

NEW WAVE HOLDINGS LTD.

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

REPLY TO QUESTIONS FROM SIAS RECEIVED ON 21 JULY 2025 WITH REFERENCE TO OUR ANNUAL GENERAL MEETING TO BE HELD ON 30 JULY 2025

The board of directors (the “Board”) of New Wave Holdings Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that it did not receive any questions from shareholders of the Company as at the cut-off timeline for submission of questions prior to the upcoming Annual General Meeting for its financial year ended 31 March 2025.

The Board further refers to the questions raised by SIAS and the Company’s responses to these questions are set out in this announcement.

Q1. The group's operations comprise two main segments: components distribution and aluminium products distribution, with the latter having consistently contributed materially more to revenue over the years.

However, the aluminium products distribution segment has been loss-making in 7 out of the past 10 years. The reported segmental results are:

- FY2025 - \$(1,333,380)
- FY2024 - \$(3,630,964)
- FY2023 - \$(273,787)
- FY2022 - \$2,587,183
- FY2021 - \$141,015
- FY2020 - \$(1,170,829)
- FY2019 - \$(535,418)
- FY2018 - \$74,617
- FY2017 - \$(309,089)
- FY2016 - \$(219,090)

Cumulatively, this adds up to approximately \$(4.67) million in segmental losses over the past decade.

(i) What are the underlying drivers of the persistent losses in the aluminium distribution segment? Have structural issues such as pricing power, product mix, holding cost, or manpower cost, been identified?

The underlying driver of the losses is mainly when revenue does not achieve a level that enables optimum utilisation of our operational capacity. The operating environment has been challenging over the past few years, amid the Covid-19 pandemic, the war in Ukraine,

geopolitical tension and the recent tariff wars. For details, please refer to the Financial Review reports in our Annual Reports.

(ii) Considering the goodwill and intangible assets arising from the acquisitions of MSC Group (in FY2011, \$5.4 million) and Alutech (in FY2019, \$2.1 million), has the board evaluated whether these investments have delivered sustainable long-term value?

Both investments in the MSC Group and the Alutech Group are an integral part of the Group's strategy to establish a firm stronghold in the Malaysian and China markets. Both these markets remain important and crucial to the Group's operations as we have observed a gradual shift of business activities from Singapore to Malaysia.

(iii) Has the board undertaken a portfolio rationalisation review to assess whether the aluminium segment remains core to the group's long-term strategy? Is the board open to strategic alternatives such as divestment, joint ventures, or scaling down unprofitable operations?

The Board has regularly reviewed the Group business and product portfolio and is of the opinion that the aluminium segment remains core to the Group's existing strategy.

The Board has been actively on the lookout for viable new businesses to be added to enhance and grow our business to create long-term sustainable value for all our stakeholders.

Q2. Despite group revenue normalising from the pandemic-induced highs of \$23-\$27 million in FY2022 and FY2023, the group's trade and other payables have continued to rise.

		Group		Group		Group	
		2025	2024	2023	2022	2021	2020
		\$	\$	\$	\$	\$	\$
Current liabilities							
Trade and other payables	12	5,890,077	4,327,954	3,843,101	3,627,051	3,142,895	3,264,588
Lease liabilities	13	294,985	414,329	294,049	393,603	305,522	275,131
Interest-bearing liabilities	14	4,747,810	4,067,972	5,682,058	6,477,435	3,197,742	2,217,359
		10,932,872	8,810,255	9,819,208	10,515,130	6,646,159	5,757,435

(Compiled from company annual reports; emphasis added)

Trade and other payables have increased to \$5.89 million as at 31 March 2025. Of this, trade payables to third parties have increased to \$2.82 million, while other payables have increased to \$1.24 million.

(i) What are the reasons for the increase? Does the increase in payables suggest underlying cash flow pressure or a shift in the group's payment strategy?

The increase in FY2025 was due to higher purchases to support increased sales and more advanced billings made through the Components Distribution division. Advance billings comprise consideration received in advance from customers for sale of maintenance services that will be rendered in the next or later financial years. There is also a change of payment pattern over the recent years, firstly due to more purchases from local suppliers

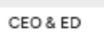


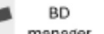
and secondly due to some of our suppliers granting us longer credit terms of payment; thus, the payables remained longer as such, before being converted to trust receipts or settled through direct payments.

(ii) Operationally, is there a risk that slower payments could strain supplier relationships or affect procurement terms such as pricing and stock availability?

