



NEW WAVE HOLDINGS LTD.

ANNUAL REPORT 2016

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

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

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CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

The sluggish global economic conditions have affected companies around the world. We recorded lower sales for both our Components and Aluminium Products distribution business division in the financial year ended 31 March 2016 ("FY2016") as demand for our products weakened. Accordingly, the Group revenue declined 14.8% to S\$20.87 million.

Keener price competition, amidst the uncertain market conditions and weakening demand, exerted downward pressure on our gross profit and gross margin, which dipped by 22.1% and 1.6 percentage points to S\$3.62 million and 17.3% respectively.

Our cost containment efforts during the year had paid off. Administrative expenses decreased 6.7% to S\$3.92 million – a result of more efficient utilisation of resources. In particular, we successfully reduced employment costs by about 6.2% as we adjusted headcount to an optimal level.

Distribution costs, which included promotional expenses, sales commission and freight outwards expenses, also declined 32.9% to S\$0.46 million in FY2016 in tandem with lower sales.

Despite the exchange loss recorded in FY2016, other expenses decreased 10.0% to S\$0.58 million due to lower impairment of trade receivables and inventories, as well as lower depreciation charges.

With a marginal increase in finance costs as a result of higher interest rates charged for trust receipts, the Group recorded a loss before income tax of S\$1.27 million in FY2016, compared to a loss of S\$0.52 million in the previous year.

SEGMENTAL REVIEW

Revenue from the Aluminium Products distribution division decreased 16.0% to S\$17.51 million, constituting 83.9% of total sales, while the Components distribution division recorded a 7.8% dip in sales to S\$3.36 million or 16.1% of Group revenue.

Geographically, we are heartened to witness a 16.8% sales improvement in the People's Republic of China ("PRC"). This validates the investments we have made over the years to enhance the Group's product portfolio and customer base.

Sales in Singapore and Malaysia, however, dipped 18.9% and 24.8% due to decreased demand. Sales in Malaysia were further affected by a weak Malaysian ringgit against the Singapore dollar. In terms of contribution, Malaysia remained our biggest market, contributing 37.0% of total sales, while Singapore and the PRC represented 31.7% and 30.6% respectively.

SHARE PLACEMENT

On 21 December 2015, the Group completed a private placement of 150 million shares at the issue price of S\$0.0092 per Placement Share. The Placement Shares represented approximately 9.3% of the enlarged issued and paid-up share capital. Total net proceeds of approximately S\$1.34 million will be used for business development and expansion, as well as general working capital purposes. The Net Proceeds are currently placed as term deposits with a bank.

MEETING THE CHALLENGES

Looking ahead, the uncertain global economy, along with slower growth in the PRC and weaker Malaysian ringgit, will continue to impact our financial performance. The expected weaker demand from customers may also affect our margins.

To meet these challenges head on, the Group will step up efforts to manage vulnerabilities and rebuild resilience. Our immediate focus is to stay competitive by reducing expenditure, increasing efficiency, and augmenting our product range with quality and cost competitive products. Finally, we will continue to ride on our established, long-term relationships with customers to propel the Group forward.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my heartfelt gratitude to all staff and business partners for playing an integral role in our operations. To our shareholders, thank you for your unwavering support.

TITO SHANE ISAAC**Chairman**

FINANCIAL REVIEW

TURNOVER

Group revenue for the financial year ended 31 March 2016 ("FY2016") decreased by 14.8% to S\$20.87 million, when compared against revenue of S\$24.50 million recorded for the financial year ended 31 March 2015 ("FY2015").

The Group's performance was adversely affected by the sluggish global economic condition. The components distribution division suffered a decrease in revenue of 7.8%, from S\$3.64 million recorded in FY2015 to S\$3.36 million in FY2016. The aluminium products distribution division also registered a decrease in revenue of 16.0% from S\$20.85 million recorded in FY2015 to S\$17.51 million in FY2016.

Sales in both the Singapore and Malaysia segments fell in FY2016 as compared to sales in FY2015, by 18.9% and 24.8% respectively. The Malaysia segment's steeper decline was due to the weak exchange rate of the Malaysian ringgit against the Singapore dollar. The People's Republic of China ("PRC") segment recorded increase in sales of 16.8% in spite of the slowdown in economic growth in the PRC as investments made to improve the products portfolio and expand customer base yield results.

GROSS PROFIT, INCOME AND EXPENSES

The Group's gross profit decreased by 22.1%, from S\$4.64 million in FY2015 to S\$3.62 million in FY2016. Gross profit margin decreased from 18.9% in FY2015 to 17.3% in FY2016. The uncertain market condition and weakening demand gave rise to keener price competition, which exerted downward pressure on the Group's margin.

Other income decreased by 56.6%, from S\$0.52 million in FY2015 to S\$0.23 million in FY2016. This was mainly due to the absence of exchange gain of S\$0.32 million recorded in FY2015, whereas FY2016 suffered an exchange loss of S\$0.09 million. Other income in FY2016 also included a gain on disposal of plant and equipment of S\$0.04 million made up of S\$0.03 million from the sale of two replaced forklifts, and S\$0.01 million from the sale of a motor vehicle.

Expenses decreased generally across the board in line with revenue decreases. Administrative expenses decreased by 6.7% from S\$4.20 million in FY2015 to S\$3.92 million in FY2016 largely due to more efficient utilization of resources. In particular, employment costs decreased by about 6.2% as staff strength was reduced. Distribution costs which included promotional expenses, sales commission and freight outwards expenses, also decreased 32.9% from S\$0.69 million in FY2015 to S\$0.46 million in FY2016 in tandem with lower sales.

Other expenses decreased 10.0% from S\$0.64 million in FY2015 to S\$0.58 million in FY2016 in spite of an exchange loss recorded in FY2016, while FY2015 had exchange gain. Allowance for impairment of trade receivables and write down of inventories were lesser in FY2016 at S\$0.02 million and S\$0.04 million respectively, compared to S\$0.04 million and S\$0.15 million respectively in FY2015. Depreciation charges decreased by 7.6% as some older assets were fully depreciated during the year, while several new assets were purchased only towards the financial year end.

Finance costs, which comprised finance lease interests and bank interests on trust receipts and a term loan, increased marginally by 1.0% mainly because of higher interest rates charged for trust receipts.

As a result of the above, the Group recorded a loss before income tax of S\$1.27 million in FY2016, as compared to a loss before income tax of S\$0.52 million in FY2015.

FINANCIAL POSITION

Additions to plant and equipment totalled S\$0.21 million, of which S\$0.05 million was funded by finance leases. Additions were mostly for the aluminium products distribution business and included forklifts for the Singapore operations, network and file servers for the Malaysian subsidiaries and various band saws and other machines for Singapore and the PRC.

The additions to property, plant and equipment were offset by a depreciation charge of S\$0.28 million incurred for FY2016. The net book value of assets disposed

totalled S\$0.01 million and translation exchange losses accounted for a reduction in value of S\$0.14 million, so that the balance as at 31 March 2016 was S\$2.69 million, as compared with S\$2.91 million as at 31 March 2015.

Based on the valuation reports done by an independent professional valuer, there was no change in the fair value of the investment properties which totalled S\$2.82 million as at 31 March 2016 and 31 March 2015.

Intangible assets decreased as a result of an amortisation charge of S\$0.15 million to S\$1.12 million as at 31 March 2016.

Inventories for both the components distribution division and the aluminium products distribution division decreased in line with decreased revenues. Total inventories decreased from S\$12.81 million as at 31 March 2015 to S\$10.36 million as at 31 March 2016.

Trade and other receivables decreased from S\$6.63 million as at 31 March 2015 to S\$5.09 million as at 31 March 2016. The decrease in trade receivables is in line with the decrease in sales. Other receivables which comprised largely the recoverable value-added tax paid by the PRC subsidiary on imports also decreased in spite of increased sales in the PRC, as stock levels were closely monitored and new purchases were kept at minimum optimum levels.

Prepayments increased from S\$0.16 million as at 31 March 2015 to S\$0.20 million as at 31 March 2016. Included in prepayments as at 31 March 2016 was an amount of S\$0.08 million for down-payment made for a new motor vehicle, the purchase and delivery of which was completed just after the end of the financial year.

Trade and other payables decreased from S\$3.25 million as at 31 March 2015 to S\$2.05 million as at 31 March 2016 mainly as a result of decreased purchases in view of the decrease in production.

Current interest-bearing liabilities, which comprised mainly bank trust receipts, decreased from S\$5.46 million as at the end of FY2015 to S\$2.61 million as

at the end of FY2016. Trust receipts outstanding at beginning of the year were paid as they fall due, and as lesser purchases were made during the financial year, the usage of trust receipts was correspondingly reduced.

Non-current interest-bearing liabilities, which comprised finance leases and a term loan, decreased from S\$1.20 million as at 31 March 2015 to S\$1.08 million as at 31 March 2016. The decrease was due to payment of the instalments of the term loan as well as translation exchange difference as the term loan is denominated in Malaysian ringgit.

The Group had a positive working capital of S\$14.27 million as at the end of FY2016.

