating activities	**(1,844,611)**	(2,482,405)
Investing activities		
Net cash outflow from acquisition of subsidiaries (Note 6)	**(528,033)**	–
Proceeds from disposal of property, plant and equipment	**20,975**	19,897
Purchase of property, plant and equipment (Note 4)	**(154,437)**	(95,320)
Net cash used in investing activities	**(661,495)**	(75,423)
Financing activities		
Proceeds from trust receipts (Note A)	**10,399,183**	8,928,423
Repayment of trust receipts (Note A)	**(10,392,553)**	(8,295,932)
Contribution by non-controlling interests in subsidiary – TMP (Note 6)	**13,289**	–
Repayment of term loan (Note A)	**(42,026)**	(39,415)
Repayment of finance lease obligations (Note A)	**(42,953)**	(39,912)
Net cash (used in)/from financing activities	**(65,060)**	553,164
Net change in cash and cash equivalents	**(2,571,166)**	(2,004,664)
Cash and cash equivalents as at the beginning of the financial year	**4,159,525**	6,069,363
Effects of currency translation on cash and cash equivalents	**(38,783)**	94,826
Cash and cash equivalents as at the end of the financial year (Note 11)	**1,549,576**	4,159,525

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Note A: Reconciliation of liabilities arising from financing activities

			← Non-cash changes →		
	31 March 2018 $	**Financing cash flows $**	**Foreign exchange differences $**	**Additions of plant and equipment under finance leases $**	**31 March 2019 $**
Trust receipts (Note 13)	2,709,388	6,630	(7,561)	–	**2,708,457**
Term loan (Note 13)	1,012,203	(42,026)	(23,383)	–	**946,794**
Finance lease (Note 13)	124,081	(42,953)	(484)	32,680	**113,324**
	3,845,672	(78,349)	(31,428)	32,680	**3,768,575**

			← Non-cash changes →		
	31 March 2017 $	**Financing cash flows $**	**Foreign exchange differences $**	**Additions of plant and equipment under finance leases $**	**31 March 2018 $**
Trust receipts (Note 13)	2,053,993	632,491	22,904	–	2,709,388
Term loan (Note 13)	980,431	(39,415)	71,187	–	1,012,203
Finance lease (Note 13)	81,278	(39,912)	961	81,754	124,081
	3,115,702	553,164	95,052	81,754	3,845,672

NOTES TO THE FINANCIAL STATEMENTS

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

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

These financial statements are the Group and the Company's first financial statements prepared in accordance with SFRS(I)s. The Group and the Company have previously prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRSs"). As required by SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)*, the Group and the Company have consistently applied the same accounting policies in its opening statement of financial position at 1 April 2017 and throughout all financial years presented, as if these policies had always been in effect. The application of SFRS(I)s and interpretations do not have a material effect on the financial statements except for change in accounting policies arising from adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* disclosed in Note 2.9. and Note 2.11 respectively.

The individual financial statements of each entity in the Group 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 ("$") 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 SFRS(I)s 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.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the following SFRS(I)s and SFRS(I)s INT that have been issued but are not yet effective:

			Effective date (annual periods beginning on or after)
SFRS(I) 9 (Amendments)	:	*Prepayment Features with Negative Compensation*	1 January 2019
SFRS(I) 1-28 (Amendments)	:	*Long-term Interests in Associates and Joint Ventures*	1 January 2019
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	:	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 16	:	*Leases*	1 January 2019
Annual Improvements to SFRS(I)s 2015 – 2017 Cycle			1 January 2019
– SFRS(I) 3 (Amendments)	:	*Previously Held Interest in a Joint Operation*	
– SFRS(I) 11 (Amendments)	:	*Previously Held Interest in a Joint Operation*	
– SFRS(I) 1-12 (Amendments)	:	*Income Tax Consequences of Payments on Financial Instruments Classified as Equity*	
– SFRS(I) 1-23 (Amendments)	:	Borrowing Costs eligible for Capitalisation	
SFRS(I) INT 23	:	Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 3 (Amendments)	:	*Definition of a Business*	1 January 2020

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 SFRS(I)s and SFRS(I)s INTs in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. SFRS(I) 16 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective (Continued)

SFRS(I) 16 Leases (Continued)

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16. SFRS(I) 16 also requires enhanced disclosures by both lessees and lessors.

The Group has performed an assessment on the adoption of SFRS (I) 16 based on currently available information as well as recognition exemptions under SFRS (I) 16. The Group expects to capitalise its operating leases on office premises on the statement of the financial position by recognising a 'right-of-use' asset of $196,413 and their corresponding lease liabilities for the present value of future lease payments of $196,413. This assessment may be subject to changes from the ongoing analysis until the finalisation of transition entries.

The Group plans to adopt the standard in the financial year beginning on 1 April 2019 using the modified retrospective method in accordance with the transitional provisions, and therefore will only recognise leases on statement of financial position as at 1 April 2019. The Group will include the required additional disclosures in its financial statements for the financial year ending 31 March 2020.

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 the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

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.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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 SFRS(I) 9 *Financial Instruments* 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.

2.3 Business combinations

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 SFRS(I) 3 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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.

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:

	Years
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

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

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.4 Property, plant and equipment (Continued)

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 2019

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 7 to 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.

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.

<u>Aluminium products distribution</u>

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.

<u>Components distribution</u>

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.

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 or the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into amortised cost in accordance to the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the provision matrix to determine the lifetime expected credit losses. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost 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 in the consolidated statement of financial position.

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.

Accounting policy for financial assets prior to 1 April 2018

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.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets (Continued)

Accounting policy for financial assets prior to 1 April 2018 (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

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 issuance costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies its financial liabilities as subsequently measured at amortised costs.

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, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Prior to 1 April 2018, financial guarantees were subsequently measured at the higher of amount initially recognised less amortisation and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

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. Summary of significant accounting policies (Continued)

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.

2.11 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Sale of goods

The Group is involved in the supply of aluminium products and components. The revenue is recognised at a point in time when control of the goods is transferred to the customers. This is generally when the goods are delivered to the customers. For overseas sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

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.

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

<u>When the Group is the lessee</u>

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.

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.

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.

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.

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.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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 SFRS(I) 1-36 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.

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) 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 2019 was $5,320,000 (31 March 2018: $5,320,000, 1 April 2017: $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.

(ii) 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 obsolete inventories based on historical usage, estimated future demand and related pricing. In determining inventories obsolescence, 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 2019 was $10,279,380 (31 March 2018: $8,767,551, 1 April 2017: $6,719,460) and the write down of inventories made during the financial year was $50,934 (2018: $40,019).

(iii) Loss allowance for impairment of trade and other receivables

Management determines the expected loss arising from default for trade receivables and contract assets, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer. A loss allowance amounted to $97,538 was recognised as at 31 March 2019.

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

3.2 Key sources of estimation uncertainty (Continued)

(iii) Loss allowance for impairment of trade and other receivables (Continued)

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

Other receivables from subsidiaries

Management determines whether there is significant increase in credit risk of these subsidiaries since initial recognition. Management considers various operating performance ratios as well as liquidity ratios of these subsidiaries. There is no significant increase in credit risk as at 31 March 2019.

The carrying amounts of the trade and other receivables are disclosed in Note 10 to the financial statements.

(iv) 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 2019 was $2,511,676 (31 March 2018: $815,544, 1 April 2017: $967,120).

