

COMBINE WILL INTERNATIONAL HOLDINGS LIMITED
聯志國際控股有限公司
(Incorporated in the Cayman Islands on 8 October 2007)
Company Registration No. MC-196613

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S
QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Board of Directors (the “**Board**”) of Combine Will International Holdings Limited (the “**Company**”) wishes to respond to comments received on 22 April 2022 from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Company’s annual report for the financial year ended 31 December 2021 (the “**2021 Annual Report**”).

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the 2021 Annual Report.

SGX-ST Query 1

With reference to the audited consolidated statement of cash flows on page 48 of the Company’s AR 2021, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2021:-

- (i) *The net cash generated from operating activities of HK\$242,636,000 as compared to the net cash from operating activities of HK\$217,746,000; and*
- (ii) *The net cash used in investing activities of HK\$(142,817,000) as compared to the net cash used in investing activities of HK\$(117,927,000).*

Company’s Response

- (i) The difference in net cash generated from operating activities between the audited financial results of the Company for the financial year ended 31 December 2021 (“**FY2021**”) as set out in the 2021 Annual Report, and the unaudited financial results of the Company for FY2021 as set out in the unaudited financial results announcement of the Company for FY2021 is due to the reclassification of financial assets at FVTPL of HK\$24,890,000 from investment activities to operating activities in the audited financial results of the Company for FY2021. After discussion and upon final review with the auditors of the Company, the said financial assets had been reclassified to operating activities taking into consideration the early redemption of the financial assets in October 2021.

The management of the Company had initially considered the represented financial assets of HK\$24,890,000 as a held-to-maturity investment first incepted in early 2021. However, due to the unexpected adverse economic environment, the management of the Company had decided to make an early redemption on the financial assets in October 2021, which had caused the financial assets to be purchased and sold within one year. Thus, in the audited financial results of the Company for FY2021 as set out in the 2021 Annual Report, the financial assets had been reclassified to operating activities instead of investing activities subsequent to the unaudited financial results announcement of the Company for FY2021, in accordance with the IFRSs.

- (ii) Please refer to the Company’s response to the SGX-ST Query 1(i) above.

SGX-ST Query 2

Listing Rule 1207(18B) provides that “The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following: An explanation of how the issuer has complied with the following: —

- (a) the issuer has designated an independent function to investigate whistleblowing reports made in good faith;*
- (b) the issuer ensures that the identity of the whistleblower is kept confidential;*
- (c) the issuer discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment; and*
- (d) the Audit Committee is responsible for oversight and monitoring of whistleblowing.”*

Please provide an explanation pursuant to Listing Rule 1207(18B), in particular (a) and (d).

Company’s Response

- (a) The Company has designated an independent function to investigate whistle-blowing reports made in good faith. All whistle-blower complaints shall at first instance be reviewed by the Internal Audit Committee (the “**IAC**”) of the Company, which will then decide on the cases to be escalated to the Audit Committee. The Audit Committee (the “**AC**”) shall review all whistle-blower complaints directed from the IAC at its half-yearly meetings to ensure independent and thorough investigation and adequate follow up. The AC shall then present the matters under their purview and recommendations to the Board for its review and further action. As the Company did not receive any whistle-blower complaints in FY2021, the Board had decided that it would undertake a comprehensive review of the Company’s whistleblowing policy and SOPs after the annual general meeting of the Company for FY2021. In the meantime, all whistle-blower complaints (if and when received) would be escalated to the AC and whistle-blowers would also have direct access to the AC, with the Lead Independent Director of the Company as the key point of contact. This would ensure that there is an independent function to investigate whistle-blowing reports made in good faith.
- (b) The IAC and the AC shall ensure that the identity of any whistle-blower is kept confidential.
- (c) The Company is committed to ensuring that the whistle-blower is protected against detrimental or unfair treatment by ensuring that the identity of any whistle-blower is kept confidential unless required by law or by any other regulatory authority. The Company does not tolerate victimisation of the whistle-blower and will take all necessary steps to ensure that the employment of the whistle-blower is protected for all reports made in good faith.
- (d) As mentioned in paragraph (a) above, all whistle-blower complaints shall at first instance be reviewed by the IAC of the Company, which will then decide on the cases to be escalated to the AC. The AC shall review all whistle-blower complaints directed from the IAC at its half-yearly meetings to ensure independent and thorough investigation and adequate follow up. The AC shall then present the matters under their purview and recommendations to the Board for its review and further action. As the Company did not receive any whistle-blower complaints in FY2021, the Board had decided that it would undertake a comprehensive review of the Company’s whistleblowing policy and SOPs after the annual general meeting of the Company for FY2021. In the meantime, all whistle-blower complaints (if and when received) would be escalated to the AC and whistle-blowers would also have direct access to the AC, with the Lead Independent Director of the Company as the key point of contact. As such, the AC is responsible for oversight and monitoring of whistle-blowing.

By Order of the Board

Chiu Hau Shun, Simon
Chief Executive Officer

26 April 2022