CASH FLOW

Cash and cash equivalents decreased from S\$4.03 million as at the end of FY2015 to S\$3.18 million as at the end of FY2016.

Net cash generated from operating activities amounted to S\$0.93 million for FY2016 and was mainly due to working capital changes from the decrease in inventories and trade and other receivables of S\$1.85 million and S\$1.27 million respectively, offset by decrease in trade and other payables of S\$1.12 million. Inventories and trade and other receivables decreased in line with decrease in revenues, while trade and other payables decreased as lesser purchases were made.

Net cash used in investing activities of S\$0.10 million was mainly incurred for the acquisition of plant and equipment with cash outlay of S\$0.15 million, offset by proceeds of S\$0.05 million from disposal of the retired assets.

Net cash used in financing activities amounted to S\$1.57 million in FY2016. Net payments made to settle trust receipts amounted to S\$2.83 million. However, this cash outflow was partially offset by proceeds from issue of shares by way of private placement of S\$1.34 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 31 July 2014. 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.

ONG KIAN SOON

Chief Executive Officer

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

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

TAN BON TAN

Executive Director

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

CHAN TECK WAH

Executive Director

Mr Chan Teck Wah was first appointed to the Board on 23 September 2010 and was last re-elected on 30 July 2013. He holds an Honours Degree in Engineering (Civil & Structural) from the Nanyang Technological University and a Graduate Diploma in Systems Analysis from the National University of Singapore. Before joining the Group in 2004, he had 2 years of experience in projects management in construction and engineering firms, and another 2 years of experience in the analysis, design and implementation of information technology systems. Mr Chan oversees the sales and operations of the Group's Aluminium Products Distribution Division.

CHEA CHIA CHAN

Executive Director

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

KEY MANAGEMENT

CHOO TUNG KHENG

Non-Executive Director

Mdm Choo Tung Kheng was first appointed to the Board on 19 November 1999 and was last re-elected on 31 July 2014. She has more than 15 years of experience in finance and accounting with local and multi-national companies prior to her appointment as Executive Director on 21 June 2002. Mdm Choo was redesignated as the Non-Executive Director of the Company with effect from 1 July 2011. She is the Managing Director of CPH Ltd.

LEE TEONG SANG

Independent Non-Executive Director

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

LEE SENG CHAN

Independent Non-Executive Director

Mr Lee Seng Chan was first appointed to the Board on 29 August 2003 and was last re-elected on 30 July 2015. Mr Lee is an accountant by training and is a Certified Public Accountant in practice. He is a member of the Institute of Singapore Chartered Accountants, a member of The Malaysian Institute of Accountants as well as a member of The Institute of Certified Public Accountants of Australia. Mr Lee is a senior and managing partner of UHY Lee Seng Chan & Co and has been in public accounting practice for the last 40 years. Mr Lee is also the Independent Director of CPH Ltd.

SIM PUAY HWANG

Financial Controller

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

ONG SIEW KIM

Accounts Manager

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

TAN YEAT CHEONG

Business Development Manager

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Ong Kian Soon
(Chief Executive Officer)

Tan Bon Tan
(Executive Director)

Chan Teck Wah
(Executive Director)

Chea Chia Chan
(Executive Director)

Choo Tung Kheng
(Non-Executive Director)

Lee Seng Chan
(Independent Non-Executive Director)

Lee Teong Sang
(Independent Non-Executive Director)

AUDIT COMMITTEE

Tito Shane Isaac
(Chairman)

Lee Seng Chan
Choo Tung Kheng

COMPANY SECRETARIES

Koh Ee Koon
Koh Geok Hoon, Judy

REGISTERED OFFICE

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

SHARE REGISTRAR

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

INDEPENDENT AUDITOR

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

PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad
Bank of China Limited

SPONSOR

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

CORPORATE GOVERNANCE REPORT

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

Principle 1: The Board's Conduct of Affairs

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

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

- Approval of periodic financial results announcements;
- Approval of annual audited financial statements;
- Declaration of interim and proposal of final dividends, if any;
- Major corporate policies on key areas of operation;
- Major funding proposals or bank borrowings;
- Corporate restructuring;
- Mergers and acquisitions;
- Material acquisitions and disposal of assets;
- Share issuances; and
- Board changes.

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

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

CORPORATE GOVERNANCE REPORT

Briefings and updates provided to the Directors for the financial year ended 31 March 2016 ("FY2016") include:

- briefing by the external auditors, BDO LLP, on the developments in financial reporting and governance standard at the half-yearly review meetings; and
- briefing by the company secretary on amendments to the Companies Act.

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 FY2016 are set out as follows:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	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⁾
Chan Teck Wah	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	2	1	2	1	1	—	1	—
Lee Teong Sang	2	2	2	2 ⁽²⁾	1	1 ⁽²⁾	1	1 ⁽²⁾

(1) The number of meetings held as applicable to each individual Director.

(2) Attendance at meetings was on a "By Invitation" basis.

Principle 2: Board Composition and Guidance

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

Executive Directors

Ong Kian Soon – Chief Executive Officer ("CEO")

Tan Bon Tan

Chan Teck Wah

Chea Chia Chan

CORPORATE GOVERNANCE REPORT

Non-executive Director

Choo Tung Kheng

Independent Non-executive Directors

Tito Shane Isaac – Chairman of the Board

Lee Seng Chan

Lee Teong Sang

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

Balance and Diversity of the Board

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

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

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

The Nominating Committee conducted rigorous reviews when considering the independence of each Independent Director, and took into account the examples of relationships as set out in the Code, whether the Director has any business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement.

CORPORATE GOVERNANCE REPORT

Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang have served on the Board as Independent Directors for more than nine years. The Nominating Committee has considered specifically their length of service and determined that the Directors concerned have demonstrated strong independence both in character and in judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company in upholding the interest of the non-controlling shareholders.

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

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

The Independent Directors had met in the absence of Executive Directors, the Non-independent Non-executive Director and key management personnel in FY2016.

Principle 4: Board Membership

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

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

CORPORATE GOVERNANCE REPORT

The Chairman of the NC is not directly associated with any substantial shareholder of the Company. The NC has adopted specific written terms of reference and is scheduled to meet at least once a year. The key terms of reference which set out the role of the NC include, amongst others, the following:

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

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

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

In identifying suitable candidates, the NC may:

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

After shortlisting the candidates, the NC shall:

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

The NC reviews annually the independence of the Independent Directors based on the Code's definition of what constitutes an independent director and has affirmed that Mr Tito Shane Isaac, Mr Lee Seng Chan and Mr Lee Teong Sang are independent, notwithstanding all three Directors have served as Independent Directors for more than nine years, as explained under Principle 2. The NC has also reviewed the Directors who are due for retirement and re-election. All Directors are required under Regulation 89 of the Company's Constitution to submit themselves for re-nomination and re-election at least once every three years. New Directors who were appointed by the Board during the year would hold office until the next annual general meeting and would be eligible for re-election.

The NC recommends to the Board that the following Directors be nominated for re-election under the provisions of Regulation 89 of the Company's Constitution at the forthcoming annual general meeting:

Chan Teck Wah
Choo Tung Kheng
Tito Shane Isaac

CORPORATE GOVERNANCE REPORT

Madam Choo Tung Kheng will, upon re-appointment as a Director, remain as a member of the Audit Committee, Remuneration Committee and NC. Madam Choo Tung Kheng is considered non-independent for the purposes of Rule 704(7) of the Rules of Catalist.

Mr Tito Shane Isaac will, upon re-appointment as a Director, remain as the Chairman of the Board, Chairman of the Audit Committee and the Remuneration Committee and a member of the NC. Mr Tito Shane Isaac is considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

Mr Lee Seng Chan, who is over the age of 70, was re-elected as a Director to hold office from the date of the last annual general meeting held on 30 July 2015 until the forthcoming annual general meeting pursuant to Section 153(6) of the Companies Act. As Section 153(6) of the Companies Act had been repealed on 3 January 2016, the appointment of Mr Lee Seng Chan will lapse at the forthcoming annual general meeting and Mr Lee Seng Chan will have to be re-appointed at the forthcoming annual general meeting to continue in office. Mr Lee Seng Chan will, upon re-appointment as a Director, remain as the Chairman of the NC, and a member of the Audit Committee and the Remuneration Committee. Mr Lee Seng Chan is considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

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

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

Directors	Board Membership	Date of initial appointment	Date of last re-election	Directorships in other listed companies		Principal commitments
				Current	Past 3 Years	Current
Tito Shane Isaac	Non-executive Chairman and Independent Director	30 August 2006	31 July 2014	CPH Ltd.	Nil	Managing Partner at Tito Isaac & Co LLP
Ong Kian Soon	Executive Director/Chief Executive Officer	1 July 2011	31 July 2014	CPH Ltd.	Nil	Nil
Tan Bon Tan	Executive Director	20 August 2009	30 July 2015	Nil	Nil	Nil
Chan Teck Wah	Executive Director	23 September 2010	30 July 2013	Nil	Nil	Nil
Chea Chia Chan	Executive Director	23 September 2010	30 July 2015	Nil	Nil	Nil
Choo Tung Kheng	Non-executive Director	19 November 1999	31 July 2014	CPH Ltd.	Nil	Nil

CORPORATE GOVERNANCE REPORT

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

Principle 5: Board Performance

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

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

The assessment criteria for each individual Director include, *inter alia*, attendance at board meetings and related activities, adequacy of preparation for board meetings, generation of constructive debates, maintenance of independence, contributions to strategic or business decisions or in other areas, for instance, in finance, legal or risk management, and disclosure of interested person transactions. The evaluation process is undertaken by the Chairman of the NC, in consultation with the Chairman of the Board.