As a stockist, both supplier management and customer management are key to our business operations. We do have good suppliers relationship currently and will continue to engage with them to ensure that both their requirements and our needs are catered for. We will also continue to explore new sources of supplies to ensure that we have a balanced and competitive product portfolio to serve our customers.

Q3. The remuneration of directors and key management personnel is disclosed in the corporate governance report (page 20 of the annual report).

Below is the breakdown of the level and mix of remuneration for each Director and the three key executives for FY2025. Directors' remuneration is fully disclosed on a named basis and in bands of \$250,000 each.

	Salary	Bonus	Others	Fees	Total
	S\$	S\$	S\$	S\$	S\$
Directors					
<i>Below \$250,000</i>					
Ong Kian Soon 	192,000	16,000	20,677	–	228,677
Tan Bon Tan 	61,261	5,105	–	–	66,366
Chea Chia Chan 	60,597	6,060	2,445	–	69,102
Choo Tung Kheng	–	–	–	18,000 ⁽⁴⁾	18,000
Lee Teong Sang ⁽¹⁾	–	–	–	6,333 ⁽¹⁾	6,333
Tito Shane Isaac ⁽¹⁾	–	–	–	7,000 ⁽¹⁾	7,000
Soh Beng Keng ⁽²⁾	–	–	–	15,750 ⁽⁴⁾	15,750
Xie Xingbei, Pearlyn ⁽²⁾	–	–	–	14,250 ⁽⁴⁾	14,250
Key management personnel					
<i>Below \$250,000</i>					
Sim Puay Hwang	92	8	–	–	100
Ong Siew Kim	92	8	–	–	100
Tan Yeat Cheong ⁽³⁾ 	90	8	2	–	100

Notes:

(1) Mr Lee Teong Sang and Mr Tito Shane Isaac retired as Directors at the annual general meeting held on 29 July 2024. Directors' fees paid were approved at the said meeting.

(2) Mr Soh Beng Keng and Ms Xie Xingbei, Pearlyn were appointed as Directors on 26 June 2024.

(3) 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\$200,000 band.

(4) Directors' fees payable are subject to shareholders' approval at the upcoming annual general meeting.

(Source: company annual report; emphasis added)

Mr Ong Kian Soon was appointed as the chief executive officer on 1 July 2011 and joined the board in the same year. Mr Tan Bon Tan was first appointed to the board on 20 August 2009, and Mr Chea Chia Chan on 23 September 2010. Mr Tan Yeat Cheong promoted to his current position as business development manager on 18 January 2012. This group of executives and directors have now each served over a decade in senior leadership positions.

(i) What has been the company's total shareholder return over the past 5, 10 and 15 years?

The Company did not propose or make any dividend payments over the past 5 to 15 years due to the lack of distributable profits. The Board has also taken into consideration the following factors regarding the declaration and payment of dividends:

- Operating cash flow requirements going forward
- Future expansion
- Cumulative retained earnings position.

As the Group is a stockist and distributor, having sufficient working capital is key especially as we plan to expand in order to achieve sustainable revenues.

(ii) What performance metrics are used to determine remuneration for executive directors and key management personnel? Are these metrics aligned with shareholder value creation?

The Remuneration Committee (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 also take into consideration the Group's relative performance and the performance of individuals.

(iii) Given that the core leadership has remained unchanged for over a decade, has the board considered bringing in new professional executives with proven industry experience and fresh perspectives to revitalise the business?

The Board is mindful of the leadership renewal and succession plan. As the Group's existing core business remain unchanged and considering the existing business portfolio and operating structure, the Board believe that the existing executive team is still relevant to the current business operations.

Going forward, the Board continues to explore and pursue strategic alternatives and leadership renewal.

(iv) Can the remuneration committee help shareholders better understand why a business development manager is paid more than the two of the executive directors? How is the business development manager's pay calibrated against responsibilities, outcomes, and contribution to strategic growth?

Mr Tan Yeat Cheong is the Group Business Development Manager, and he has been assisting the Chief Executive Officer to build the businesses of the Malaysian and PRC segments. In line with the Group's succession planning, he is one of the younger managers being trained for future leadership roles. As part of his training, Mr Tan has, in the past year, been given the responsibility of overseeing the aluminium business operations in China, as well as providing support to the Singapore and Malaysia aluminium business operations.

The RC ensures that the remuneration packages of our key executives are commensurate with their experience and contribution.

By Order of the Board

Ong Kian Soon
Chief Executive Officer
24 July 2025

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg