

## NEW WAVE HOLDINGS LTD.

### Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30/09/2016

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

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

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### PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group Half year ended 30 September		Increase/ (Decrease) %
	2016 S\$'000	2015 S\$'000	
Revenue	9,040	11,151	(18.9)
Cost of sales	(7,384)	(9,121)	(19.0)
Gross profit	1,656	2,030	(18.4)
Other income	99	76	30.3
Distribution costs	(220)	(264)	(16.7)
Administrative expenses	(1,661)	(2,010)	(17.4)
Other expenses	(427)	(438)	(2.5)
Finance costs	(57)	(95)	(40.0)
Loss before income tax	(610)	(701)	(13.0)
Income tax expense	(25)	(36)	(30.6)
<b>Loss for the financial period attributable to owners of the parent</b>	<b>(635)</b>	<b>(737)</b>	<b>(13.8)</b>
<b>Other comprehensive income for the financial period, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(304)	(485)	(37.3)
<b>Total comprehensive income for the financial period, attributable to owners of the parent</b>	<b>(939)</b>	<b>(1,222)</b>	<b>(23.2)</b>

**1(a)(ii) Notes to consolidated statement of comprehensive income**

	Group Half year ended 30 September		Increase/ (Decrease) %
	2016 S\$'000	2015 S\$'000	
Loss before income tax is arrived at:			
<b>After charging:</b>			
Depreciation of property, plant and equipment	128	141	(9.2)
Amortisation of intangible asset	76	76	-
Interest expense	57	95	(40.0)
Foreign exchange loss, net	223	221	0.9
<b>and crediting:</b>			
Interest income	10	6	66.7
Write back of allowance for impairment of trade receivables no longer required	-	2	NM
Rental income	31	25	24.0
Gain on disposal of plant and equipment	-	8	NM

NM = Not Meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	As at 30/09/2016 S\$'000	As at 31/03/2016 S\$'000	As at 30/09/2016 S\$'000	As at 31/03/2016 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	2,734	2,692	-	1
Investment properties	2,815	2,815	-	-
Intangible assets	1,043	1,119	-	-
Investments in subsidiaries	-	-	19,838	19,838
Deferred tax asset	72	72	-	-
	<u>6,664</u>	<u>6,698</u>	<u>19,838</u>	<u>19,839</u>
<b>Current assets</b>				
Inventories	8,258	10,364	-	-
Trade and other receivables	3,694	5,091	6,139	6,668
Prepayments	94	201	17	11
Income tax recoverable	113	87	-	-
Cash and cash equivalents	5,534	3,181	1,777	1,807
	<u>17,693</u>	<u>18,924</u>	<u>7,933</u>	<u>8,486</u>
Less:-				
<b>Current liabilities</b>				
Trade and other payables	2,022	2,051	2,935	3,031
Interest-bearing liabilities	2,333	2,607	-	-
	<u>4,355</u>	<u>4,658</u>	<u>2,935</u>	<u>3,031</u>
Net current assets	<u>13,338</u>	<u>14,266</u>	<u>4,998</u>	<u>5,455</u>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	1,071	1,081	-	-
Deferred tax liabilities	101	114	-	-
	<u>1,172</u>	<u>1,195</u>	<u>-</u>	<u>-</u>
Net assets	<u>18,830</u>	<u>19,769</u>	<u>24,836</u>	<u>25,294</u>
<b>Capital and reserves</b>				
Share capital	26,088	26,088	26,088	26,088
Asset revaluation reserve	315	315	-	-
Share-based payment reserve	31	31	31	31
Foreign currency translation reserve	(1,452)	(1,148)	-	-
Accumulated losses	(6,152)	(5,517)	(1,283)	(825)
Equity attributable to owners of the parent	<u>18,830</u>	<u>19,769</u>	<u>24,836</u>	<u>25,294</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 30/09/2016		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
73	2,260	70	2,537

**Amount repayable after one year**

As at 30/09/2016		As at 31/03/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,071	-	1,081	-

**Details of any collateral**

Amounts due to finance lease creditors (included in interest-bearing liabilities) are secured by plant and equipment acquired under finance lease contracts.

Term loan (included in interest-bearing liabilities) to finance the purchase of the Malaysian factory is secured by a legal charge against the property as well as a corporate guarantee provided by the Company.