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

The NC has assessed the current Board and Board Committee's performance to-date, as well as the performance of each individual Director and is of the view that the performance of the Board as a whole, the Board Committees, and of each individual Director has been satisfactory. The Board has met its performance objectives for FY2016.

Although some of the Board members have board representation in other listed companies, the NC is satisfied that sufficient time and attention has been given by these Directors to the Group. In deciding the capacity of

CORPORATE GOVERNANCE REPORT

the Directors, the Board takes into consideration the number of other board representations and 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. 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 members 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 Company does not have any alternate Directors.

Principle 6: Access to Information

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

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

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

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

The RC has reviewed and is satisfied that the corporate performance targets have been met for FY2016.

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

All revisions to the remuneration packages for Directors and key management personnel are subject to the review and approval of the Board. No Director is involved in deciding his/her own remuneration package. Directors' fees will be paid only after approval by shareholders at the annual general meeting. Where necessary, the RC will consult human resource experts on remuneration matters of Directors and key management personnel. No remuneration consultants were engaged by the Company in FY2016.

CORPORATE GOVERNANCE REPORT

The breakdown of the remuneration packages of Directors and key management personnel for FY2016 is as follows:

	Salary	Bonus	Others	Fees	Total
	%	%	%	%	%
Directors					
<i>Below S\$250,000</i>					
Ong Kian Soon	88	8	4	–	100
Tan Bon Tan	92	8	–	–	100
Chan Teck Wah	92	8	–	–	100
Chea Chia Chan	86	14	–	–	100
Choo Tung Kheng	–	–	–	100	100
Lee Seng Chan	–	–	–	100	100
Lee Teong Sang	–	–	–	100	100
Tito Shane Isaac	–	–	–	100	100
Key management personnel					
<i>Below S\$250,000</i>					
Sim Puay Hwang	92	8	–	–	100
Ong Siew Kim	92	8	–	–	100
Tan Yeat Cheong ⁽¹⁾	90	10	–	–	100

(1) Mr Tan Yeat Cheong is the son of Mdm Choo Tung Kheng, the Non-executive Director of the Company.
His aggregate remuneration in FY2016 was within the S\$100,000 to S\$150,000 band.

There were only three top key management personnel for FY2016. 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 FY2016, 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 FY2016.

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

CORPORATE GOVERNANCE REPORT

Immediate family members of a Director

Save for Mr Tan Yeat Cheong as disclosed in the table above, there is no other immediate family member of a Director or the CEO in employment with the Company and its subsidiaries whose remuneration exceeded S\$50,000 during FY2016.

Share option scheme

The Company does not have any employee share option scheme.

Principle 10: Accountability

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

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

Principle 11: Risk Management and Internal Controls

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

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

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

CORPORATE GOVERNANCE REPORT

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

For FY2016, 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 and the Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management system is adequate and effective and that there are adequate internal controls in place to address financial, operational, compliance and information technology risks of the Group as at 31 March 2016.

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

Principle 12: Audit Committee

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

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

Two of the members have accounting or related financial management expertise and the Board considers that the AC members are appropriately qualified to discharge the responsibilities of the AC.

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

CORPORATE GOVERNANCE REPORT

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

- To review the overall scope of examination of the external auditors, the audit plan and their evaluation of the Group's system of internal accounting controls;
- To review significant financial reporting issues;
- To review on an annual basis the independence of the external auditors, recommend the appointment of the external auditors and their level of audit fees;
- To review the adequacy of the Company's internal controls and the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the final audits;
- To review the Group's half year and full year results announcements prior to the Board's approval;
- To review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalyst;
- To review the effectiveness of the Company's internal audit function (as applicable);
- To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- To undertake such other functions and duties as may be required by statute or the Rules of Catalyst, 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 FY2016.

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

The breakdown of audit and non-audit fees paid to the external auditors of the Company, BDO LLP, for their services rendered to the Group for FY2016 is as follows:

Description	Amount	Percentage
Statutory audit fees	S\$85,000	84.5
Non-audit fees payable in respect of tax advisory services rendered to the Group	S\$15,550	15.5
Total	S\$100,550	100.0

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

CORPORATE GOVERNANCE REPORT

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. Currently the whistle-blowing policy covers only employees of the Group. The Board will extend the whistle-blowing policy to external parties by the end of the financial year ending 31 March 2017.

Principle 13: Internal Audit

The Board is of the opinion that the size of the Group's operations does not warrant the Group having a separate internal audit function. Nevertheless the Company has in place a system of internal controls that has been approved and endorsed by the AC and the Board. The AC and the Board will assess the adequacy of internal control systems maintained by the management on a periodic basis and may commission an independent audit if it is not satisfied with the effectiveness of these internal controls.

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

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

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.

CORPORATE GOVERNANCE REPORT

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 FY2016.

At its general meetings, the Company will conduct voting by poll for all resolutions, and will make prompt disclosures of the voting decisions and outcomes.

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.

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 2016 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 FY2016 (excluding transactions less than S\$100,000).

Non-sponsorship Fees

There were no non-sponsorship fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., by the Company in FY2016.

Update on Use of Placement Proceeds

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

DIRECTORS' STATEMENT

The Directors of New Wave Holdings Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2016 and the statement of financial position of the Company as at 31 March 2016 and the statement of changes in equity of the Company for the financial year ended 31 March 2016.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

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

3. Arrangements to enable Directors to acquire shares or debentures

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

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

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

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1.4.2015	Balance as at 31.3.2016	Balance as at 1.4.2015	Balance as at 31.3.2016
The Company		Number of ordinary shares		
Chan Teck Wah	15,888,400	15,888,400	—	—
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 2016 in the shares of the Company have not changed from those disclosed as at 31 March 2016.

5. Share options

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

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

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

DIRECTORS' STATEMENT

6. Audit committee

The audit committee of the Company is chaired by Tito Shane Isaac, an Independent Director, and includes Lee Seng Chan, also an Independent Director and Choo Tung Kheng, a Non-Executive Director. The audit committee has met twice since the last Annual General Meeting ("AGM") and has carried out its functions in accordance with Section 201B(5) of the Singapore 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 of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;
- (d) the half-yearly and annual announcements of the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Company's external auditor; and
- (f) the re-appointment of the external auditor of the Company.

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

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

DIRECTORS' STATEMENT

7. Independent auditor

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

On behalf of the Board of Directors

Ong Kian Soon

Director

Singapore
27 June 2016

Chan Teck Wah

Director

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of New Wave Holdings Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 30 to 90, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2016, and the consolidated statement of comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

TO THE MEMBERS OF NEW WAVE HOLDINGS LTD.

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements (Continued)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

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.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
27 June 2016

AS AT 31 MARCH 2016

STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	4	2,692,416	2,909,242	724	1,685
Investment properties	5	2,815,000	2,815,000	–	–
Investments in subsidiaries	6	–	–	19,837,853	19,837,853
Intangible assets	7	1,118,696	1,270,272	–	–
Deferred tax asset	8	72,000	72,000	–	–
		6,698,112	7,066,514	19,838,577	19,839,538
Current assets					
Inventories	9	10,363,755	12,814,632	–	–
Trade and other receivables	10	5,090,726	6,628,705	6,668,348	6,598,645
Prepayments		200,902	156,971	11,101	11,471
Cash and cash equivalents	11	3,181,360	4,030,677	1,807,512	1,398,680
Current income tax recoverable		87,395	7,076	–	–
		18,924,138	23,638,061	8,486,961	8,008,796
Less:					
Current liabilities					
Trade and other payables	12	2,050,627	3,252,991	3,031,095	2,955,168
Interest-bearing liabilities	13	2,607,897	5,459,056	–	–
Current income tax payable		–	20,000	–	–
		4,658,524	8,732,047	3,031,095	2,955,168
Net current assets		14,265,614	14,906,014	5,455,866	5,053,628
Less:					
Non-current liabilities					
Interest-bearing liabilities	13	1,080,988	1,198,621	–	–
Deferred tax liabilities	8	114,087	144,617	–	–
		1,195,075	1,343,238	–	–
Net assets		19,768,651	20,629,290	25,294,443	24,893,166
Equity					
Share capital	14	26,088,313	24,752,128	26,088,313	24,752,128
Asset revaluation reserve	15	314,842	314,842	–	–
Share-based payment reserve	16	31,000	31,000	31,000	31,000
Foreign currency translation reserve	17	(1,148,084)	(281,242)	–	–
Accumulated (losses)/profit		(5,517,420)	(4,187,438)	(824,870)	110,038
Equity attributable to owners of the parent		19,768,651	20,629,290	25,294,443	24,893,166