(v) Accounting for business combination

The accounting for a business combination requires the determination of the fair value of the purchase consideration and the identifiable assets acquired and liabilities assumed as at the date of acquisition. The management engaged an external valuer to assist in the valuation process which requires significant judgment and estimation on key assumptions, such as future market conditions, growth rates and discount rates. The fair values determined for the purchase consideration and identified assets and liabilities are disclosed in Note 6 to the financial statements.

4. Property, plant and equipment

	Plant and machinery $	Office equipment $	Furniture, fittings and renovation $	Motor vehicles $	Computer equipment and accessories $	Buildings $	Freehold land $	Total $
Group								
Cost								
Balance as at 1.4.2018	821,208	89,385	201,771	415,948	389,416	1,832,521	761,255	4,511,504
Acquisition of subsidiaries (Note 6)	–	2,216	–	80,780	–	–	–	82,996
Additions	60,546	13,907	26,186	49,620	36,858	–	–	187,117
Disposals	–	(440)	–	–	(21,087)	–	–	(21,527)
Written-off	(1,633)	(1,532)	(6,247)	–	(7,546)	–	–	(16,958)
Foreign currency translation differences	(14,279)	(1,608)	(4,422)	(5,623)	(1,369)	(17,576)	(17,704)	(62,581)
Balance as at 31.3.2019	**865,842**	**101,928**	**217,288**	**540,725**	**396,272**	**1,814,945**	**743,551**	**4,680,551**
Accumulated depreciation								
Balance as at 1.4.2018	557,298	84,196	199,516	176,852	368,082	493,063	–	1,879,007
Depreciation for the financial year	84,276	4,830	4,928	96,874	18,185	34,858	–	243,951
Disposals	–	(440)	–	–	(11,619)	–	–	(12,059)
Written-off	(1,633)	(1,532)	(6,215)	–	(7,546)	–	–	(16,926)
Foreign currency translation differences	(9,235)	(1,355)	(4,295)	(1,548)	(1,201)	(1,666)	–	(19,300)
Balance as at 31.3.2019	**630,706**	**85,699**	**193,934**	**272,178**	**365,901**	**526,255**	**–**	**2,074,673**
Carrying amount								
Balance as at 31.3.2019	**235,136**	**16,229**	**23,354**	**268,547**	**30,371**	**1,288,690**	**743,551**	**2,605,878**

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

	Plant and machinery $	Office equipment $	Furniture, fittings and renovation $	Motor vehicles $	Computer equipment and accessories $	Buildings $	Freehold land $	Total $
Group								
Cost								
Balance as at 1.4.2017	835,476	88,680	191,492	334,406	407,548	1,779,904	708,256	4,345,762
Additions	5,818	527	1,435	158,283	11,011	–	–	177,074
Disposals	(5,765)	–	–	(31,121)	(18,530)	–	–	(55,416)
Written-off	(37,983)	(1,206)	(1,048)	(50,262)	(14,603)	–	–	(105,102)
Foreign currency translation differences	23,662	1,384	9,892	4,642	3,990	52,617	52,999	149,186
Balance as at 31.3.2018	821,208	89,385	201,771	415,948	389,416	1,832,521	761,255	4,511,504
Accumulated depreciation								
Balance as at 1.4.2017	505,836	73,210	182,360	180,077	381,496	454,136	–	1,777,115
Depreciation for the financial year	77,056	10,949	8,528	68,860	16,312	34,364	–	216,069
Disposals	(5,611)	–	–	(29,330)	(18,530)	–	–	(53,471)
Written-off	(37,983)	(1,198)	(1,048)	(45,665)	(14,603)	–	–	(100,497)
Foreign currency translation differences	18,000	1,235	9,676	2,910	3,407	4,563	–	39,791
Balance as at 31.3.2018	557,298	84,196	199,516	176,852	368,082	493,063	–	1,879,007
Carrying amount								
Balance as at 1.4.2017	329,640	15,470	9,132	154,329	26,052	1,325,768	708,256	2,568,647
Balance as at 31.3.2018	263,910	5,189	2,255	239,096	21,334	1,339,458	761,255	2,632,497

NOTES TO THE FINANCIAL STATEMENTS

4. Property, plant and equipment (Continued)

	Computer equipment and accessories $
Company	
Cost	
Balance as at 1.4.2018	7,426
Addition	1,468
Balance as at 31.3.2019	**8,894**
Accumulated depreciation	
Balance as at 1.4.2018	7,426
Depreciation for the financial year	204
Balance as at 31.3.2019	**7,630**
Carrying amount	
Balance as at 31.3.2019	**1,264**
Cost	
Balance as at 1.4.2017	13,333
Written-off	(5,907)
Balance as at 31.3.2018	7,426
Accumulated depreciation	
Balance as at 1.4.2017	13,333
Written-off	(5,907)
Depreciation for the financial year	–
Balance as at 31.3.2018	7,426
Carrying amount	
Balance as at 1.4.2017	–
Balance as at 31.3.2018	–

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

	Group		
	2019	**2018**	**2017**
	$	**$**	**$**
Building	**655,773**	686,502	652,771
Freehold land	**743,551**	761,255	708,256

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		
	2019	**2018**	**2017**
	$	**$**	**$**
Motor vehicles	**140,199**	171,144	131,841
Plant and machinery	**16,311**	–	38,175
Office equipment	**–**	–	7,296
	156,510	171,144	177,312

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

	Group	
	2019	**2018**
	$	**$**
Additions of property, plant and equipment	**187,117**	177,074
Acquired under finance lease agreements	**(32,680)**	(81,754)
Cash payments to acquire property, plant and equipment	**154,437**	95,320

5. Investment properties

	Group		
	2019	**2018**	**2017**
	$	**$**	**$**
At fair value			
Balance as at the beginning of the financial year	**5,320,000**	2,815,000	2,815,000
Change in fair value	**–**	2,505,000	–
Balance as at the end of the financial year	**5,320,000**	5,320,000	2,815,000

The following amounts were recognised in profit or loss:

	Group		
	2019	**2018**	**2017**
	$	**$**	**$**
Operating lease income – investment properties	**59,861**	60,975	62,182
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	**(25,489)**	(29,497)	(25,159)

5. Investment properties (Continued)

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. The fair values of the Group's investment properties as at 31 March 2019 and 2018 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**
	$	**$**	**$**	**$**
Group				
2019				
Non-financial assets				
Investment properties	**–**	**–**	**5,320,000**	**5,320,000**
2018				
Non-financial assets				
Investment properties	–	–	5,320,000	5,320,000
2017				
Non-financial assets				
Investment properties	–	–	2,815,000	2,815,000

There were no transfers among levels during the financial year.

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.

Location	**Description**	**Valuation technique**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
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

		Company	
	2019	**2018**	**2017**
	$	**$**	**$**
Unquoted equity in corporations, at cost	**41,895,236**	41,895,236	41,895,236
Allowance for impairment loss	**(22,162,383)**	(22,162,383)	(22,057,383)
	19,732,853	19,732,853	19,837,853

Movement in allowance for impairment loss is as follows:

		Company	
	2019	**2018**	**2017**
	$	**$**	**$**
Balance as at the beginning of the financial year	**22,162,383**	22,057,383	22,057,383
Allowance made during the financial year	**–**	105,000	–
Balance as at the end of the financial year	**22,162,383**	22,162,383	22,057,383

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NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

As at the end of the financial year, management carried out a review of the investments in subsidiaries, having regard for indicators of impairment on investments in subsidiaries based on the existing performance of subsidiaries.

