

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S
COMMENTS ON THE 2015 ANNUAL REPORT**

The Board of Directors (the “**Board**”) of Combine Will International Holdings Limited (the “**Company**”) wishes to respond to comments received on 25 April 2016 from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Annual Report Issued by the Company in respect of the financial year ended 31 December 2015 (the “**Annual Report**”).

SGX-ST Query 1

*Guideline 11.3 of the Code of Corporate Governance 2012 (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. (emphasis added)*

We note the Board’s comment on the adequacy of the internal controls of the Company.

As required under Listing Rule 710, please disclose the Board’s comment on the effectiveness of the internal controls as recommended in the Code; or otherwise provide an explanation for any deviation from the recommendation.

Board Response

The Board would like to clarify and state that based on the existing framework of financial, operational and compliance controls established and the reviews conducted by Management and the internal and external auditors, the Board opines, with the concurrence of the Audit Committee, that there were **adequate and effective** internal controls and risk management processes in place within the Group addressing material financial, operational and compliance risks to meet the needs of the Group, taking into account the nature and scope of its operations.

SGX-ST Query 2

*Guideline 9.4 of the Code recommends disclosure of details of remuneration of employees who are immediate family members of a director or the Chief Executive Officer (“**CEO**”) and whose remuneration exceeds S\$50,000 during the year.*

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(Co. Reg. No: MC-196613)

As required under Listing Rule 710, please disclose the details of remuneration of employees who are immediate family members of a director or the CEO and whose remuneration exceeds S\$50,000 during the year in incremental bands of S\$50,000; or otherwise provide an explanation for any deviation from the recommendation.

Board Response

The Board confirms that the Company has no employees who are immediate family members of a director or the CEO. Accordingly, a disclosure as recommended by Guideline 9.4 of the Code is not applicable to the Company.

SGX-ST Query 3

Listing Rule 704(5) states that if an issuer has previously announced its preliminary full year results, any material adjustments to its preliminary full-year result made subsequently by auditors.

We note that (1) the Group's balance of pledged bank deposits as at 31 December 2015 and 31 December 2014 are HK\$431,321,000 and HK\$ 303,601,000 respectively on page 40, and (2) there was cash flow of HK\$148,290,000 for financial year ended 31 December 2015 as a result of the increase in pledged bank deposit.

In this regard, please provide a reconciliation between the increase of HK\$148,290,000 in pledged bank deposit as stated in the statement of cash flow and the yearly change in the balances of pledged bank deposit as stated in the statement of financial position.

Board Response

The Board notes as follows:

- (a) the pledged bank deposits were denominated and maintained in RMB;
- (b) for the purpose of preparing the Group's financial statements in respect of the financial years ended 31 December 2014 ("**FY2014**") and 31 December 2015 ("**FY2015**"), the financial statements denominated in RMB were translated into HK\$ at the respective year-end foreign currency rates; and
- (c) an increase of HK\$148,290,000 in pledged bank deposits was reported in the statement of cash flow and a yearly change in the balances of pledged bank deposits of HK\$127,720,000 was reported in the statement of financial position. Accordingly, a difference of HK\$20,570,000 was recorded.

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The Board would like to clarify that the aforesaid difference of HK\$20,570,000 was a result of the difference between the year-end HK\$:RMB exchange rate applied to FY2014 and the year-end HK\$:RMB exchange rate applied to FY2015 for the purpose of preparing the Group's financial statements.

BY ORDER OF THE BOARD

Simon Chiu
Executive Director
25 April 2016