

APPENDIX DATED 05 APRIL 2021

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Combine Will International Holdings Limited (聯志國際控股有限公司) (“**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this appendix with the notice of Annual General Meeting and the attached proxy form(s) to the purchaser or transferee as arrangements will be made by CDP for a separate appendix with the notice of Annual General Meeting and the attached proxy form(s) to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this appendix to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this appendix.



COMBINE WILL

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 Number: MC-196613)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 05 APRIL 2021

IN RELATION TO

**THE PROPOSED RENEWAL OF THE 2020 SHARE PURCHASE MANDATE
(AS DEFINED HEREINAFTER)**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

“2020 AGM”	:	Has the meaning ascribed to it in paragraph 2.1 of this Appendix
“2020 Appendix”	:	The appendix to the Shareholders dated 1 June 2020
“2020 Share Purchase Mandate”	:	The mandate, which was approved by the Shareholders at the annual general meeting of the Company held on 16 June 2020, for the purchase or acquisition by the Company of Shares in accordance with the terms of the 2020 Appendix
“AGM” or “Annual General Meeting”	:	The annual general meeting of the Company to be convened and held by way of electronic means on 20 April 2021 at 10 a.m., notice of which is attached to the Annual Report
“Annual Report”	:	The annual report of the Company for FY2020 dated 05 April 2021
“Appendix”	:	This appendix to Shareholders dated 05 April 2021
“Approval Date”	:	Has the meaning ascribed to it in paragraph 3.1 of this Appendix
“Articles”	:	Articles of association of the Company, as amended, modified or supplemented from time to time
“Average Closing Price”	:	Has the meaning ascribed to it in paragraph 3.4 of this Appendix
“Board”	:	The board of Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Companies Law”	:	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	:	Combine Will International Holdings Limited (聯志國際控股有限公司)
“day of the making of the offer”	:	Has the meaning ascribed to it in paragraph 3.4 of this Appendix
“Directors”	:	The directors of the Company for the time being
“EPS”	:	Earnings per Share
“ESOS”	:	Combine Will International Employee Share Option Scheme
“FY”	:	The financial year ended or, as the case may be, ending 31 December (for example, “FY2020” means the financial year ended 31 December 2020)
“Group”	:	The Company and its subsidiaries

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<i>“Highest Last Dealt Price”</i>	:	Has the meaning ascribed to it in paragraph 3.4 of this Appendix
<i>“Latest Practicable Date”</i>	:	23 March 2021, being the latest practicable date prior to the printing of this Appendix
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Listing Rules”</i>	:	The listing rules of the SGX-ST as set out in the Listing Manual
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Purchase”</i>	:	Has the meaning ascribed to it in paragraph 3.3(a) of this Appendix
<i>“Maximum Price”</i>	:	Has the meaning ascribed to it in paragraph 3.4 of this Appendix
<i>“Memorandum”</i>	:	Memorandum of association of the Company, as amended, modified or supplemented from time to time
<i>“NTA”</i>	:	Net tangible assets
<i>“Off-Market Purchase”</i>	:	Has the meaning ascribed to it in paragraph 3.3(b) of this Appendix
<i>“Relevant Period”</i>	:	Has the meaning ascribed to it in paragraph 2.4 of this Appendix
<i>“Rule 14”</i>	:	Has the meaning ascribed to it in paragraph 9 of this Appendix
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Options”</i>	:	Share options granted pursuant to the ESOS
<i>“Share Purchase Mandate”</i>	:	The renewal of the 2020 Share Purchase Mandate given by Shareholders to authorise the Company to purchase or acquire Shares, in accordance with the terms set out in the resolution authorising the same, as contained in the notice of the AGM, and subject to compliance with the Companies Law and the rules and regulations of the SGX-ST
<i>“Shareholders”</i>	:	Registered holders of Shares
<i>“Shares”</i>	:	Issued ordinary shares of HK\$7.50 each in the capital of the Company

DEFINITIONS

“Singapore Securities and Futures Act”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than five per cent. (5%) of the Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“usage”	:	Has the meaning ascribed to it in paragraph 4 of this Appendix
“HK\$ and HK cents”	:	Hong Kong dollars and cents, respectively
“\$” and “cents”	:	Singapore dollar and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