Trust receipts of the subsidiaries (included in interest-bearing liabilities) are secured by corporate guarantees provided by the Company.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	Half year ended 30 September	
	2016	2015
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(610)	(701)
Adjustments for:-		
Amortisation of intangible assets	76	76
Depreciation of property, plant and equipment	128	141
Gain on disposal of plant and equipment	-	(8)
Interest expense	57	95
Interest income	(10)	(6)
Write back of allowance for impairment of trade receivables no longer required	-	(2)
Operating cash flows before working capital changes	(359)	(405)
Working capital changes:-		
Inventories	1,923	(496)
Trade and other receivables	1,303	1,129
Trade and other payables	2	(1,356)
Prepayments	105	64
Cash generated from/(used in) operations	2,974	(1,064)
Interest received	10	6
Interest paid	(57)	(95)
Income taxes paid, net	(67)	(84)
Net cash generated from/(used in) operating activities	2,860	(1,237)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	-	8
Purchase of plant and equipment ( <i>Note B</i> )	(156)	(46)
Net cash used in investing activities	(156)	(38)
<b>Cash flows from financing activities</b>		
Proceeds from trust receipts	2,514	7,709
Repayments of trust receipts	(2,770)	(7,847)
Repayments of finance lease obligations	(26)	(19)
Repayments of term loan	(18)	(16)
Net cash used in financing activities	(300)	(173)
Net change in cash and cash equivalents	2,404	(1,448)
Cash and cash equivalents at the beginning of the financial period	3,181	4,031
Effect of currency translation on cash and cash equivalents	(51)	(108)
Cash and cash equivalents at the end of the financial period ( <i>Note A</i> )	5,534	2,475

Note A:

Cash and cash equivalents comprised:

	As at 30/09/2016 S\$'000	As at 30/09/2015 S\$'000
Fixed deposits with banks	2,107	729
Cash and bank balances	3,427	1,746
	<u>5,534</u>	<u>2,475</u>

Note B:

Additions to property, plant and equipment comprised:

	As at 30/09/2016 S\$'000	As at 30/09/2015 S\$'000
Additions to property, plant and equipment	236	100
Acquired under finance lease agreements	(80)	(54)
	<u>156</u>	<u>46</u>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Equity attributable to owners of the parent					
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share-based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses/profits S\$'000	Total S\$'000
The Group						
Balance at 1 April 2016	26,088	315	31	(1,148)	(5,517)	19,769
<b>Loss for the financial period</b>	-	-	-	-	(635)	(635)
<b>Other comprehensive income for the financial period</b>						
Exchange differences on translating foreign operations	-	-	-	(304)	-	(304)
<b>Total comprehensive income for the financial period</b>	-	-	-	(304)	(635)	(939)
Balance at 30 September 2016	26,088	315	31	(1,452)	(6,152)	18,830
Balance at 1 April 2015	24,752	315	31	(281)	(4,187)	20,630
<b>Loss for the financial period</b>	-	-	-	-	(737)	(737)
<b>Other comprehensive income for the financial period</b>						
Exchange differences on translating foreign operations	-	-	-	(485)	-	(485)
<b>Total comprehensive income for the financial period</b>	-	-	-	(485)	(737)	(1,222)
Balance at 30 September 2015	24,752	315	31	(766)	(4,924)	19,408

The Company	Share capital S\$'000	Share-based payment reserve S\$'000	Accumulated profit/ losses S\$'000	Total S\$'000
Balance at 1 April 2016	26,088	31	(825)	25,294
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(458)	(458)
Balance at 30 September 2016	26,088	31	(1,283)	24,836
Balance at 1 April 2015	24,752	31	110	24,893
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(534)	(534)
Balance at 30 September 2015	24,752	31	(424)	24,359

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total issued shares (excluding treasury shares) as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The share capital of the Company was S\$26,088,313 comprising 1,607,469,695 shares, as at 30 September 2016 and 31 March 2016. There was no change in the Company's share capital from 31 March 2016 up to 30 September 2016.

There were no outstanding convertible securities or treasury shares as at 30 September 2016 and 30 September 2015.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 30 September 2016 and 31 March 2016 was 1,607,469,695 shares.