The recoverable amount of the investment in subsidiaries was determined on the basis of the subsidiary's fair value which was estimated by the management using the fair value of the current assets and liabilities, which are determined by management to approximate their carrying amounts due to short-term maturity. The fair value measurement was categorised as a Level 3 fair value.

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**		
		2019	**2018**	**2017**
		%	**%**	**%**
Held by the Company				
General Electronics & Instrumentation Corporation Private Limited (Singapore)[1]	Trading in electrical and electronic equipment and components, hardware and software engineering in micro-computer and communication systems	**100**	100	100
Eplus Technologies Pte Ltd (Singapore)[1]	Trading in electrical and electronics components and provision of IT and software consultancy services	**100**	100	100
Manufacturing Network Pte Ltd (Singapore)[1]	Wholesale of aluminium plates, wedges and bars including cutting and refining aluminium plates, trading and distribution of metal precision components and investment holding	**100**	100	100
Eplus Technologies Sdn. Bhd. (Malaysia)[2]	Trading and distribution of cables, electrical and electronics components	**100**	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity held by the Group 2019 %	2018 %	2017 %
Held by Manufacturing Network Pte Ltd				
MNPL Aluminium Centre Sdn. Bhd. (Malaysia)(2)	Wholesale of aluminium plates, rods and bars including cutting and refining aluminium plates, rods and bars	**100**	100	100
MNPL Investments Pte. Ltd. (Singapore)(1)	Investment holding	**100**	100	100
MSC Aluminium Holdings Pte. Ltd. (Singapore)(1)	Import and export of aluminium alloy products and investment holding	**100**	100	100
Alutech Metals Asiatic Pte. Ltd. (Singapore)(1)	Investment holding	**100**	–	–
Held by MNPL Investments Pte. Ltd.				
MNPL Metals Co., Ltd. (People's Republic of China)(3)	Sale and distribution of aluminium alloy, steel, stainless steel and other ferrous and non-ferrous semi-finished products	**100**	100	100
Held by MSC Aluminium Holdings Pte. Ltd.				
Twin Metal Service Centre Sdn. Bhd. (Malaysia)(2)	Fabricating and trading of aluminium products	**100**	100	100
Twin Metal (Penang) Sdn. Bhd. (Malaysia)(2)	Fabricating and trading of aluminium products	**60**	–	–
Held by Alutech Metals Asiatic Pte. Ltd.				
Alutech Metals Co., Ltd. (People's Republic of China)(3)	Trading in aluminium alloy, steel, stainless steel and other metal products	**100**	–	–

(1) Audited by BDO LLP, Singapore
(2) Audited by BDO PLT, Malaysia, a member of BDO International Limited
(3) Audited by SBA Stone Forest CPA Co Ltd, People's Republic of China

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

Acquisition of subsidiary – Alutech Metals Asiatic Pte. Ltd.

On 16 April 2018, the Group obtained control over Alutech Metals Asiatic Pte. Ltd. and its wholly owned subsidiary, Alutech Metals Co., Ltd. (collectively the "Alutech Group"). The Group acquired 100% equity interest for a total purchase consideration of $2,380,000 comprising initial cash consideration of S$600,000, issuance of 120,000,000 new ordinary shares at $0.0115 per share of the Company and a deferred cash consideration of $400,000. The fair value of these shares is the published price of the shares at the acquisition date. The deferred cash consideration is payable upon achieving certain net profit after tax target as set out in the Sales and Purchase Agreement ("SPA") dated 5 February 2018. The target net profit after tax has been achieved by the subsidiary during the current financial year.

The acquisition of Alutech Group represents a strategic investment into the expansion in the distribution of aluminium products in the People's Republic of China to support the Group's existing aluminium distribution as well as increase the Group's customer base. From the date of acquisition, Alutech Group has contributed $4,028,000 and $300,000 to the revenue and profit net of tax of the Group respectively.

Goodwill of $482,512 arising from the acquisition is attributable to the aluminium products distribution segment in China and the expected synergies from combining the operations of the Group with those of Alutech Group.

None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs amounting to $25,000 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "administrative expenses" line item in the statement of profit or loss and other comprehensive income.

Details of the fair value of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	At fair value
	$
Plant and equipment (Note 4)	82,996
Intangible assets – Customer relationships (Note 7)	1,592,728
Trade and other receivables	1,306,202
Cash and cash equivalents	80,527
Total assets	3,062,453
Trade and other payables	727,037
Income tax payable	50,055
Deferred tax liabilities (Note 8)	387,873
Total liabilities	1,164,965
Net identifiable assets acquired	1,897,488
Purchase consideration	(2,380,000)
Goodwill arising from acquisition (Note 7)	(482,512)

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

Acquisition of subsidiary – Alutech Metals Asiatic Pte. Ltd. (Continued)

Effects of cash flows of the Group:

	2019 $
Total purchase consideration	2,380,000
Less: Non-cash consideration	
Issuance of ordinary shares	(1,371,440)
Deferred cash considerations	(400,000)
Less: Cash and cash equivalents in subsidiaries acquired	(80,527)
Net cash outflow on acquisition	528,033

Investment in a subsidiary – Twin Metal (Penang) Sdn. Bhd.

During the financial year, MSC Aluminium Holdings Pte. Ltd. ("MSC") and a third party had injected MYR 100,000 for 100,000 ordinary shares for incorporation of Twin Metal (Penang) Sdn. Bhd. ("TMP"), incorporated in Malaysia. MSC holds 60,000 ordinary shares of Twin Metal (Penang) Sdn. Bhd. ("TMP"), representing 60% shareholding. Accordingly, the Group accounts for TMP as a subsidiary since its incorporation.

The establishment of TMP represents a strategic investment into the expansion in the distribution of aluminium products in Malaysia to support the Group's existing aluminium products distribution as well as increase the Group's customer base.

7. Intangible assets

	Goodwill $	Customer relationships $	Total $
Group			
Cost			
Balance as at 1.4.2018	3,876,126	1,515,760	5,391,886
Arising from acquisition of subsidiaries (Note 6)	482,512	1,592,728	2,075,240
Balance as at 31.3.2019	**4,358,638**	**3,108,488**	**7,467,126**
Accumulated amortisation			
Balance as at 1.4.2018	–	1,212,608	1,212,608
Amortisation for the financial year	–	379,108	379,108
Balance as at 31.3.2019	**–**	**1,591,716**	**1,591,716**
Accumulated impairment			
Balance as at 1.4.2018 and 31.3.2019	**3,363,734**	**–**	**3,363,734**
Carrying amount			
Balance as at 31.3.2019	**994,904**	**1,516,772**	**2,511,676**

NOTES TO THE FINANCIAL STATEMENTS

7. Intangible assets (Continued)

	Goodwill $	Customer relationships $	Total $
Group			
Cost			
Balance as at 1.4.2017 and 31.3.2018	3,876,126	1,515,760	5,391,886
Accumulated amortisation			
Balance as at 1.4.2017	–	1,061,032	1,061,032
Amortisation for the financial year	–	151,576	151,576
Balance as at 31.3.2018	–	1,212,608	1,212,608
Accumulated impairment			
Balance as at 1.4.2017 and 31.3.2018	3,363,734	–	3,363,734
Carrying amount			
Balance as at 1.4.2017	512,392	454,728	967,120
Balance as at 31.3.2018	512,392	303,152	815,544

The remaining useful lives for customer relationships is 1 to 6 years (31 March 2018: 2 years, 1 April 2017: 3 years).