The terms “*Depositors*”, “*Depository*”, “*Depository Agent*” and “*Depository Register*” shall have the meanings ascribed to them, respectively, in Section 81SF of the Singapore Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Law, the Singapore Securities and Futures Act or any statutory modification thereof and used in this Appendix shall have the same meaning assigned to it under the Companies Law or the Singapore Securities and Futures Act unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

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 Number: MC-196613)

Directors:

Tam Jo Tak, Dominic (Executive Chairman/Chief Executive Officer)
Chiu Hau Shun, Simon (Executive Director)
Cheung Hok Fung, Alexander (Lead Independent Director)
Wee Sung Leng (Independent Director)
Hu Hou Zhi (Independent Director)

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

05 April 2021

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE 2020 SHARE PURCHASE MANDATE

1. INTRODUCTION

The Directors are proposing to seek Shareholders' approval at the AGM for the proposed renewal of the 2020 Share Purchase Mandate.

The purpose of this Appendix is to provide Shareholders with information pertaining to the aforesaid proposal and to seek Shareholders' approval in respect of the same at the AGM. The notice of AGM is attached to the Annual Report.

2. THE PROPOSED RENEWAL OF THE 2020 SHARE PURCHASE MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company has to be made in accordance with, and in the manner prescribed by, the Companies Law, the Memorandum, the Articles and such other laws and regulations as may, for the time being, apply, including *inter alia*, Rules 881 to 886 of the Listing Manual, which relate to the purchase or acquisition of issued shares in the capital of a company listed on the SGX-ST.

At the previous annual general meeting of the Company held on 16 June 2020 ("**2020 AGM**"), Shareholders approved, *inter alia*, a mandate to allow the Company to purchase or otherwise acquire Shares in accordance with the terms set out in the resolution authorising the same, as contained in the notice of the annual general meeting dated 1 June 2020, and subject to compliance with the Companies Law and the rules and regulations of the SGX-ST. The rationale for the authority and limitations on, and the financial effects of the 2020 Share Purchase Mandate, were set out in the 2020 Appendix.

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It is a requirement under Article 3(2) of the Articles that if the Company intends to purchase or otherwise acquire Shares, prior approval of the Shareholders should be obtained. Accordingly, approval is being sought from the Shareholders at the AGM for the proposed renewal of the 2020 Share Purchase Mandate. A resolution will be proposed as an ordinary resolution pursuant to which the 2020 Share Purchase Mandate will be renewed and will thereby authorise the Company to purchase or otherwise acquire shares on the terms of the Share Purchase Mandate.

The authority conferred pursuant to the 2020 Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2020 AGM and expiring on the date on which the next annual general meeting of the Company is held or is required by law or the Articles to be held, or the date on which Share purchases are carried out to the full extent mandated, or the date on which the authority contained in the 2020 Share Purchase Mandate is varied or revoked, whichever is the earliest. As of the date hereof, the authority conferred under the 2020 Share Purchase Mandate remains effective and valid. Accordingly, the authority contained in the 2020 Share Purchase Mandate will be expiring on 20 April 2021, being the date of the forthcoming annual general meeting of the Company.

2.2 Shares purchased by the Company in the previous 12 months

The Company has not purchased any Shares during the twelve (12) months period immediately preceding the Latest Practicable Date.

2.3 Rationale

The Share Purchase Mandate would give the Company the flexibility to undertake purchases of the Shares up to ten per cent. (10%) of the Company's issued ordinary share capital as described in paragraph 3.1 below at any time, subject to market conditions and funding arrangements, during the period when the Share Purchase Mandate is in force.

The Share Purchase Mandate will enable the Company to undertake purchases of Shares and provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share purchase at the appropriate price level is one of the ways through which the return on equity of the group may be enhanced.

The Share Purchase Mandate will also allow the Directors greater flexibility over the Company's share capital structure and dividend policy with a view to enhancing the EPS and/or NTA per Share. The Directors further believe that the Share Purchase Mandate will provide them with the means to mitigate short-term market volatility in the Company's Share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share purchases to an extent that would, or in circumstances that might, result in a material adverse effect on liquidity and/or orderly trading of the Shares, and/or the financial position of the Group, taking into account the working capital requirements of the Company and the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.4 Mandate

Approval is being sought from Shareholders at the AGM for the renewal of the 2020 Share Purchase Mandate. If approved, the 2020 Share Purchase Mandate will be renewed from the date of the AGM and continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution granting the Share

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Purchase Mandate, (ii) such date by which the next annual general meeting is required by law or by the Articles to be held, or (iii) the revocation or variation of the Share Purchase Mandate by ordinary resolution of the Company in general meeting, unless prior thereto, Share purchases are carried out to the full extent mandated (the “**Relevant Period**”). The Company intends to put the renewal of the Share Purchase Mandate to Shareholders at each subsequent annual general meeting of the Company.