The Company did not have treasury shares as at 30 September 2016 and 31 March 2016.

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

Saved as disclosed in paragraph 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 31 March 2016.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective in the financial periods beginning on or after 1 April 2016. The adoption of these new or revised FRS and INT FRS where relevant has no material impact on the Group's accounting policies and/or the financial statements for the current financial period reported on.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Half year ended	
	30/09/2016	30/09/2015
Loss attributable to owners of the parent (SGD'000)	(635)	(737)
Loss per ordinary share after deducting any provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.04)	(0.05)
(b) On a fully diluted basis (SGD cents)	(0.04)	(0.05)

Loss per ordinary share for the financial periods ended 30 September 2016 and 30 September 2015 in Item 6(a) is computed based on the loss attributable to the owners of the parent divided by the actual number of ordinary shares in issue of 1,607,469,695 and 1,457,469,695 for the respective financial periods.

Loss per ordinary share on a fully diluted basis for the financial periods ended 30 September 2016 and 30 September 2015 in Item 6(b) is the same as the basic loss per ordinary share because the Company did not have any potentially dilutive ordinary shares during and as at the end of the said financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	As at 30/09/2016	As at 31/03/2016	As at 30/09/2016	As at 31/03/2016
Net asset value per ordinary share based on issued share capital (SGD cents)	1.17	1.23	1.55	1.57

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,607,469,695 shares as at 30 September 2016 and 31 March 2016.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

**Review of the Financial Performance of the Group – Six months ended 30 September 2016 (“1H2017”) vs. Six months ended 30 September 2015 (“1H2016”)**

**Turnover**

The global economy continues to be plagued by financial and political instability and low growth expectations. The Group experienced generally weaker demand for our products and Group sales for the half year period under review decreased 18.9% to S\$9.04 million, from S\$11.15 million recorded in 1H2016.

The aluminium products distribution division recorded decrease in sales across all three of its main markets in Singapore, Malaysia and the PRC, and Singapore sustained the largest decrease of 35.0%. Revenue from the Malaysian segment was adversely affected by the general weak demand and the decrease was aggravated by the volatile movement of the Ringgit against other currencies.

This decrease was mitigated but not offset by increased sales of 38.6% generated in the components distribution division as sales from this division contributed only 21.2% of Group sales. The components distribution division added a new product range in March 2016 and had since made good progress in promoting the sales of these products.

**Profit Before Income Tax**

Gross profit decreased by 18.4% in line with decrease in sales. Margins however remained consistent over the two periods under review, at 18.2% in 1H2016 and 18.3% in 1H2017.

Other income increased by 30.3%, from S\$0.08 million in 1H2016 to S\$0.10 million in 1H2017, mainly due to higher amounts of government grants received.

All categories of expenses decreased due partly to decreased sales and partly to the concerted effort to reduce spending.

Distribution costs decreased by 16.7% from S\$0.26 million in 1H2016 to S\$0.22 million in 1H2017 due mainly to lower freight costs and lower sales commission in line with lower sales.

Administrative expenses decreased by 17.4% from S\$2.01 million in 1H2016 to S\$1.67 million in 1H2017 largely attributable to the decrease in employment costs by 15.7% due mainly to attrition. Other decreases in administrative expenses included decrease in bank charges of 53.8% due to reduced usage of bank borrowings and decrease in rentals of 24.7% as the components distribution division did not renew the tenancy of a warehouse upon its expiry.

Finance costs, which comprised mainly interest charges for trust receipts and a term loan, decreased from S\$0.10 million to S\$0.06 million due to reduced usage of trust receipts as lesser purchases were made.

Other expenses decreased marginally by 2.5% as an increase of net exchange loss of 1.1% was offset by a 9.0% decrease in depreciation charges. Several items of plant and equipment were fully depreciated in the past financial year and this reduction of charges more than offset depreciation of new assets.

As a result of the above, the Group recorded a loss before income tax of S\$0.61 million in 1H2017, as compared to a loss before income tax of S\$0.70 million in 1H2016.