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

Goodwill arising from business combination is allocated to the CGUs 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") and Alutech Metals Asiatic Pte. Ltd. and its subsidiary ("Alutech Group") as 2 single CGU respectively.

The carrying amounts of goodwill and customer relationships allocated to each CGU are as follows:

	MSC Group		Alutech Group		Total	
	Goodwill $	Customer relationships $	Goodwill $	Customer relationships $	Goodwill $	Customer relationships $
Balance as at 31.3.2019	**512,392**	**151,576**	**482,512**	**1,365,196**	**994,904**	**1,516,772**
Balance as at 31.3.2018	512,392	303,152	–	–	512,392	303,152
Balance as at 1.4.2017	512,392	454,728	–	–	512,392	454,728

NOTES TO THE FINANCIAL STATEMENTS

7. Intangible assets (Continued)

The recoverable amount of the CGUs 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 pre-tax discount rate applied to the cash flow forecasts and the forecasted growth rates used to extrapolate the cash flow projections beyond the five-year period are as follows:

	MSC Group			**Alutech Group**		
	Average gross profit margin	**Discount Rate**	**Average Revenue Growth Rate**	**Average gross profit margin**	**Discount Rate**	**Average Revenue Growth Rate**
As at 31.3.2019	**10.6%**	**5.56%**	**12.9%**	**19.9%**	**8%**	**20.2%**
As at 31.3.2018	16%	5%	5%	–	–	–
As at 1.4.2017	15%	5.56%	5%	–	–	–

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

Customer relationships were acquired in the financial year ended 31 March 2011 and 31 March 2019 as part of the acquisition of MSC Group and Alutech Group respectively. 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.

NOTES TO THE FINANCIAL STATEMENTS

8. Deferred tax asset/(liabilities)

	Group		
	31 March		1 April
	2019	2018	2017
	$	$	$
Deferred tax asset – Unutilised tax losses			
Balance as at the beginning of the financial year	**36,000**	72,000	72,000
Charged to profit or loss	**–**	(36,000)	–
Balance as at the end of the financial year	**36,000**	36,000	72,000
Deferred tax liabilities			
Balance as at the beginning of the financial year	**(91,471)**	(87,653)	(114,087)
Arising from acquisition of subsidiaries (Note 6)	**(387,873)**	–	–
Credited/(Charged) to profit or loss	**112,397**	(1,516)	25,531
Foreign currency translation differences	**819**	(2,302)	903
Balance as at the end of the financial year	**(366,128)**	(91,471)	(87,653)
Recognised deferred tax liabilities are attributable to the following:			
Differences in depreciation for tax purposes	**(8,164)**	(40,201)	(10,349)
Differences in amortisation of intangible assets	**(357,964)**	(51,270)	(77,304)
	(366,128)	(91,471)	(87,653)

9. Inventories

	Group		
	31 March		1 April
	2019	2018	2017
	$	$	$
Inventories held for resale	**10,065,204**	8,113,637	6,239,526
Goods-in-transit	**214,176**	653,914	479,934
	10,279,380	8,767,551	6,719,460

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss amounted to $13,320,730 (2018: $13,033,451). The inventories written down of $50,934 (2018: $40,019) pursuant to a review of the net realisable value of the inventories during the financial year were included under "Other expenses".

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	$	$	$	$	$	$
Trade receivables	**3,491,561**	3,730,535	3,845,751	**–**	–	–
Loss allowance	**(97,538)**	(17,242)	(8,987)	**–**	–	–
	3,394,023	3,713,293	3,836,764	**–**	–	–
Other receivables						
– third parties	**79,653**	69,625	23,926	**12**	1,065	2,271
– subsidiaries	**–**	–	–	**7,059,908**	5,277,581	5,817,123
	79,653	69,625	23,926	**7,059,920**	5,278,646	5,819,394
Deposits	**35,358**	18,463	29,965	**–**	–	–
Advance payments to suppliers	**159,104**	96,411	29,449	**–**	–	–
GST/VAT recoverable	**335,940**	405,398	283,298	**–**	–	–
Trade and other receivables	**4,004,078**	4,303,190	4,203,402	**7,059,920**	5,278,646	5,819,394
Less: Advance payments to suppliers	**(159,104)**	(96,411)	(29,449)	**–**	–	–
Less: GST/VAT recoverable	**(335,940)**	(405,398)	(283,298)	**–**	–	–
Add: Cash and cash equivalents	**2,089,864**	4,159,525	6,069,363	**421,195**	1,457,588	1,786,479
Financial assets at amortised costs (2017: Loans and receivables)	**5,598,898**	7,960,906	9,960,018	**7,481,115**	6,736,234	7,605,873

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables (Continued)

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

	Group		
	31 March		1 April
	2019	2018	2017
	$	$	$
Balance as at the beginning of the financial year	**17,242**	8,987	98,239
Write-back of allowance no longer required	**(1,117)**	(3,790)	(9,206)
Write-off against allowance	**(11,504)**	–	(86,847)
Loss allowance made during the financial year	**93,484**	10,966	7,315
Foreign currency translation differences	**(567)**	1,079	(514)
Balance as at the end of the financial year	**97,538**	17,242	8,987

Trade and other receivables are unsecured, 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.

Loss allowances made in respect of estimated irrecoverable amounts are determined by using lifetime expected credit loss model (Note 28.1).

Allowance written back of $1,117 (2018: $3,790) 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		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	$	$	$	$	$	$
United States dollar	**509,952**	612,937	571,255	**–**	–	–
Singapore dollar	**662,929**	905,721	1,015,852	**7,059,920**	5,278,646	5,819,394
Malaysian ringgit	**1,532,841**	2,092,379	1,516,383	**–**	–	–
Chinese renminbi	**1,298,356**	692,153	1,099,912	**–**	–	–
	4,004,078	4,303,190	4,203,402	**7,059,920**	5,278,646	5,819,394

NOTES TO THE FINANCIAL STATEMENTS

11. Cash and cash equivalents

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	$	**$**	**$**	**$**	**$**	**$**
Fixed deposits with banks	**769,174**	1,456,759	2,113,229	**392,142**	1,081,840	1,763,144
Cash and bank balances	**1,320,690**	2,702,766	3,956,134	**29,053**	375,748	23,335
Total cash and cash equivalents	**2,089,864**	4,159,525	6,069,363	**421,195**	1,457,588	1,786,479
Less: Bank overdrafts (Note 13)	**(540,288)**	–	–	**–**	–	–
Cash and cash equivalents per consolidated cash flow statement	**1,549,576**	4,159,525	6,069,363	**421,195**	1,457,588	1,786,479

Cash and cash equivalents are denominated in the following currencies:

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	$	**$**	**$**	**$**	**$**	**$**
United States dollar	**421,403**	191,184	1,681,143	**11,967**	3,697	12,350
Singapore dollar	**647,235**	2,436,163	3,089,996	**409,228**	1,453,891	1,774,129
Malaysian ringgit	**758,153**	1,176,961	1,177,444	**–**	–	–
Chinese renminbi	**263,073**	355,217	120,780	**–**	–	–
	2,089,864	4,159,525	6,069,363	**421,195**	1,457,588	1,786,479

The fixed deposits with banks mature within 1 month (31 March 2018: 1 to 5 months, 1 April 2017: 1 to 5 months) from the end of the financial year. The weighted average effective interest rate on the fixed deposits is approximately 0.81% (31 March 2018: 0.82%, 1 April 2017: 0.78%) per annum. For the purpose of presenting the statement of cash flows, cash and cash equivalents include bank deposits with a maturity of more than 3 months as there is no significant cost or penalty in converting these deposits into liquid cash before maturity.

