

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

ANNUAL REPORT IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (THE "ANNUAL REPORT")

- QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

The board of directors of Combine Will International Holdings Limited (the "**Company**") refers to the Annual Report.

The SGX-ST has raised a query in relation thereto and the Company's response to the said query is set out as follows:

Guideline 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

- (a) *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; and*
- (b) *regarding the effectiveness of the company's risk management and internal control systems.*

As required under Listing Rule 710, please make disclosure as recommended in the Code; in particular, the effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, as well as the adequacy of the internal controls, including information technology controls, and risk management systems, or otherwise explain the reason(s) for the deviation.

Company's response:

We refer to page 28 of the Annual Report in respect of the disclosure under the header titled "Internal Controls and Internal Audit" in the Corporate Governance Report section of the Annual Report, and wish to make the following clarifications:

"The Board is cognizant of its responsibility in maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets and business.

The Board ensures that a review of the effectiveness of the Company's system of internal controls, including financial, operational, compliance, information technology and risk management is conducted at least annually. The Internal Audit function (among others) carries out reviews and advising on measures to monitor and mitigate the major risks arising in the Group's business operating environment. It reports directly to the Chairman of the Audit Committee of the Board ("the **AC**") on all internal audit matters. This provides an independent assurance to the AC on the

adequacy and effectiveness of the Group's financial reporting processes, operational controls, and compliance and information technology controls and the risk management system. The internal auditors' scope of work has been reviewed by the AC before the commencement of audit, and the resulting report(s) are reviewed in depth by the AC before presenting them to the Board.

In compliance with the Code, the Board has obtained assurance from the Chief Executive Officer and Chief Financial Officer that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and effective risk management and internal controls systems are in place.

In reliance of the framework of internal controls established and the reviews conducted by AC, the internal and external auditors, the assurances of the Management, the Board is of the view that there are satisfactory and effective internal controls, including financial, operational, compliance and information technology controls and risk management processes in place within the Group for addressing all such material financial, operational and compliance risks of the Group, taking into account the nature, scope and needs of its operations.”

By Order of the Board

Chiu Hau Shun, Simon
Executive Director

27 April 2015