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2016 \$	2015 \$
Revenue	18	20,873,013	24,495,016
Cost of sales		(17,257,237)	(19,855,681)
Gross profit		3,615,776	4,639,335
Other items of income			
Interest income from deposits with banks		12,748	12,577
Other income	19	213,979	509,704
Other items of expense			
Distribution costs		(460,493)	(685,938)
Administrative expenses		(3,918,879)	(4,199,077)
Finance costs	20	(159,762)	(158,157)
Other expenses		(575,675)	(639,442)
Loss before income tax	21	(1,272,306)	(520,998)
Income tax expense	22	(57,676)	(199,991)
Loss for the financial year		(1,329,982)	(720,989)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(866,842)	(127,851)
Total comprehensive income for the financial year		(2,196,824)	(848,840)
Loss attributable to:			
Owners of the parent		(1,329,982)	(720,989)
Total comprehensive income attributable to:			
Owners of the parent		(2,196,824)	(848,840)
Loss per share (Cents)			
– Basic and diluted	23	(0.09)	(0.05)

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 1.4.2015	24,752,128	314,842	31,000	(281,242)	(4,187,438)	20,629,290
Contributions by owners of the parent:						
Issue of shares, net of share issue expenses	1,336,185	—	—	—	—	1,336,185
Loss for the financial year	—	—	—	—	(1,329,982)	(1,329,982)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	—	—	—	(866,842)	—	(866,842)
Total comprehensive income for the financial year	—	—	—	(866,842)	(1,329,982)	(2,196,824)
Balance as at 31.3.2016	26,088,313	314,842	31,000	(1,148,084)	(5,517,420)	19,768,651
Balance as at 1.4.2014	24,752,128	314,842	31,000	(153,391)	(3,466,449)	21,478,130
Loss for the financial year	—	—	—	—	(720,989)	(720,989)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	—	—	—	(127,851)	—	(127,851)
Total comprehensive income for the financial year	—	—	—	(127,851)	(720,989)	(848,840)
Balance as at 31.3.2015	24,752,128	314,842	31,000	(281,242)	(4,187,438)	20,629,290

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

STATEMENTS OF CHANGES IN EQUITY

	Share capital \$	Share-based payment reserve \$	Accumulated (losses)/profit \$	Total equity \$
Company				
Balance as at 1.4.2015	24,752,128	31,000	110,038	24,893,166
Contributions by owners of the parent:				
Issue of shares, net of share issue expenses	1,336,185	–	–	1,336,185
Loss for the financial year, representing total comprehensive income for the financial year	–	–	(934,908)	(934,908)
Balance as at 31.3.2016	<u>26,088,313</u>	<u>31,000</u>	<u>(824,870)</u>	<u>25,294,443</u>
Balance as at 1.4.2014	24,752,128	31,000	(3,951,614)	20,831,514
Profit for the financial year, representing total comprehensive income for the financial year	–	–	4,061,652	4,061,652
Balance as at 31.3.2015	<u>24,752,128</u>	<u>31,000</u>	<u>110,038</u>	<u>24,893,166</u>

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 \$	2015 \$
Operating activities		
Loss before income tax	(1,272,306)	(520,998)
Adjustments for:		
Allowance for impairment of trade receivables	17,571	43,914
Amortisation of intangible assets	151,576	151,576
Bad trade receivables written off	929	–
Depreciation of property, plant and equipment	276,104	298,671
Gain on disposal of plant and equipment	(41,638)	(1,038)
Interest expense	159,762	158,157
Interest income	(12,748)	(12,577)
Write back of allowance for impairment of trade receivables no longer required	(2,224)	(385)
Write down of inventories	41,508	145,281
Operating cash flows before working capital changes	(681,466)	262,601
Working capital changes:		
Inventories	1,851,872	(1,746,409)
Trade and other receivables	1,271,524	(749,782)
Trade and other payables	(1,123,354)	(58,752)
Prepayments	(49,749)	(4,365)
Cash from/(used in) operations	1,268,827	(2,296,707)
Interest received	12,748	12,577
Interest paid	(159,762)	(158,157)
Income taxes paid, net	(187,298)	(227,029)
Net cash from/(used in) operating activities	934,515	(2,669,316)
Investing activities		
Proceeds from disposal of property, plant and equipment	47,373	3,958
Purchase of property, plant and equipment	(152,605)	(44,240)
Net cash used in investing activities	(105,232)	(40,282)
Financing activities		
Proceeds from issuance of shares	1,336,185	–
Proceeds from trust receipts	10,823,984	13,771,436
Repayment of trust receipts	(13,657,045)	(11,289,375)
Repayment of term loan	(32,543)	(92,349)
Repayment of finance lease obligations	(41,029)	(23,318)
Net cash (used in)/from financing activities	(1,570,448)	2,366,394
Net change in cash and cash equivalents	(741,165)	(343,204)
Cash and cash equivalents as at the beginning of the financial year	4,030,677	4,447,597
Effects of currency translation on cash and cash equivalents	(108,152)	(73,716)
Cash and cash equivalents as at the end of the financial year (Note 11)	3,181,360	4,030,677

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

1. General corporate information

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

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

The consolidated financial statements of the Company and its subsidiaries (the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2016 were authorised for issue by the Board of Directors on 27 June 2016.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective

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

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	: Disclosure initiative	1 January 2016
FRS 7 (Amendments)	: Disclosure initiative	1 January 2017
FRS 12 (Amendments)	: Recognition to Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16 and FRS 38 (Amendments)	: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27 (Amendments)	: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2018
FRS 115 (Amendments)	: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
Improvement to FRSs (November 2014)		1 January 2016
– FRS 105 (Amendments)	: Non-current Assets Held for sale and Discontinued Operations	1 January 2016
– FRS 107 (Amendments)	: Financial Instruments: Disclosures	1 January 2016

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

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

FRS 109 Financial Instruments

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

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

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

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. The new impairment requirements are also likely to bring significant changes for impairment provision on trade and other receivables. The Group is in the process of making a detailed assessment of the impact of this standard and plans to adopt the standard on the required effective date.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

FRS 115 Revenue from Contracts with Customers

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

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. The Group plans to adopt the standard in the financial year beginning on 1 April 2018 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year. The Group is in the process of making a detailed assessment of the impact of this standard and plans to adopt the standard on the required effective date.

2.2 Basis of consolidation

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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 FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

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

2.3 Business combinations

Business combinations from 1 April 2010

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (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.

Business combinations before 1 April 2010

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

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

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

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

2.4 Property, plant and equipment

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.4 Property, plant and equipment (Continued)

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
Freehold properties	50

Freehold properties comprise freehold land and building. Freehold land has an unlimited useful life and therefore is not depreciated.

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

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

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.

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.6 Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible asset 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 are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

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

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.8 Inventories

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

Aluminium products distribution

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

Components distribution

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

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

2.9 Financial instruments

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

Effective interest method

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets

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

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

Loans and receivables

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

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

Impairment of financial assets

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

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities.

Other financial liabilities

Trade and other payables

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities (Continued)

Interest-bearing liabilities

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

Financial guarantee contracts

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

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

Derecognition of financial liabilities

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

2.10 Cash and cash equivalents

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.11 Revenue recognition

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

Sale of goods

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

Interest income

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

Rental income

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

2.12 Government grants

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

2.13 Retirement benefit costs

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.14 Employee leave entitlements

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

2.15 Share-based payments

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

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

2.16 Leases

When the Group is the lessee

Finance leases

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

When the Group is the lessee (Continued)

Operating leases

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

When the Group is the lessor

Operating leases

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

2.17 Borrowing costs

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

2.18 Taxes

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

Current income tax

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.18 Taxes (Continued)

Deferred tax

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

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

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

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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.

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.20 Segment reporting

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

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1 Critical judgements made in applying the accounting policies

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

Impairment of investments in subsidiaries

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

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

3.2 Key sources of estimation uncertainty (Continued)

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of the property, plant and equipment to be within 3 to 50 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2016 were \$2,692,416 (2015: \$2,909,242) and \$724 (2015: \$1,685) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment. Therefore, future depreciation charges could be revised.

(ii) Fair value of investment properties

The investment properties were stated at fair value in accordance with the accounting policy stated in Note 2.5 to the financial statements. The fair value of the investment properties is determined by a firm of independent professional valuers and the fair value of investment properties as at 31 March 2016 was \$2,815,000 (2015: \$2,815,000).

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

(iii) Allowance for inventories obsolescence

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

The carrying amount of the Group's inventories as at 31 March 2016 was \$10,363,755 (2015: \$12,814,632) and the write down of inventories made during the financial year was \$41,508 (2015: \$145,281).

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Allowance for impairment of trade and other receivables

The management establishes allowance for impairment of trade and other receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its counter-parties' financial position. If the financial conditions of its counter-parties were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of trade and other receivables of the Group and the Company as at 31 March 2016 were \$5,090,726 (2015: \$6,628,705) and \$6,668,348 (2015: \$6,598,645) respectively.

(v) Provision for income taxes

The Group has exposure to income taxes in several jurisdictions and recognises liabilities based on estimates of income tax payable. There are certain transactions and computation for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amounts of the Group's current income tax recoverable and current income tax payable as at 31 March 2016 were \$87,395 (2015: \$7,076) and Nil (2015: \$20,000) respectively.

The carrying amounts of the Group's deferred tax asset and deferred tax liabilities as at 31 March 2016 were \$72,000 (2015: \$72,000) and \$114,087 (2015: \$144,617) respectively.

(vi) Impairment of intangible assets

Determining whether intangible assets are impaired require an estimation of the value-in-use of the cash-generating units ("CGU") to which intangible assets have been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The carrying amount of the Group's intangible assets as at 31 March 2016 was \$1,118,696 (2015: \$1,270,272).

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

4. Property, plant and equipment

	Plant and machinery \$	Office equipment \$	Furniture, fittings and renovation \$	Motor vehicles \$	Computer equipment and accessories \$	Freehold properties \$	Total \$
Group							
Cost							
Balance as at 1.4.2015	716,595	71,874	260,750	256,117	437,757	2,728,624	4,471,717
Additions	157,807	22,550	200	–	25,936	–	206,493
Written-off/disposal	(46,775)	(1,765)	(23,081)	(77,773)	(20,714)	–	(170,108)
Foreign currency translation differences	(33,850)	(2,508)	(12,359)	(4,635)	(3,146)	(119,209)	(175,707)
Balance as at 31.3.2016	793,777	90,151	225,510	173,709	439,833	2,609,415	4,332,395
Accumulated depreciation							
Balance as at 1.4.2015	454,889	52,781	160,300	173,791	330,990	389,724	1,562,475
Depreciation for the financial year	56,035	12,589	46,144	36,442	89,454	35,440	276,104
Written-off/disposal	(46,775)	(1,215)	(23,081)	(72,588)	(20,714)	–	(164,373)
Foreign currency translation differences	(17,579)	(1,766)	(6,164)	(4,137)	(2,572)	(2,009)	(34,227)
Balance as at 31.3.2016	446,570	62,389	177,199	133,508	397,158	423,155	1,639,979
Carrying amount							
Balance as at 31.3.2016	347,207	27,762	48,311	40,201	42,675	2,186,260	2,692,416
Cost							
Balance as at 1.4.2014	668,193	70,938	258,991	268,908	437,024	2,798,781	4,502,835
Additions	53,040	3,011	3,727	–	14,054	–	73,832
Written-off/disposal	(14,587)	(4,692)	–	(12,628)	(12,459)	–	(44,366)
Foreign currency translation differences	9,949	2,617	(1,968)	(163)	(862)	(70,157)	(60,584)
Balance as at 31.3.2015	716,595	71,874	260,750	256,117	437,757	2,728,624	4,471,717
Accumulated depreciation							
Balance as at 1.4.2014	420,866	48,579	110,346	132,940	234,708	363,592	1,311,031
Depreciation for the financial year	52,349	7,486	51,090	50,875	109,646	27,225	298,671
Written-off/disposal	(14,587)	(4,692)	–	(9,708)	(12,459)	–	(41,446)
Foreign currency translation differences	(3,739)	1,408	(1,136)	(316)	(905)	(1,093)	(5,781)
Balance as at 31.3.2015	454,889	52,781	160,300	173,791	330,990	389,724	1,562,475
Carrying amount							
Balance as at 31.3.2015	261,706	19,093	100,450	82,326	106,767	2,338,900	2,909,242

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

4. Property, plant and equipment (Continued)

	Office equipment \$	Computer equipment and accessories \$	Total \$
Company			
Cost			
Balance as at 1.4.2015/31.3.2016	–	13,333	13,333
Accumulated depreciation			
Balance as at 1.4.2015	–	11,648	11,648
Depreciation for the financial year	–	961	961
Balance as at 31.3.2016	–	12,609	12,609
Carrying amount			
Balance as at 31.3.2016	–	724	724
Cost			
Balance as at 1.4.2014	842	23,460	24,302
Written-off	(842)	(10,127)	(10,969)
Balance as at 31.3.2015	–	13,333	13,333
Accumulated depreciation			
Balance as at 1.4.2014	842	20,172	21,014
Depreciation for the financial year	–	1,603	1,603
Written-off	(842)	(10,127)	(10,969)
Balance as at 31.3.2015	–	11,648	11,648
Carrying amount			
Balance as at 31.3.2015	–	1,685	1,685

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

	Group	
	2016 \$	2015 \$
Freehold property	1,493,225	1,625,825

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

4. Property, plant and equipment (Continued)

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

	Group	
	2016	2015
	\$	\$
Motor vehicles	27,140	39,202
Plant and machinery	54,389	31,672
Office equipment	14,592	–
	96,121	70,874

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

	Group	
	2016	2015
	\$	\$
Additions of property, plant and equipment	206,493	73,832
Acquired under finance lease agreements	(53,888)	(29,592)
Cash payments to acquire property, plant and equipment	152,605	44,240

The Group's freehold properties as at 31 March 2016 are as follows:

Location	Description	Tenure	Approximate site area (sq.m)
101 Kitchener Road Jalan Besar Plaza #02-17 Singapore 208511	Shop unit	Freehold	163
No. 12 Jalan Makmur 2 Taman Perindustrian Cemerlang 81800 Ulu Tiram Malaysia	Factory	Freehold	2,445.81

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties

	Group	
	2016	2015
	\$	\$
At fair value		
Balance as at the beginning and end of the financial year	2,815,000	2,815,000

The following amounts were recognised in profit or loss:

	Group	
	2016	2015
	\$	\$
Operating lease income – investment properties	55,280	63,120
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	(35,874)	(27,225)

The fair values of the Group's investment properties as at 31 March 2016 and 2015 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).

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (Continued)

Fair value hierarchy (Continued)

The different levels are defined as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Group				
2016				
Non-financial assets				
Investment properties	–	–	2,815,000	2,815,000
2015				
Non-financial assets				
Investment properties	–	2,815,000	–	2,815,000

There were no transfers between Levels 1 and 2 during the year.

At the end of the financial year, the management re-assessed the fair value hierarchy of the Group's investment properties. Based on the management's re-assessment, the resulting fair value hierarchy of the Company's investment properties are considered level 3, instead of level 2.

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries

	Company	
	2016	2015
	\$	\$
Unquoted equity in corporations, at cost	41,895,236	41,895,236
Allowance for impairment loss	(22,057,383)	(22,057,383)
	19,837,853	19,837,853

Movement in allowance for impairment loss is as follows:

	Company	
	2016	2015
	\$	\$
Balance as at the beginning of the financial year	22,057,383	27,057,383
Reversal of impairment loss during the financial year*	—	(5,000,000)
Balance as at the end of the financial year	22,057,383	22,057,383

* This was included in the "Other income" in the Company's profit or loss in the previous financial year.

In the previous financial year, a reversal of an allowance for impairment loss of \$5,000,000 was recognised relating to the investment in Manufacturing Network Pte Ltd in the aluminium products distribution segment following an improvement in market conditions that resulted in an increase in the projected value-in-use of this investment. The recoverable amount of the investment of \$10,347,800 has been determined on the basis of its value-in-use. The discount rate used in measuring value-in-use was 3.6%. The discount rate used when the recoverable amount of the investment was previously estimated in 2012 was 8.4%.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity held by the Group	
		2016 %	2015 %
<i>Held by the Company</i>			
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
Eplus Technologies Pte Ltd (Singapore) ⁽¹⁾	Trading in electrical and electronics components and provision of IT and software consultancy services	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
Eplus Technologies Sdn. Bhd. (Malaysia) ⁽²⁾	Trading and distribution of cables, electrical and electronics components	100	100

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity held by the Group	
		2016	2015
		%	%
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
MNPL Investments Pte. Ltd. (Singapore) ⁽¹⁾	Investment holding	100	100
MSC Aluminium Holdings Pte. Ltd. (Singapore) ⁽¹⁾	Import and export of aluminium alloy products and investment holding	100	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
Held by MSC Aluminium Holdings Pte. Ltd.			
Twin Metal Service Centre Sdn. Bhd. (Malaysia) ⁽²⁾	Fabricating and trading of aluminium products	100	100
ST Microtech Enterprise Sdn. Bhd. (Malaysia) ⁽⁴⁾	Liquidated	–	100

⁽¹⁾ Audited by BDO LLP, Singapore⁽²⁾ Audited by BDO, Malaysia, a member of BDO International Limited⁽³⁾ Audited by Shanghai LSC Certified Public Accountants Co., Ltd.⁽⁴⁾ The company was liquidated on 18 August 2015

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

7. Intangible assets

	Goodwill	Customer relationships	Total
	\$	\$	\$
Group			
Cost			
Balance as at 1.4.2015 and 31.3.2016	3,876,126	1,515,760	5,391,886
Accumulated amortisation			
Balance as at 1.4.2015	–	757,880	757,880
Amortisation for the financial year	–	151,576	151,576
Balance as at 31.3.2016	–	909,456	909,456
Accumulated impairment			
Balance as at 1.4.2015 and 31.3.2016	3,363,734	–	3,363,734
Carrying amount			
Balance as at 31.3.2016	512,392	606,304	1,118,696
Average remaining useful lives		4 years	
Group			
Cost			
Balance as at 1.4.2014 and 31.3.2015	3,876,126	1,515,760	5,391,886
Accumulated amortisation			
Balance as at 1.4.2014	–	606,304	606,304
Amortisation for the financial year	–	151,576	151,576
Balance as at 31.3.2015	–	757,880	757,880
Accumulated impairment			
Balance as at 1.4.2014 and 31.3.2015	3,363,734	–	3,363,734
Carrying amount			
Balance as at 31.3.2015	512,392	757,880	1,270,272
Average remaining useful lives		5 years	

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

7. Intangible assets (Continued)

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

The Group prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and the forecasted zero growth rates to extrapolate cash flows beyond five years. The average gross profit margin and discount rate used for the next 5 years' cash flow forecasts are 14% (2015: 17% to 19%) and 7.81% (2015: 3.60%) respectively.