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.

NOTES TO THE FINANCIAL STATEMENTS

12. Trade and other payables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	$	**$**	**$**	**$**	**$**	**$**
Trade payables – third parties	**1,261,604**	1,566,281	1,347,276	**–**	–	–
Other payables						
– third parties	**374,237**	93,790	127,769	**49,419**	36,714	8,062
– subsidiaries	**–**	–	–	**2,983,534**	2,851,735	2,749,734
	374,237	93,790	127,769	**3,032,953**	2,888,449	2,757,796
Deposits received from customers	**216,485**	37	246,619	**–**	–	–
Advanced billings	**186,430**	120,842	38,845	**–**	–	–
GST payables	**20,717**	10,951	10,933	**–**	–	–
Rental deposit received	**10,637**	10,637	10,760	**–**	–	–
Accrued operating expenses	**510,930**	434,367	441,692	**129,469**	127,210	127,092
Accrued unutilised leave	**64,566**	94,586	85,318	**44,700**	66,700	55,100
Deferred cash consideration (Note 6)	**400,000**	–	–	–	–	–
Trade and other payables	**3,045,606**	2,331,491	2,309,212	**3,207,122**	3,082,359	2,939,988
Less:						
Deposits received from customers	**(216,485)**	(37)	(246,619)	**–**	–	–
Advanced billings	**(186,430)**	(120,842)	(38,845)	**–**	–	–
GST payables	**(20,717)**	(10,951)	(10,933)	**–**	–	–
Accrued unutilised leave	**(64,566)**	(94,586)	(85,318)	**(44,700)**	(66,700)	(55,100)
Add: Interest-bearing liabilities	**4,308,863**	3,845,672	3,115,702	**–**	–	–
Other financial liabilities carried at amortised cost	**6,866,271**	5,950,747	5,043,199	**3,162,422**	3,015,659	2,884,888

Advance billings represent unrecognised revenue from the delivery of goods in the subsequent financial year.

Trade and other payables are unsecured, 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.

12. Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	$	$	$	$	$	$
United States dollar	**263,377**	805,190	568,619	**–**	–	–
Singapore dollar	**1,248,790**	728,677	691,137	**3,207,122**	3,082,359	2,939,988
Malaysian ringgit	**883,660**	669,237	712,684	**–**	–	–
Chinese renminbi	**546,535**	42,565	336,772	**–**	–	–
Euro	**103,244**	85,822	–	**–**	–	–
	3,045,606	2,331,491	2,309,212	**3,207,122**	3,082,359	2,939,988

13. Interest-bearing liabilities

	Group		
	31 March		1 April
	2019	2018	2017
	$	$	$
Current liabilities			
Finance lease – secured	**47,995**	37,142	24,531
Term loan – secured	**41,102**	39,564	34,811
Bank overdrafts – unsecured	**540,288**	–	–
Trust receipts – unsecured	**2,708,457**	2,709,388	2,053,993
	3,337,842	2,786,094	2,113,335
Non-current liabilities			
Finance lease – secured	**65,329**	86,939	56,747
Term loan – secured	**905,692**	972,639	945,620
	971,021	1,059,578	1,002,367
	4,308,863	3,845,672	3,115,702

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

	Group		
	31 March		1 April
	2019	2018	2017
	%	%	%
Finance lease	**3.31 – 6.69**	3.31 – 7.01	3.31 – 7.01
Term loan	**5.00**	4.95	4.95
Trust receipts	**1.05 – 5.90**	1.15 – 5.66	1.20 – 5.51

NOTES TO THE FINANCIAL STATEMENTS

13. Interest-bearing liabilities (Continued)

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 (term loan, trust receipts and letter of credit) amounting to $9,477,093 (31 March 2018: $10,500,579, 1 April 2017:$10,475,115) are supported by corporate guarantees provided by the Company.

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

	31 March		1 April
	2019	**2018**	**2017**
	$	**$**	**$**
Facilities granted	**9,477,093**	10,500,579	10,475,115
Facilities utilised	**4,604,686**	5,293,329	5,232,497

Finance lease – secured

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

	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	$	**$**	**$**
Group			
31 March 2019			
Not later than one year	**54,481**	**(6,486)**	**47,995**
Later than one year and not later than five years	**75,380**	**(10,051)**	**65,329**
	129,861	**(16,537)**	**113,324**
31 March 2018			
Not later than one year	42,719	(5,577)	37,142
Later than one year and not later than five years	101,122	(14,183)	86,939
	143,841	(19,760)	124,081
1 April 2017			
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
	92,404	(11,126)	81,278

NOTES TO THE FINANCIAL STATEMENTS

13. Interest-bearing liabilities (Continued)

Finance lease – secured (Continued)

The terms of the finance leases range from 3 to 7 years (31 March 2018: 2 to 7 years, 1 April 2017: 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:

	Group		
	31 March		1 April
	2019	2018	2017
	$	$	$
United States dollar	**2,352,343**	2,530,455	2,053,993
Singapore dollar	**871,749**	106,278	79,795
Malaysian ringgit	**982,369**	1,061,566	981,914
Euro	**102,402**	90,192	–
Japanese Yen	**–**	57,181	–
	4,308,863	3,845,672	3,115,702

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital

	Group and Company					
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	Number of ordinary shares			$	$	$
Issued and fully paid up:						
Balance at the beginning of the financial year	**1,607,469,695**	1,607,469,695	1,607,469,695	**26,088,313**	26,088,313	26,088,313
Arising from acquisition of subsidiaries (Note 6)	**120,000,000**	–	–	**1,371,440**	–	–
Balance at the end of the financial year	**1,727,469,695**	1,607,469,695	1,607,469,695	**27,459,753**	26,088,313	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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

18. Revenue

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in Note 26 to the financial statements.

	Components		Aluminium		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**	**$**	**$**
Primary Geographical market						
Singapore	**1,782,877**	2,354,137	**3,714,530**	3,321,925	**5,497,407**	5,676,062
Malaysia	**177,578**	72,301	**6,413,716**	7,584,755	**6,591,294**	7,657,056
People's Republic of China	**6,844**	8,701	**4,874,150**	2,839,187	**4,880,994**	2,847,888
Others	**71,249**	77,970	**161,363**	24,563	**232,612**	102,533
	2,038,548	2,513,109	**15,163,759**	13,770,430	**17,202,307**	16,283,539
Timing of transfer of goods						
– Point in time	**2,038,548**	2,513,109	**15,163,759**	13,770,430	**17,202,307**	16,283,539

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NOTES TO THE FINANCIAL STATEMENTS

19. Other income

	Group	
	2019	2018
	$	$
Change in fair value of investment properties	–	2,505,000
Foreign exchange gains, net	–	183,985
Gain on disposal of plant and equipment	**11,507**	18,072
Government grants		
– PIC cash payout	**868**	9,701
– Special/Temporary Employment Credit	**9,331**	11,702
– Wage Credit Scheme	**2,805**	5,813
– Others	**9,254**	426
Operating lease income – investment properties	**59,861**	60,975
Write back of allowance for impairment of trade receivables no longer required	**1,117**	3,790
Miscellaneous income	**34,838**	24,708
	129,581	2,824,172

20. Finance costs

	Group	
	2019	2018
	$	$
Interest expenses on:		
– overdrafts	**7,335**	–
– finance leases	**6,584**	5,755
– term loan	**45,937**	45,608
– trust receipts	**150,467**	94,544
	210,323	145,907

NOTES TO THE FINANCIAL STATEMENTS

21. (Loss)/Profit before income tax

The above is arrived at after charging:

	Group	
	2019	**2018**
	$	**$**
Distribution costs		
Entertainment expenses	**77,907**	54,419
Freight outwards	**172,898**	170,504
Sales commission	**45,040**	70,490
Transport expenses	**86,644**	51,556
Travelling expenses	**42,487**	12,273
Administrative expenses		
Directors' fees	**177,000**	187,000
Fees paid/payable to auditors of the Company		
– Audit fees	**91,000**	85,000
– Non-audit fees	**22,918**	15,590
Fees paid/payable to other auditors		
– Audit fees	**31,431**	19,026
– Non-audit fees	**2,488**	2,917
Operating lease expenses		
– office equipment	**1,301**	999
– factory and office premises	**264,681**	164,369
Professional fees	**180,778**	357,879
Employee benefits expense*		
– salaries, bonus and other benefits	**2,229,706**	1,892,028
– defined contribution plans	**197,467**	184,659
	2,427,173	2,076,687
Other expenses		
Amortisation of intangible asset	**379,108**	151,576
Bad trade receivables written off	**121**	1,493
Depreciation of property, plant and equipment	**243,951**	216,069
Foreign exchange loss, net	**99,218**	–
Write down of inventories	**50,934**	40,019

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

NOTES TO THE FINANCIAL STATEMENTS

22. Income tax expense

	Group	
	2019	2018
	$	$
Current income tax		
– current financial year	**232,274**	172,096
– (over)/under provision in prior financial years	**(8,693)**	15,435
	223,581	187,531
Deferred income tax		
– current financial year	**(31,313)**	17,635
– (over)/under provision in prior financial years	**(81,083)**	19,881
	(112,396)	37,516
Total income tax expense recognised in profit or loss	**111,185**	225,047

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 profit or loss before income tax as a result of the following differences:

	Group	
	2019	2018
	$	$
(Loss)/Profit before income tax	**(1,412,012)**	1,612,765
Income tax using statutory tax rate	**(240,042)**	274,170
Effect of different tax rate in other countries	**(22,603)**	80,752
Tax effect of expenses not deductible for tax purposes	**303,845**	288,952
Tax effect of income not subject to tax	**(64,945)**	(443,591)
(Over)/Under provision of current income tax in prior financial years	**(8,693)**	15,435
(Over)/Under provision of deferred tax in prior financial years	**(81,083)**	19,881
Deferred tax assets not recognised in profit or loss	**251,256**	74,505
Utilisation of deferred tax assets previously not recognised	**(26,550)**	(91,283)
Others	**–**	6,226
	111,185	225,047

NOTES TO THE FINANCIAL STATEMENTS

22. Income tax expense (Continued)

Unrecognised deferred tax assets

	Group	
	2019	**2018**
	$	**$**
Balance as at the beginning of the financial year	**1,907,416**	2,099,936
Deferred tax assets not recognised	**251,256**	74,505
Adjustments	**–**	(175,742)
Utilised during the financial year	**(26,550)**	(91,283)
Balance as at the end of the financial year	**2,132,122**	1,907,416

Unrecognised deferred tax assets are attributable to the following:

	Group	
	2019	**2018**
	$	**$**
Capital allowances	**125,895**	119,579
Unutilised tax losses	**2,006,227**	1,787,837
	2,132,122	1,907,416

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of $11,033,000 (31 March 2018: $10,146,000, 1 April 2017: $11,211,000) available for offset against future profits. A deferred tax asset has been recognised in respect of $212,000 (31 March 2018: $212,000, 1 April 2017: $423,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $10,821,000 (31 March 2018: $9,934,000, 1 April 2017: $10,788,000) 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 $1,829,000 (31 March 2018: $1,070,000, 1 April 2017: $2,298,000) 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 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS

23. (Loss)/Earnings per share

	Group	
	2019	**2018**
(Loss)/Earnings per share (Cents)		
– Basic and diluted	**(0.09)**	0.09
The calculation of basic and diluted loss per share is based on:		
(Loss)/Profit attributable to the owners of the parent ($)	**(1,480,857)**	1,387,718
Weighted average (2018: Actual) number of ordinary shares	**1,716,949,147**	1,607,469,695

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit attributable to the owners of the parent by the weighted average (2018: actual) number of shares in issue during the financial year.

Diluted (loss)/earnings per share for the current financial year is the same as the basic (loss)/earnings 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	
	2019	**2018**	**2017**
	$	**$**	**$**
Not later than one year	**19,076**	39,461	9,112
Later than one year and not later than five years	**–**	19,076	–
	19,076	58,537	9,112

The above lease agreements expire in September 2019. The current rents receivable under the leases are subject to revision after expiry. The above commitments were based on prevailing rental rates for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

24. Operating lease commitments (Continued)

When the Group is a lessee

Commitments in respect of non-cancellable operating leases for factory and office premises from third parties and a related party at the end of the financial year are as follows:

	Group		
	2019	**2018**	**2017**
	$	**$**	**$**
Not later than one year	**187,369**	147,138	79,273
Later than one year and not later than five years	**13,445**	134,877	–
	200,814	282,015	79,273

The above lease agreements expire on 14 July 2020, 31 May 2020, 28 and 19 February 2020 respectively (2018: 28 and 19 February 2020 respectively). 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:

	Group	
	2019	**2018**
	$	**$**
With a related party		
– operating lease expense – office premises	**71,071**	71,071

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

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	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Directors' fee	**177,000**	187,000	**51,000**	61,000
Short-term employee benefits	**701,924**	747,486	**428,409**	426,193
Post-employment benefits	**61,037**	73,247	**37,196**	37,196
	939,961	1,007,733	**516,605**	524,389

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Directors of the Company				
Directors' fee	**51,000**	61,000	**51,000**	61,000
Short-term employee benefits	**373,378**	428,186	**226,831**	224,615
Post-employment benefits	**29,239**	39,784	**9,180**	9,180
	453,617	528,970	**287,011**	294,795
Directors of subsidiaries				
Directors' fee	**126,000**	126,000	**–**	–
Short-term employee benefits	**208,556**	199,310	**123,500**	123,500
Post-employment benefits	**20,995**	20,995	**20,995**	20,995
	355,551	346,305	**144,495**	144,495
	809,168	875,275	**431,506**	439,290

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:

	Group	
	2019	**2018**
	$	**$**
Not later than one year	**41,457**	71,071
Later than one year and not later than five years	**–**	41,457
	41,457	112,528

The lease agreement expires in 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.