### **Assets and Liabilities**

Property, plant and equipment increased from S\$2.69 million as at the start of 1H2017 to S\$2.73 million as at the end of 1H2017. Additions to property, plant and equipment totalled S\$0.24 million of which S\$0.08 million was raised through finance leases. The additions comprised mainly a motor vehicle for staff use and a band saw machine for the aluminium products distribution division. Depreciation charges for 1H2017 amounted to S\$0.13 million. The Group also suffered a loss in value of its assets through translation exchange loss of S\$0.07 million on the property, plant and equipment in Malaysia.

The value of investment properties remained unchanged at S\$2.82 million as at the beginning and end of 1H2017.

Intangible assets decreased through an amortisation charge of S\$0.08 million to S\$1.04 million as at the end of 1H2017.

Inventories decreased from S\$10.36 million as at 31 March 2016 to S\$8.26 million as at 30 September 2016 due mainly to planned efforts to reduce the Group's risks exposure. Purchases were made mostly on a replacement basis and after careful consideration of the sales forecast.

Trade and other receivables decreased from S\$5.09 million as at 31 March 2016 to S\$3.69 million as at 30 September 2016. Trade receivables decreased from S\$4.33 million to S\$3.05 million in tandem with decreased sales. The Group will continue to monitor closely all aged trade debts to manage risks. Other receivables, comprising mainly value-added taxes paid in advance on imports into the PRC subsidiary, decreased from S\$0.76 million as at 31 March 2016 to S\$0.64 million as at 30 September 2016 as a result of lower purchases.

Trade and other payables remained fairly constant at S\$2.02 million as at 30 September 2016 as compared to S\$2.05 million as at 31 March 2016. Trade payables increased from S\$1.15 million to S\$1.22 million due mainly to an increase of trade payables in the components distribution division as a result of addition of the new product range. This increase was offset by a decrease in other payables from S\$0.90 million as at 31 March 2016 to S\$0.80 million as at 30 September 2016 as accrued fees and charges outstanding as at 31 March 2016 were settled during this half year period.

Current interest-bearing liabilities are mainly trust receipts owing to banks. The borrowings decreased from S\$2.61 million as at 31 March 2016 to S\$2.33 million as at 30 September 2016 as lesser purchases, and hence lesser borrowings, were made during 1H2017.

Non-current interest-bearing liabilities which comprised mainly a term loan owing to a bank decreased from S\$1.08 million as at 31 March 2016 to S\$1.07 million as at 30 September 2016. The reduction was due to instalment payments made as well as translation exchange loss as the term loan is denominated in Malaysian ringgit.

The Group had a positive working capital of S\$13.34 million as at the end of 1H2017.

### **Cash Flow and Working Capital**

Cash and cash equivalents increased from S\$3.18 million as at 31 March 2016 to S\$5.53 million as at 30 September 2016.

Net cash generated from operating activities amounted to S\$2.86 million and resulted mainly from working capital changes of decreases in inventories and trade and other receivables of S\$1.92 million and S\$1.30 million respectively. Inventories were reduced through planned efforts to control stockholdings to reduce risks exposure. Trade receivables decreased mainly as a result of decrease in sales.

Net cash used in investing activities amounted to S\$0.16 million. This represented the cash portion paid for additions to property, plant and equipment of S\$0.24 million, after S\$0.08 million was settled through finance leases. The additions comprised mainly a motor vehicle for staff use and a band saw machine for the aluminium products distribution division.

Net cash used in financing activities amounted to S\$0.30 million and was used mainly towards settlement of trust receipts and instalment payments of bank term loan and finance leases. Total net payments made for trust receipts amounted to S\$0.26 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as no forecast or prospect statement has been disclosed previously to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The weak global growth outlook has impacted the demand for our products across all the regions that we operate in and thus may continue to result in lower sales turnover and margins.

We will continue to optimize our inventory portfolio and manage operational efficiency in view of the uncertainty over the general economic outlook.

**11. Dividend**

**(a) *Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

**(b) *Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) *Date payable***

Not Applicable.

**(d) *Books closure date***

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 1H2017.

**13. Requirement under Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalist**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results for 1H2017 false or misleading in any material aspect.

**14. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for interested person transactions. There was no interested person transaction with value of S\$100,000 or more during 1H2017.

**15. 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. The Company has not as yet utilized the net proceeds. The full amount has been placed as term deposits with a bank.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

Ong Kian Soon  
Chief Executive Officer  
14 November 2016