



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: New Wave Holdings Ltd.

Security: New Wave Holdings Ltd.

Meeting details:

Date: 30 July 2018

Time: 11.00 a.m.

Venue: 8 First Lok Yang Road, Singapore 629731

Company Description

New Wave Holdings Ltd., an investment holding company, engages in the distribution of aluminum products and components primarily in Singapore, Malaysia, the People's Republic of China, and internationally. It operates through two segments, Components Distribution and Aluminium Products Distribution. The company is involved in the cutting, refining, and wholesale of aluminum plates, wedges, rods, and bars; and trade and distribution of metal precision components. It also trades in electrical and electronic equipment and components, as well as hardware and software engineering in microcomputer and communication systems; trades in and distributes cables; and provides IT and software consultancy services. In addition, New Wave Holdings Ltd. engages in the import and export of aluminum alloy products; sale and distribution of aluminum alloy, steel, stainless steel, and other ferrous and non-ferrous semi-finished products; and fabrication and trading of aluminum products. The company was formerly known as New Wave Technologies Ltd. and changed its name to New Wave Holdings Ltd. in January 2006. New Wave Holdings Ltd. was incorporated in 1999 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5FX)

1. On 5 February 2018, the group announced the proposed acquisition of Alutech Metals Asiatic Pte. Ltd. which holds Alutech Metals Co., Ltd., which is principally involved in trading of aluminium alloy, steel, stainless steel and other metal products.

The acquisition was completed on 3 May 2018. As noted in the Chairman's Message (page 2 of the annual report), there are synergies between Alutech and the group in the aluminum alloy products distribution business. The acquisition was thought to provide the group a more balanced inventory portfolio and give the group access to a wider PRC market.

- (i) Can the board/management help shareholders understand the level of due diligence carried out by the group prior to the completion of the acquisition?**
- (ii) What is the scale and extend of Alutech's operations? Can management quantify the expected synergies, in terms of cost savings, or cross-selling opportunities?**
- (iii) What is the level of involvement by the independent directors in the acquisition of Alutech?**
- (iv) When will the integration of Alutech be completed?**

2. The group's investment properties were stated at fair value in accordance with the accounting policy. As seen in Note 5 (page 67 – Investment properties), the fair value of the 3 units in Jalan Besar Plaza increased from \$2.8 million in 2017 to \$5.3 million at the end of the reporting period, a gain of \$2.5 million during the year.

The carrying value of the investment properties now account for \$5.3 million of the group's total equity of \$20.0 million, making it material to the group's financial position.

- (i) Would management disclose the independent professional valuer?**
- (ii) Please also provide shareholders with the valuation reports, showing the market transactions of similar properties.**
- (iii) Other than the units recognised as investment properties, how many units in Jalan Besar Plaza are owned and carried on the balance sheet as "property, plant and equipment"?**
- (iv) Can management also let shareholders know its role in the private treaty negotiation period for the en bloc sale of Jalan Besar Plaza following the close of the tender?**

3. The company has announced that the Nineteenth Annual General Meeting of the company will be held on 30 July 2018 at 11.00 a.m. at 8 First Lok Yang Road, Singapore 629731.



It is noted that of the 7 directors on the board of the company, 5 of them (including the chairman) are involved in the annual general meeting of another listed company on the same date (30 July 2018) at 9.30 a.m..

- (i) Would the board let shareholders know if this is the best arrangement of the group's annual general meeting?**
- (ii) Would there be any risk that the AGM of the company will be delayed and cannot start on time at 11.00 a.m.?**
- (iii) Would the board look into how the organisation of the AGM can be improved further for its 1,929 shareholders (on record as at 20 June 2018)?**

A copy of the questions for the Annual Report for the financial year ended 31 March 2017 could be found here:

https://sias.org.sg/index.php?option=com_qaannualreports&view=qareports&filter_company=239

The company's response could be found here: -----