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 $
Group				
2019				
Revenue				
External revenue	2,038,548	15,163,759	–	17,202,307
Results				
Segment results	(208,345)	370,367	(756,542)	(594,520)
Interest income	48	9,074	6,769	15,891
Finance costs	(1,174)	(209,149)	–	(210,323)
Amortisation of intangible assets	–	(379,108)	–	(379,108)
Depreciation expense	(28,330)	(215,417)	(204)	(243,951)
Profit/(Loss) before income tax	(237,801)	(424,233)	(749,977)	(1,412,011)
Income tax expense	–	(111,185)	–	(111,185)
Loss after income tax	(237,801)	(535,418)	(749,977)	(1,523,196)
Additions to non-current assets**	21,861	246,784	1,468	270,113
Assets and liabilities				
Segment assets	7,194,037	19,345,612	431,956	26,971,605
Current income tax recoverable and deferred tax asset	36,000	224,230	–	260,230
Total assets	7,230,037	19,569,842	431,956	27,231,835
Segment liabilities	864,328	6,266,553	223,588	7,354,469
Current income tax payable and deferred tax liabilities	–	369,853	–	369,853
Total liabilities	864,328	6,636,406	223,588	7,724,322

26. Segment information (Continued)

Business segments (Continued)

	Components distribution $	Aluminium products distribution $	Unallocated $	Consolidated $
Group				
2018				
Revenue				
External revenue	2,513,109	13,770,430	–	16,283,539
Results				
Segment results	2,389,665*	739,793	(1,031,910)	2,097,548
Interest income	49	10,751	17,969	28,769
Finance costs	–	(145,907)	–	(145,907)
Amortisation of intangible assets	–	(151,576)	–	(151,576)
Depreciation expense	(26,672)	(189,397)	–	(216,069)
Profit/(Loss) before income tax	2,363,042	263,664	(1,013,941)	1,612,765
Income tax expense	(36,000)	(189,047)	–	(225,047)
Profit/(Loss) after income tax	2,327,042	74,617	(1,013,941)	1,387,718
Capital expenditure				
– Property, plant and equipment	10,141	166,933	–	177,074
Assets and liabilities				
Segment assets	7,553,078	17,098,407	1,468,058	26,119,543
Current income tax recoverable and deferred tax asset	36,000	125,372	–	161,372
Total assets	7,589,078	17,223,779	1,468,058	26,280,915
Segment liabilities	559,372	5,387,167	230,624	6,177,163
Current income tax payable and deferred tax liabilities	–	120,234	–	120,234
Total liabilities	559,372	5,507,401	230,624	6,297,397

* Segment results of Component distribution included the change in fair value of investment properties of $2,505,000 arising from fair value measurement of the Group's investment properties as at 31 March 2018 (Note 5).

** Additions to non-current assets comprise of additions of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

26. Segment information (Continued)

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.

	Singapore $	Malaysia $	People's Republic of China $	Others $	Consolidated $
Group					
2019					
Non-current assets	**8,693,561**	**1,532,306**	**211,687**	**–**	**10,437,554**
2018					
Non-current assets	7,109,929	1,499,595	158,517	–	8,768,041

Major customers

Revenue from two (2018: two) customers of the aluminium products distribution segment represents approximately 17% (2018: 22%) 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 $9,477,093 (2018: $10,500,579) and to a supplier on behalf of its subsidiary for supplying goods to the subsidiary amounting to $678,050 (2018: $655,650). The amount utilised by certain subsidiaries amounted to approximately $4.6 million (31 March 2018: $5.4 million, 1 April 2017: $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.

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 two (2018: three) trade receivables from third parties of the Group amounting to approximately $730,312 (2018: $680,310) 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 banks with reputable banks, which are rated from A to AA on Standard & Poor's rating.

Given the high credit ratings, the Group and the Company does not expect any credit losses from non-performance by the counterparties.

NOTES TO THE FINANCIAL STATEMENTS

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

28.1 Credit risk (Continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company		
	31 March		1 April
	2019	2018	2017
	$	$	$
Corporate guarantee provided to banks on subsidiaries' loans and trust receipts	**4,604,686**	5,293,329	5,232,497

For the corporate guarantee issued, the Company has assessed that these subsidiaries have sufficient financial capabilities to meet their contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

For trade receivables from third parties, the Group applies simplified approach to measure the loss allowance using lifetime expected credit loss model. In determining the expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The Group considers the historical customers' payment profile of respective countries, past due status of the receivables, historical loss rate and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers of respective countries to settle the receivables. The Group has identified the country risk in which it sells goods and services to be the most relevant factor and the historical loss rates is adjusted accordingly based on the expected changes in this factors.

Trade receivables are in default if the debtor fail to make contractual payment when they fall due. Trade receivables are written off when there is no reasonable expectation of recovery, such as the debtor is in severe financial difficulty. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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

28.1 Credit risk (Continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2019 are set out in the provision matrix as follows:

	Current	Past due for 1 to 90 days	Past due for 91 to 180 days	Past due for 181 to 365 days	Past due for more than 365 days	Total
	$	$	$	$	$	$
Group						
31 March 2019						
Gross carrying amount						
– Trade receivables	**1,604,946**	**1,619,453**	**121,484**	**95,099**	**50,579**	**3,491,561**
– Loss Allowance	**–**	**(8,025)**	**(16,053)**	**(41,869)**	**(31,591)**	**(97,538)**
	1,604,946	**1,611,428**	**105,431**	**53,230**	**18,988**	**3,394,023**
31 March 2018						
Gross carrying amount						
– Trade receivables	1,892,119	1,483,797	229,322	109,883	15,414	3,730,535
– Impairment	–	–	(6,122)	–	(11,120)	(17,242)
	1,892,119	1,483,797	223,200	109,883	4,294	3,713,293
1 April 2017						
Gross carrying amount						
– Trade receivables	2,511,327	1,111,483	174,417	35,276	13,248	3,845,751
– Impairment	–	–	(1,781)	–	(7,206)	(8,987)
	2,511,327	1,111,483	172,636	35,276	6,042	3,836,764

The Group has applied the general approach in accordance with SFRS(I) 9 to measure the loss allowance of other receivables using 12-month ECL. Credit risk for these assets has not increased significantly since their initial recognition. Hence, no loss allowance is recognised in the application of SFRS(I) 9 for other receivables.

For trade and other receivables from subsidiaries, Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Board of Directors monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance ratio and any default in external debts. The risk of default is considered to be minimal as these subsidiaries have sufficient liquid assets and cash to repay their debts. Therefore, amount due from subsidiaries has been measured based on 12-month expected credit loss model and subject to immaterial credit loss.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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").

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).

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**		
	31 March		**1 April**	**31 March**		**1 April**
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	$	**$**	**$**	**$**	**$**	**$**
Group						
USD	**9,935,469**	11,685,974	9,972,794	**8,251,049**	9,153,459	9,602,553
Company						
USD	**–**	–	–	**11,967**	3,697	12,350

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

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

28.2 Market risks (Continued)

Foreign currency risks (Continued)

The sensitivity analysis below shows the effect on loss before income tax of a 5% (31 March 2018: 5%, 1 April 2017: 5%) change in the relevant foreign currency against the functional currency of the entities within the Group. The sensitivity analysis assumes an instantaneous 5% (31 March 2018: 5%, 1 April 2017: 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.

Foreign currency sensitivity analysis

	Group Increase/(Decrease) profit or loss			Company Increase/(Decrease) profit or loss		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	$	$	$	$	$	$
USD						
Strengthens against SGD	**(84,221)**	(126,626)	(18,512)	**598**	185	618
Weakens against SGD	**84,221**	126,626	18,512	**(598)**	(185)	(618)

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% (31 March 2018: 1%, 1 April 2017: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

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

28.2 Market risks (Continued)

Interest rate risks (Continued)

Interest rate sensitivity analysis (Continued)

If the interest rate increases/decreases by 1% (31 March 2018: 1%, 1 April 2017: 1%), loss before income tax will increase or decrease by:

	Profit or loss		
	31 March		1 April
	2019	2018	2017
	$	$	$
Group			
Term loan	**9,468**	10,122	9,804
Trust receipts	**27,085**	27,094	20,540
Bank overdrafts	**5,403**	–	–

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.