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

8. Deferred tax asset/(liabilities)

	Group	
	2016	2015
	\$	\$
Deferred tax asset – Unutilised tax losses		
Balance as at the beginning/end of the financial year	72,000	72,000
Deferred tax liabilities		
Balance as at the beginning of the financial year	(144,617)	(164,588)
Credited to profit or loss	29,403	19,303
Foreign currency translation differences	1,127	668
Balance as at the end of the financial year	(114,087)	(144,617)
Recognised deferred tax liabilities are attributable to the following:		
Plant and equipment	(11,015)	(15,777)
Intangible assets – customer relationships	(103,072)	(128,840)
	(114,087)	(144,617)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

9. Inventories

	Group	
	2016	2015
	\$	\$
Inventories held for resale	10,149,678	12,196,085
Goods-in-transit	214,077	618,547
	10,363,755	12,814,632

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss amounted to \$17,257,237 (2015: \$19,855,681). The inventories written down of \$41,508 (2015:\$145,281) pursuant to a review of the net realisable value of the inventories during the financial year were included under "other operating expenses".

10. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
Trade receivables	4,427,854	5,742,622	–	–
Allowance for impairment loss	(98,239)	(84,009)	–	–
	4,329,615	5,658,613	–	–
Other receivables				
– third parties	16,733	56,773	742	108
– subsidiaries	–	–	6,667,606	6,598,537
	16,733	56,773	6,668,348	6,598,645
Deposits	31,431	42,317	–	–
Advance payments to suppliers	36,342	43,768	–	–
GST/VAT recoverable	676,605	827,234	–	–
Trade and other receivables	5,090,726	6,628,705	6,668,348	6,598,645
Less: Advance payments to suppliers	(36,342)	(43,768)	–	–
Less: GST/VAT recoverable	(676,605)	(827,234)	–	–
Add: Cash and cash equivalents	3,181,360	4,030,677	1,807,512	1,398,680
Loans and receivables	7,559,139	9,788,380	8,475,860	7,997,325

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables (Continued)

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

	Group	
	2016	2015
	\$	\$
Balance as at the beginning of the financial year	84,009	42,738
Write-back of allowance no longer required	(2,224)	(385)
Write-off against allowance	(1,022)	(2,210)
Allowance made during the financial year	17,571	43,914
Foreign currency translation differences	(95)	(48)
Balance as at the end of the financial year	98,239	84,009

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

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

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience. These trade receivables are individually determined to be impaired. Allowance for impairment of trade receivables of \$17,571 (2015: \$43,914) was recognised in profit or loss under "Other expenses" line item.

Allowance written back of \$2,224 (2015: \$385) 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	
	2016	2015	2016	2015
	\$	\$	\$	\$
United States dollar	350,834	752,330	–	–
Singapore dollar	1,544,294	2,325,413	6,668,348	6,598,645
Malaysian ringgit	1,522,811	1,857,095	–	–
Chinese renminbi	1,672,787	1,693,867	–	–
	5,090,726	6,628,705	6,668,348	6,598,645

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

11. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
Fixed deposits with banks	2,111,779	1,703,706	1,749,481	1,338,530
Cash and bank balances	1,069,581	2,326,971	58,031	60,150
	3,181,360	4,030,677	1,807,512	1,398,680

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
United States dollar	280,871	587,648	11,922	12,148
Singapore dollar	2,081,343	2,134,859	1,795,590	1,386,532
Malaysian ringgit	448,619	858,968	–	–
Chinese renminbi	370,527	449,202	–	–
	3,181,360	4,030,677	1,807,512	1,398,680

The fixed deposits with banks mature within 1 month from the end of the financial year. The weighted average effective interest rate on the fixed deposits is approximately 0.76% (2015: 0.67%) per annum.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

12. Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
Trade payables – third parties	1,146,550	2,388,722	–	–
Other payables				
– third parties	247,119	250,232	71,698	45,428
– subsidiaries	–	–	2,767,460	2,744,786
	247,119	250,232	2,839,158	2,790,214
Deposits received from customers	13,940	2,133	–	–
Advanced billings	44,877	52,923	–	–
GST payables	43,965	2,883	–	–
Rental deposit received	10,760	12,170	–	–
Accrued operating expenses	448,387	452,241	132,017	112,564
Accrued unutilised leave	95,029	91,687	59,920	52,390
Trade and other payables	2,050,627	3,252,991	3,031,095	2,955,168
Less:				
Deposits received from customers	(13,940)	(2,133)	–	–
Advanced billings	(44,877)	(52,923)	–	–
GST payables	(43,965)	(2,883)	–	–
Accrued unutilised leave	(95,029)	(91,687)	(59,920)	(52,390)
Add: Interest-bearing liabilities	3,688,885	6,657,677	–	–
Other financial liabilities carried at amortised cost	5,541,701	9,761,042	2,971,175	2,902,778

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

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

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
United States dollar	277,698	905,783	–	–
Singapore dollar	1,000,808	1,200,371	3,031,095	2,955,168
Malaysian ringgit	712,332	1,077,143	–	–
Chinese renminbi	59,789	69,694	–	–
	2,050,627	3,252,991	3,031,095	2,955,168

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

13. Interest-bearing liabilities

	Group	
	2016	2015
	\$	\$
<u>Current liabilities</u>		
Finance lease – secured	33,278	23,913
Term loan – secured	37,029	37,727
Trust receipts – unsecured	2,537,590	5,397,416
	2,607,897	5,459,056
<u>Non-current liabilities</u>		
Finance lease – secured	17,410	15,356
Term loan – secured	1,063,578	1,183,265
	1,080,988	1,198,621
	3,688,885	6,657,677

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

	Group	
	2016	2015
	%	%
Finance lease	3.31 – 7.01	6.02 – 7.01
Term loan	4.95	4.70
Trust receipts	1.20 – 3.25	1.80 – 3.25

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

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

As at the end of the financial year, the Group's banking facilities (finance lease, term loan, trust receipts and letter of credit) amounting to \$14,245,800 (2015: \$14,796,546) are supported by corporate guarantees provided by the Company.

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

	2016	2015
	\$	\$
Facilities granted	14,245,800	14,796,546
Facilities utilised	5,151,307	9,716,257

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

13. Interest-bearing liabilities (Continued)

Finance lease – secured

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

	Minimum lease payments \$	Future finance charges \$	Present value of minimum lease payments \$
Group			
2016			
Not later than one year	35,319	(2,041)	33,278
Later than one year and not later than five years	19,640	(2,230)	17,410
	54,959	(4,271)	50,688
2015			
Not later than one year	26,503	(2,590)	23,913
Later than one year and not later than five years	16,228	(872)	15,356
	42,731	(3,462)	39,269

The terms of the finance leases range from 2 to 5 years (2015: 3 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	
	2016	2015
	\$	\$
United States dollar	2,454,187	5,212,306
Singapore dollar	39,818	18,317
Malaysian ringgit	1,111,477	1,241,944
Euro	83,403	185,110
	3,688,885	6,657,677

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital

	Group and Company			
	2016	2015	2016	2015
	Number of ordinary shares		\$	\$
Issued and fully paid up:				
Balance at the beginning of the financial year	1,457,469,695	1,457,469,695	24,752,128	24,752,128
Issued during the financial year	150,000,000	–	1,336,185	–
Balance at the end of the financial year	1,607,469,695	1,457,469,695	26,088,313	24,752,128

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

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

15. Asset revaluation reserve**Group**

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

16. Share-based payment reserve**Group and Company**

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

The share-based payment reserve is non-distributable.

17. Foreign currency translation reserve**Group**

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue

	Group	
	2016	2015
	\$	\$
Components distribution	3,358,204	3,641,171
Aluminium products distribution	17,514,809	20,853,845
	20,873,013	24,495,016

19. Other income

	Group	
	2016	2015
	\$	\$
Foreign exchange gains, net	–	318,158
Gain on disposal of plant and equipment	41,638	1,038
Government grants		
– PIC cash payout	32,317	62,672
– Special/Temporary Employment Credit	17,065	11,472
– Wage Credit Scheme	24,525	11,827
Operating lease income – investment properties	55,280	63,120
Write back of allowance for impairment of trade receivables no longer required	2,224	385
Miscellaneous income	40,930	41,032
	213,979	509,704

20. Finance costs

	Group	
	2016	2015
	\$	\$
Interest expenses on:		
– overdraft	5,559	–
– finance leases	3,645	2,631
– term loan	56,940	63,374
– trust receipts	93,618	92,152
	159,762	158,157

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

21. Loss before income tax

The above is arrived at after charging:

	Group	
	2016	2015
	\$	\$
<u>Distribution costs</u>		
Entertainment expenses	55,185	90,015
Freight outwards	220,453	330,120
Sales commission	61,753	94,704
Transport expenses	36,461	59,261
Travelling expenses	25,041	42,845
<u>Administrative expenses</u>		
Directors' fees	187,000	187,000
Fees paid/payable to auditors of the Company		
– Audit fees	85,000	85,000
– Non-audit fees	15,550	15,400
Fees paid/payable to other auditors		
– Audit fees	15,704	14,873
– Non-audit fees	3,604	4,717
Operating lease expenses		
– office equipment	1,087	3,335
– office premises	235,415	239,713
Professional fees	154,268	182,978
Employee benefits expense*		
– salaries, bonus and other benefits	2,318,467	2,461,593
– defined contribution plans	212,481	235,048
	2,530,948	2,696,641
<u>Other expenses</u>		
Allowance for impairment of trade receivables	17,571	43,914
Amortisation of intangible asset	151,576	151,576
Bad trade receivables written off	929	–
Depreciation of property, plant and equipment	276,104	298,671
Foreign exchange loss, net	87,987	–
Write down of inventories	41,508	145,281

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

22. Income tax expense

	Group	
	2016	2015
	\$	\$
Current income tax		
– current financial year	83,249	226,922
– under/(over)provision in prior financial years	3,830	(7,628)
	87,079	219,294
Deferred income tax		
– current financial year	(20,448)	(11,106)
– overprovision in prior financial years	(8,955)	(8,197)
	(29,403)	(19,303)
Total income tax expense recognised in profit or loss	57,676	199,991

Reconciliation of effective income tax rate

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

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

	Group	
	2016	2015
	\$	\$
Loss before income tax	(1,272,306)	(520,998)
Income tax using statutory tax rate	(216,292)	(88,570)
Effect of different tax rate in other countries	(41,929)	33,828
Tax effect of expenses not deductible for tax purposes	115,520	255,949
Tax effect of income not subject to tax	(13,035)	(85,873)
Under/(Over)provision of current income tax in prior financial years	3,830	(7,628)
Overprovision of deferred tax in prior financial years	(8,955)	(8,197)
Deferred tax assets not recognised in profit or loss	241,135	108,308
Utilisation of deferred tax assets previously not recognised	(6,409)	(5,154)
Others	(16,189)	(2,672)
	57,676	199,991

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

22. Income tax expense (Continued)

Unrecognised deferred tax assets

	Group	
	2016	2015
	\$	\$
Balance as at the beginning of the financial year	1,658,075	1,533,036
Deferred tax assets not recognised	241,135	108,308
Adjustments	(17,534)	21,885
Utilised during the financial year	(6,409)	(5,154)
Balance as at the end of the financial year	1,875,267	1,658,075

Unrecognised deferred tax assets are attributable to the following:

	Group	
	2016	2015
	\$	\$
Property, plant and equipment	123,664	104,369
Unutilised tax losses	1,751,603	1,553,706
	1,875,267	1,658,075

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of \$10,727,000 (2015: \$9,563,000) available for offset against future profits. A deferred tax asset has been recognised in respect of \$423,000 (2015: \$423,000) of such losses. No deferred tax asset has been recognised in respect of the remaining \$10,304,000 (2015: \$9,140,000) 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 \$1,760,000 (2015: \$774,000) 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 2020.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

23. Loss per share

	Group	
	2016	2015
Loss per share (Cents)		
– Basic and diluted	(0.09)	(0.05)
The calculation of basic and diluted loss per share is based on:		
Loss attributable to the owners of the parent (\$)	(1,329,982)	(720,989)
Weighted average number of ordinary shares	1,499,387,503	1,457,469,695

Basic loss per share is calculated by dividing the Group's loss attributable to the owners of the parent by the weighted average (2015: actual) number of shares in issue during the financial year.

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

24. Operating lease commitments**When the Group is a lessor**

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

	Group	
	2016	2015
	\$	\$
Not later than one year	20,982	7,220
Later than one year and not later than five years	9,112	–
	30,094	7,220

The above lease agreements expire on the dates between 31 May 2016 and 14 October 2017. 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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

24. Operating lease commitments (Continued)**When the Group is a lessee**

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

	Group	
	2016	2015
	\$	\$
Not later than one year	88,032	144,070
Later than one year and not later than five years	78,338	175,386
	166,370	319,456

The above lease agreement expires on 19 February 2018 (2015: between 5 August 2015 and 19 February 2018). The current rent payable under the lease is subject to revision after expiry. The above commitment was based on prevailing rental rate 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	
	2016	2015
	\$	\$
<u>With a related party</u>		
– operating lease expense – office premises	87,119	87,119

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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	
	2016	2015	2016	2015
	\$	\$	\$	\$
Directors' fee	187,000	187,000	61,000	61,000
Short-term employee benefits	771,765	788,104	416,963	428,409
Post-employment benefits	70,927	69,016	35,056	35,476
	1,029,692	1,044,120	513,019	524,885

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

	Group		Company	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Directors of the Company</i>				
Directors' fee	187,000	187,000	61,000	61,000
Short-term employee benefits	446,772	460,456	215,385	226,831
Post-employment benefits	38,787	38,466	8,075	9,525
	672,559	685,922	284,460	297,356
<i>Directors of subsidiaries</i>				
Short-term employee benefits	205,003	207,659	123,500	123,500
Post-employment benefits	20,995	20,140	20,995	20,140
	225,998	227,799	144,495	143,640
	898,557	913,721	428,955	440,996

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 office premises is as follows:

	Group	
	2016	2015
	\$	\$
Not later than one year	50,819	87,119
Later than one year and not later than five years	–	50,819
	50,819	137,938

The lease agreement expires on 31 October 2016. The current rents payable under the lease is subject to revision after expiry. The above commitment was based on prevailing rental rate for the current financial year.

26. Segment information

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

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

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

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

26. Segment information (Continued)

Business segments (Continued)

	Components distribution \$	Aluminium products distribution \$	Unallocated \$	Consolidated \$
Group				
2015				
Revenue				
External revenue	3,641,171	20,853,845	–	24,495,016
Results				
Segment results	(172,044)	1,186,326	(939,453)	74,829
Interest income	116	9,727	2,734	12,577
Finance costs	–	(158,157)	–	(158,157)
Amortisation of intangible assets	–	(151,576)	–	(151,576)
Depreciation expense	(71,702)	(225,366)	(1,603)	(298,671)
(Loss)/Profit before income tax	(243,630)	660,954	(938,322)	(520,998)
Income tax expense	–	(199,965)	(26)	(199,991)
(Loss)/Profit after income tax	(243,630)	460,989	(938,348)	(720,989)
Capital expenditure				
– Property, plant and equipment	2,640	71,192	–	73,832
Assets and liabilities				
Segment assets	5,739,760	23,473,794	1,411,945	30,625,499
Current income tax recoverable and deferred tax asset	72,000	7,076	–	79,076
Total assets	5,811,760	23,480,870	1,411,945	30,704,575
Segment liabilities	605,241	9,095,045	210,382	9,910,668
Current income tax payable and deferred tax liabilities	–	164,617	–	164,617
Total liabilities	605,241	9,259,662	210,382	10,075,285

Geographical information

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

26. Segment information (Continued)

Geographical information (Continued)

	Singapore	Malaysia	People's Republic of China	Others	Consolidated
	\$	\$	\$	\$	\$
Group					
2016					
Total revenue from external customers	6,612,994	7,731,315	6,377,070	151,634	20,873,013
Non-current assets	4,820,058	1,597,921	208,133	–	6,626,112
2015					
Total revenue from external customers	8,151,044	10,281,502	5,459,356	603,114	24,495,016
Non-current assets	4,981,760	1,777,598	235,156	–	6,994,514

Major customers

Revenue from two (2015: two) customers of the aluminium products distribution segment represents approximately 28% (2015: 19%) 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 \$14,245,800 (2015: \$14,796,546) and to a supplier on behalf of its subsidiary for supplying goods to the subsidiary amounting to \$674,400 (2015: Nil). The amount utilised by certain subsidiaries amounted to approximately \$5.2 million (2015: \$9.7 million).

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments, financial risks and capital management

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

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

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

28.1 Credit risk

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

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for three (2015: one) trade receivables from third parties of the Group amounting to approximately \$721,824 (2015: \$589,584) as at the end of the financial year.

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

Bank deposits are mainly deposits with reputable banks.

