NEW WAVE HOLDINGS LTD.

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

REPLY TO A SHAREHOLDER'S QUESTIONS WITH REFERENCE TO ANNUAL GENERAL MEETING TO BE HELD ON 30 JULY 2026

Question 1: Long-term Business Strategy and Diversification

The Group has reported losses for the past four financial years. Given that the aluminium distribution business is generally characterised by intense competition and relatively low operating margins, what is the Board's assessment of the long-term growth and profitability prospects of this business? In addition to improving operational performance, is the Board actively evaluating diversification opportunities, acquisitions or investments in complementary or higher-growth businesses to strengthen the Group's earnings and enhance long-term shareholder value?

The Company's Response:

The aluminium distribution industry remains highly competitive, with continued pricing pressure and relatively low operating margins. While market conditions remain challenging, the Board believes there are still opportunities to strengthen the Group's position through operational improvements and by leveraging on the lower operating cost base in Malaysia. Rentals, manpower costs and utilities costs in Malaysia are comparatively lower when compared to operating costs in Singapore.

The Board remains open to diversification opportunities, acquisitions or investments that are aligned with our long-term strategy and could be expected to create sustainable shareholder value.

Question 2: Roadmap to Sustainable Profitability

What are the key strategic initiatives and measurable milestones that management has established to restore the Group to sustainable profitability? Over what timeframe does the Board expect these initiatives to deliver meaningful improvements in the Group's financial performance?

The Company's Response:

Management's key priorities are to reduce administrative expenses, increase sales, and improve operational efficiency. As part of the Group's restructuring efforts, we have closed our Singapore warehouse and transferred our Singapore customers to our Johor Bahru operations, enabling us to leverage Malaysia's lower operating cost base. These initiatives are expected to strengthen the Group's competitiveness and support our return to sustainable profitability over time.

<u>Question 3: Shareholder Value Creation and Dividend Policy</u>

The Group has reported losses over the past four financial years. As the Board works towards restoring sustainable profitability, could it share its long-term strategy for enhancing shareholder value? In particular, what financial or operational milestones would the Board expect the Group to achieve before it would consider resuming dividend payments or implementing other forms of capital returns to shareholders?

The Company's Response:

The Board recognises the importance of delivering long-term value to shareholders. At the present stage, management's priority is to preserve financial flexibility, strengthen the Group's balance sheet and ensure sufficient resources to support future growth.

The Board reviews the dividend policy periodically, taking into consideration the Group's profitability, operating cash flow, capital requirements and overall financial position before making any decision on future dividend distributions.

<u>Question 4: Strategic Review Following Four Consecutive Years of Losses</u>

Following four consecutive years of losses, has the Board undertaken a comprehensive strategic review of the Group's business model and competitive positioning? What are the key findings of that review, and how have they influenced the Group's current and future strategic direction?

The Company's Response:

The Board regularly reviews the Group's business strategy to ensure that it remains appropriate under changing market conditions.

Following this review, the Group has adopted a more focused operating model by concentrating resources on markets where we enjoy stronger competitive advantages, particularly Malaysia. The Group has observed the recent trend of manufacturing activities relocating from Singapore and the PRC to Malaysia, as well as the growth and investment toward semi-conductor and artificial intelligence/data centres sectors in Malaysia. The Group possesses a well-established marketing network in Malaysia and many of our customers supply directly to these growing sectors. At the same time, the Group continues to streamline operations and improve cost efficiency to enhance our long-term competitiveness.

<u>Question 5: Capital Allocation Priorities</u>

How does the Board intend to prioritise the Group's capital allocation over the next 12 to 24 months between strengthening its existing businesses, pursuing acquisitions or diversification opportunities, reducing borrowings and returning capital to shareholders?

The Company's Response:

Over the next 12 to 24 months, the Group's capital allocation priorities are to strengthen our existing businesses, reduce borrowings where appropriate, and maintain a prudent cash position. Returning capital to shareholders, including through dividend payments, will be considered only after the Group has restored sustainable profitability and achieved a stronger financial position.

While the Board remains open to suitable acquisition or investment opportunities, any capital commitment will be subject to disciplined financial evaluation and must support the Group's long-term strategic objectives.

<u>Question 6: Liquidity and Funding</u>

While the Group generated positive operating cash flow during the financial year, it has also reported losses over the past four years. Does the Board believe that the Group's current cash resources, operating cash flow and available banking facilities are sufficient to support operations and strategic initiatives over the next 12 to 24 months without requiring additional equity fundraising?

The Company's Response:

Based on the Group's current financial resources, available banking facilities and cash flow position, the Board believes that the Group has sufficient funding to support our current operations and planned business activities.

The Board will continue to monitor market conditions and maintain prudent financial management to ensure adequate liquidity for future business needs.

<u>Question 7: Potential Equity Fund Raising</u>

Under what circumstances would the Board consider raising additional equity capital, and what measures would it take to minimise shareholder dilution should such fund raising become necessary?

The Company's Response:

The Board would only consider raising additional equity capital if there were a significant acquisition opportunity or a major strategic investment that would create long-term shareholder value. Should equity fundraising become necessary, the Board would carefully consider all available financing alternatives and seek to minimise shareholder dilution.

<u>Question 8: Key Risks</u>

Looking ahead over the next 12 to 24 months, what does the Board consider to be the three most significant risks facing New Wave Holdings, and what actions are being taken to mitigate each of these risks?

The Company's Response:

The Board considers the principal risks over the coming 12 to 24 months to be:

- Continued uncertainty in the global economic environment;
- Fluctuations in aluminium prices and demand;
- Foreign exchange volatility.

Management continues to monitor these risks closely and adopts appropriate measures, including prudent inventory management, cost control and disciplined financial management, to minimise their potential impact.

Question 9: Future Growth Strategy

Beyond the Group's existing businesses, what are the Board's strategic priorities for creating sustainable long-term shareholder value? Are there specific industries, business segments or geographical markets that the Board considers attractive for future expansion or investment?

The Company's Response:

The Group remains focused on strengthening our core aluminium distribution business while expanding our presence in Malaysia.

Beyond strengthening its existing operations, the Group will continue to explore opportunities in higher-growth markets within Southeast Asia, as well as businesses that are complementary to the Group's existing operations.

Question 10: Board Oversight and Management Accountability

Given the Group's financial performance over the past four years, how does the Board evaluate management's performance and ensure accountability for the execution of the Group's strategic objectives? What key performance indicators or milestones should shareholders monitor over the next 12 to 24 months to assess the success of the Group's turnaround strategy?

The Company's Response:

The Board regularly reviews management's performance through both financial and operational indicators.

In addition to revenue growth, cost management and gross profit margin, the Board also monitors operating cash flow, working capital management and the execution of strategic initiatives. These indicators provide a comprehensive assessment of management's progress in strengthening the Group's overall business performance.

By Order of the Board

Ong Kian Soon
Chief Executive Officer
24 July 2026

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