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
	%	$	$	$	$
Group					
Financial liabilities					
Non-interest bearing	**–**	**2,557,408**	**–**	**–**	**2,557,408**
Fixed interest bearing	**3.31 – 6.69**	**54,481**	**75,380**	**–**	**129,861**
Variable interest bearing	**1.05 – 5.90**	**3,356,480**	**350,544**	**854,450**	**4,561,474**
As at 31.3.2019		**5,968,369**	**425,924**	**854,450**	**7,248,743**
Financial liabilities					
Non-interest bearing	–	2,105,075	–	–	2,105,075
Fixed interest bearing	3.31 – 7.01	42,719	101,122	–	143,841
Variable interest bearing	1.15 – 5.66	2,817,298	358,890	964,516	4,140,704
As at 31.3.2018		4,965,092	460,012	964,516	6,389,620
Financial liabilities					
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
As at 1.4.2017		4,102,031	398,744	980,842	5,481,617

NOTES TO THE FINANCIAL STATEMENTS

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

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Effective interest rate %	On demand or less than one year $	Within two to five years $	More than five years $	Total $
Company					
Financial liabilities					
Non-interest bearing	–	**3,162,422**	–	–	**3,162,422**
As at 31.3.2019	–	**3,162,422**	–	–	**3,162,422**
Corporate guarantees	–	**4,623,259**	–	–	**4,623,259**
Financial liabilities					
Non-interest bearing	–	3,015,659	–	–	3,015,659
As at 31.3.2018	–	3,015,659	–	–	3,015,659
Corporate guarantees	–	5,428,544	–	–	5,428,544
Financial liabilities					
Non-interest bearing	–	2,884,888	–	–	2,884,888
As at 1.4.2017	–	2,884,888	–	–	2,884,888
Corporate guarantees	–	5,232,497	–	–	5,232,497

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 $4.6 million (31 March 2018: $5.4 million, 1 April 2017: $5.2 million). The earliest period that the guarantees could be called is within 1 year (31 March 2018: 1 year, 1 April 2017: 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.

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% (2018: 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.

Certain subsidiaries of the Group are 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 2019 and 2018.

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		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	$	$	$	$	$	$
Net debt	**5,264,605**	2,017,638	(644,449)	**2,785,927**	1,624,771	1,153,509
Total equity	**19,507,513**	19,983,518	18,124,116	**24,017,595**	23,396,132	24,515,073
Total capital	**24,772,118**	22,001,156	17,479,667	**26,803,522**	25,020,903	25,668,582
Gearing ratio	**21.3%**	9.2%	N.M.	**10.4%**	6.5%	4.5%

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 and finance leases approximate their fair value as these financial instruments are mostly at floating interest rates and market rates respectively.

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 2019 were authorised for issue by the Board of Directors on 3 July 2019.

AS AT 20 JUNE 2019

STATISTICS OF SHAREHOLDINGS

Issued and fully paid up share capital	:	S$27,459,753
Number of shares	:	1,727,469,695
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 20 June 2019, approximately 52.18% 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 Catalist) 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	40	2.10	520	0.00
100 – 1,000	123	6.46	73,513	0.00
1,001 – 10,000	263	13.80	1,718,911	0.10
10,001 – 1,000,000	1,383	72.60	240,820,823	13.94
1,000,001 and above	96	5.04	1,484,855,928	85.96
Total:	**1,905**	**100.00**	**1,727,469,695**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of shares	%
1	KOH WEE MENG	363,500,000	21.04
2	CHOO TUNG KHENG	196,314,197	11.36
3	CITIBANK NOMINEES SINGAPORE PTE LTD	176,803,000	10.23
4	HU WING KO	85,000,000	4.92
5	POH CHONG PENG	70,000,000	4.05
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	31,451,480	1.82
7	ONG KIAN SOON	31,180,000	1.80
8	ZENG HANG CHENG	30,000,500	1.74
9	ZHOU CHAO	30,000,000	1.74
10	ZHOU QIZHI	30,000,000	1.74
11	KOH SWEE LENG	27,863,772	1.61
12	TAN BON TAN	23,175,000	1.34
13	ONG POH CHOO	20,100,000	1.16
14	LIM KAH HIN	20,000,000	1.16
15	TAN KOCK HENG	20,000,000	1.16
16	YEO TIONG BOON	20,000,000	1.16
17	CHEA CHIA CHAN	19,500,000	1.13
18	RHB SECURITIES SINGAPORE PTE. LTD.	16,785,100	0.97
19	CHOO SOON KIAH	16,505,000	0.96
20	CHAN TECK WAH	15,888,400	0.92
		1,244,066,449	**72.01**

AS AT 20 JUNE 2019

STATISTICS OF SHAREHOLDINGS

Substantial Shareholders' Information as at 20 June 2019

	Direct interest		Deemed interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Choo Tung Kheng	196,314,197	11.36	176,378,000(1)	10.21
Koh Wee Meng	363,500,000	21.04	–	–

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 Twentieth Annual General Meeting ("**AGM**") of New Wave Holdings Ltd. (the "**Company**") will be held at 8 First Lok Yang Road, Singapore 629731 on Tuesday, 30 July 2019 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 2019 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 Tito Shane Isaac ***[See Explanatory Note (i)]*** **Resolution 2**

   (b) Mr Tan Bon Tan ***[See Explanatory Note (ii)]*** **Resolution 3**

3. To approve the payment of Directors' fees of S$51,000 for the financial year ended 31 March 2019 (FY2018: S$61,000). **Resolution 4**

4. To re-appoint BDO LLP as Independent Auditor of the Company and to authorise the Directors to fix its remuneration. **Resolution 5**

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 6**

   (1) (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (b) 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

NOTICE OF ANNUAL GENERAL MEETING

(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;

(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

NOTICE OF ANNUAL GENERAL MEETING

(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 (iii)]

By Order of the Board

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

Singapore
15 July 2019

Explanatory Notes

(i) Mr Tito Shane Isaac will, upon re-election as a Director of the Company, continue to serve as Chairman of the Audit Committee and the Remuneration Committee and a member of the Nominating Committee. Mr Tito Shane Isaac is considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr Tito Shane Isaac and the other Directors, the Company or its 10% shareholders. Detailed information on Mr Tito Shane Isaac can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors Seeking Re-Election" sections in the Company's Annual Report.

(ii) 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, the Company or its 10% shareholders. Detailed information on Mr Tan Bon Tan can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors Seeking Re-Election" sections in the Company's Annual Report.

(iii) The proposed Ordinary Resolution 6, 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.

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.

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.

NEW WAVE HOLDINGS LTD.

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

PROXY FORM
Annual General Meeting

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 as to appointment as proxies.

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 Tuesday, 30 July 2019 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*
	Ordinary Business		
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2019 together with the Independent Auditor's Report thereon		
2	To re-elect Mr Tito Shane Isaac as a Director of the Company		
3	To re-elect Mr Tan Bon Tan as a Director of the Company		
4	To approve the payment of Directors' fees of S$51,000 for the financial year ended 31 March 2019 (FY2018: S$61,000)		
5	To re-appoint BDO LLP as Independent Auditor of the Company and to authorize the Directors to fix its remuneration		
	Special Business		
6	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 ____________ 2019

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 discretion 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 15 July 2019.

NEW WAVE HOLDINGS LTD.
Registration No 199906870Z

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