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

28.1 Credit risk (Continued)

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

	Gross receivables 2016 \$	Impairment 2016 \$	Gross receivables 2015 \$	Impairment 2015 \$
Group				
Not past due	3,013,975	–	3,136,942	–
Past due for 1 to 90 days	1,181,305	–	2,246,890	–
Past due for 91 to 180 days	76,791	–	195,735	–
Past due for 181 to 365 days	66,673	9,129	123,054	41,910
Past due for more than 365 days	89,110	89,110	40,001	42,099
	4,427,854	98,239	5,742,622	84,009

28.2 Market risks

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

Foreign currency risks

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments, financial risks and capital management (Continued)**28.2 Market risks (Continued)****Foreign currency risks (Continued)**

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

	Monetary liabilities		Monetary assets	
	2016	2015	2016	2015
	\$	\$	\$	\$
Group				
USD	12,962,446	16,924,181	10,860,015	12,224,034
Company				
USD	–	–	11,922	12,148

Foreign currency sensitivity analysis

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

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

	Group		Company	
	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
	profit or loss	profit or loss	profit or loss	profit or loss
	2016	2015	2016	2015
	\$	\$	\$	\$
USD				
Strengthens against SGD	(105,122)	(235,007)	596	607
Weakens against SGD	105,122	235,007	(596)	(607)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

28.2 Market risks (Continued)

Interest rate risks

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

Interest rate sensitivity analysis

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

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

	Profit or loss	
	2016	2015
	\$	\$
Group		
Term loan	11,006	12,210
Trust receipts	25,376	53,974

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.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

28.3 Liquidity risk (Continued)

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.

Contractual maturity analysis

	Effective interest rate %	On demand or less than one year \$	Within two to five years \$	More than five years \$	Total \$
Group					
<u>Financial liabilities</u>					
Non-interest bearing	–	1,852,816	–	–	1,852,816
Fixed interest bearing	3.31 – 7.01	35,319	19,640	–	54,959
Variable interest bearing	1.20 – 4.95	2,614,886	362,590	1,155,755	4,133,231
As at 31.3.2016		4,503,021	382,230	1,155,755	6,041,006
<u>Financial liabilities</u>					
Non-interest bearing	–	3,103,365	–	–	3,103,365
Fixed interest bearing	6.02 – 7.01	26,503	16,228	–	42,731
Variable interest bearing	1.80 – 4.70	5,473,561	390,791	1,343,344	7,207,696
As at 31.3.2015		8,603,429	407,019	1,343,344	10,353,792
Company					
<u>Financial liabilities</u>					
Non-interest bearing	–	2,971,175	–	–	2,971,175
As at 31.3.2016		2,971,175	–	–	2,971,175
Corporate guarantees	–	5,225,509	–	–	5,225,509
<u>Financial liabilities</u>					
Non-interest bearing	–	2,902,778	–	–	2,902,778
As at 31.3.2015		2,902,778	–	–	2,902,778
Corporate guarantees	–	9,716,257	–	–	9,716,257

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

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

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

The maximum amount that the Company could be forced to settle under the corporate guarantee obligations if the full guaranteed amount is claimed by the counterparties to the guarantees, is \$5.2 million (2015: \$9.7 million). The earliest period that the guarantees could be called is within 1 year (2015: 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.

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 gearing ratio of not exceeding 150% (2015: 150%). The Group's and the Company's strategy, which was unchanged from the previous financial year, is also to maintain gearing ratio of not exceeding 150% for the Group and the Company.

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

The Group and the Company are in compliance with externally imposed capital requirements for the financial years ended 31 March 2016 and 2015.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments, financial risks and capital management (Continued)**28.4 Capital management policies and objectives (Continued)**

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	
	2016	2015	2016	2015
	\$	\$	\$	\$
Net debt	2,558,152	5,879,991	1,223,583	1,556,488
Total equity	19,768,651	20,629,290	25,294,443	24,893,166
Total capital	22,326,803	26,509,281	26,518,026	26,449,654
Gearing ratio	11.5%	22.2%	4.6%	5.9%

28.5 Fair value of financial assets and financial liabilities

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

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

AS AT 24 JUNE 2016

STATISTICS OF SHAREHOLDINGS

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

Based on the information available to the Company as at 24 June 2016, approximately 59.66% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited has been complied with.

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 9	44	1.86	528	0.00
100 – 1000	112	4.73	70,511	0.01
1,001 – 10,000	271	11.44	1,802,311	0.11
10,001 – 1,000,000	1,815	76.65	330,673,803	20.57
1,000,001 and above	126	5.32	1,274,922,542	79.31
Total:	2,368	100.00	1,607,469,695	100.00

Twenty Largest Shareholders

No.	Name	No. of shares	%
1	CHOO TUNG KHENG	196,314,197	12.21
2	CITIBANK NOMINEES SINGAPORE PTE LTD	176,678,000	10.99
3	KOH WEE MENG	170,000,000	10.58
4	POH CHONG PENG	70,000,000	4.35
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	63,567,180	3.95
6	ONG KIAN SOON	31,180,000	1.94
7	KOH SWEE LENG	27,863,772	1.73
8	ZENG HANG CHENG	27,653,900	1.72
9	TAN BON TAN	23,175,000	1.44
10	ANG KIM CHUAN	23,000,000	1.43
11	ONG POH CHOO	20,100,000	1.25
12	LIM KAH HIN	20,000,000	1.24
13	TAN KOCK HENG	20,000,000	1.24
14	YEO TIONG BOON	20,000,000	1.24
15	CHEA CHIA CHAN	19,500,000	1.21
16	HONG LEONG FINANCE NOMINEES PTE LTD	18,555,000	1.15
17	CHAN TECK WAH	15,888,400	0.99
18	DBS NOMINEES (PRIVATE) LIMITED	13,470,360	0.84
19	LEE YEN MEI	12,685,900	0.79
20	LIEU MEE CHEAN @ LIEW MEE CHEAN	11,000,000	0.68
		980,631,709	60.97

AS AT 24 JUNE 2016

STATISTICS OF SHAREHOLDINGS

Substantial Shareholders' Information as at 24 June 2016

Name	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Choo Tung Kheng	196,314,197	12.21	176,378,000 ⁽¹⁾	10.97
Koh Wee Meng	170,000,000	10.58	–	–

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. These shares are held for the account of Sea Treasures Ltd, a Cayman Islands incorporated company, owned by Mdm Choo.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting ("**AGM**") of New Wave Holdings Ltd. (the "**Company**") will be held at 8 First Lok Yang Road, Singapore 629731 on Thursday, 28 July 2016 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 2016 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 Chan Teck Wah **Resolution 2**
 - (b) Mdm Choo Tung Kheng **Resolution 3**
 - (c) Mr Tito Shane Isaac **Resolution 4**
 - *Mr Chan Teck Wah will, upon re-election as a Director of the Company, continue to serve as an Executive Director of the Company.*
 - *Mdm Choo Tung Kheng will, upon re-election as a Director of the Company, continue to serve as a Non-Executive Director of the Company and a member of the Audit Committee, the Remuneration Committee and the Nominating Committee. She will be considered non-independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**").*
 - *Mr Tito Shane Isaac will, upon re-election as a Director of the Company, continue to serve as an Independent Director of the Company, the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.*
3. To re-appoint Mr Lee Seng Chan as a Director of the Company. **Resolution 5**

Mr Lee Seng Chan was re-appointed during the Company's last annual general meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, which has been repealed since 3 January 2016, and to hold office until the AGM. Accordingly, there is a need to re-appoint him during the AGM to allow him to continue in office. He will, upon re-appointment as a Director of the Company, continue to serve as an Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.
4. To approve the payment of Directors' fees of S\$61,000 for the financial year ended 31 March 2016 (FY2015: S\$61,000). **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING

5. To re-appoint BDO LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**
6. To transact any other ordinary business that may be transacted at an annual general meeting.

AS SPECIAL BUSINESS

7. 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 Catalist Rules, authority be and is hereby given to the Directors of the Company to:

Resolution 8

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

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

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

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (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) (as calculated in accordance with sub-paragraph (b) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

NOTICE OF ANNUAL GENERAL MEETING

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

By Order of the Board

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

Singapore
13 July 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes

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

EXPLANATORY NOTE IN RELATION TO SPECIAL BUSINESS

The proposed Ordinary Resolution 8, 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) 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) at the time this Resolution is passed.

PERSONAL DATA PRIVACY

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

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 to their 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 Thursday, 28 July 2016 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 matters 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 financial year ended 31 March 2016 together with the Independent Auditor's Report thereon		
2	To re-elect Mr Chan Teck Wah as a Director of the Company		
3	To re-elect Mdm Choo Tung Kheng as a Director of the Company		
4	To re-elect Mr Tito Shane Isaac as a Director of the Company		
5	To re-appoint Mr Lee Seng Chan as a Director of the Company		
6	To approve the payment of Directors' Fees of S\$61,000 for the financial year ended 31 March 2016 (FY2015: S\$61,000)		
7	To re-appoint BDO LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
8	To approve the authority to Directors to issue shares and/or convertible securities		

* 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 _____ 2016

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

Signature of Individual Shareholder/
Common Seal of Corporate Shareholder

Notes:

1. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote on his/her behalf at the AGM.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's opinion to treat this proxy form as invalid.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.
4. A proxy need not be a member of the Company.
5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

fold along this line (1)

Please
affix
postage
stamp

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

fold along this line (2)

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

Personal Data Privacy

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2016.

NEW WAVE HOLDINGS LTD.
Registration No 199906870Z

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