3. THE TERMS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on the purchases of Shares by the Company, if the 2020 Share Purchase Mandate is renewed at the AGM, are substantially the same as those previously approved by Shareholders at the 2020 AGM.

For the benefit of Shareholders, the authority and limitations on the Share Purchase Mandate are summarised below:

3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company is limited to the number of Shares representing not more than ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the AGM, on which the proposed renewal of the 2020 Share Purchase Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

For illustrative purposes, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date of HK\$242,455,500 comprising 32,327,400 Shares, and assuming that no further Shares are issued or purchased or acquired on or prior to the AGM, and further assuming that no Shares purchased or acquired by the Company (if any) are held as treasury shares, not more than 3,232,740 Shares (representing ten per cent. (10%) of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of the resolution granting the Share Purchase Mandate;
- (b) the date by which such annual general meeting is required by law or the Articles to be held; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in a general meeting,

unless prior thereto, purchase(s) or acquisition(s) of Shares are carried out to the full extent mandated.

The authority conferred by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next annual general meeting or at any other general meeting of the Company.

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3.3 Manner of purchases of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST), in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Articles and the Listing Rules.

An equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of Shares from such person;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) in the event that there are offeree Shareholders holding odd numbers of Shares, differences in the offers introduced solely to ensure that each person is left with a whole number of Shares in board lots of 100 Shares after the Share purchases.

In addition, the Rule 885 of the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share purchase;
- (d) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (e) whether the Share purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Highest Last Dealt Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day on which the Market Purchase was made;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE PURCHASE MANDATE

A Share purchased or acquired by the Company is, unless held as a treasury share in accordance with the Companies Law, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire and the Company’s issued share capital (but not the authorised capital) shall be diminished by the nominal value of that Share. The total number of issued Shares (but not the Company’s authorised share capital) will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company. All Shares purchased and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

Under the Companies Law, a company may hold shares so purchased or acquired as treasury shares provided that:

- (a) the memorandum and articles of association of the company do not prohibit it from holding treasury shares;
- (b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and

LETTER TO SHAREHOLDERS

- (c) the company is authorised in accordance with the company's articles of association or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares.

Where Shares purchased or acquired by the Company are held as treasury shares, the Company shall be entered into its register of members as holding the treasury shares, but shall not be treated as a member of the Company for any purpose and shall not exercise any right, including voting and dividend rights, in respect of the treasury shares, and any purported exercise of such a right shall be void. A treasury share shall not be voted, directly or indirectly, at any meeting of the Company, and shall not be counted as issued Shares at any given time, whether for the purpose of the Company's Articles or the Companies Law. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company, in respect of a treasury share. However, notwithstanding the aforesaid, Shares may be allotted as fully paid bonus shares in respect of a treasury share and such Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as treasury shares. The Company may deal with treasury shares in any of the following ways:

- (a) cancel the treasury shares in accordance with the provisions of the Company's Articles or (in the absence of any applicable provisions in the Company's Articles) by a resolution of the Directors, and if so cancelled, the amount of the Company's issued share capital (but not the Company's authorized share capital) shall be diminished by the nominal or par value of those shares accordingly; or
- (b) transfer the shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares in relation to the usage.

5. SOURCE OF FUNDS FOR SHARE PURCHASE

The Company may only apply funds for Share purchase(s) in accordance with the Articles and the applicable laws in Singapore and the Cayman Islands. The Company may not purchase Shares for a consideration other than cash, or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Articles and the Companies Law, any payment by the Company in consideration of the purchase or acquisition of its own Shares may only be made out of the profits of the Company, out of the share premium account, out of proceeds of a fresh issue of Shares made for the purposes of the purchase or by a payment out of capital as the Board may determine in accordance with the provisions of the Companies Law. A payment out of capital by a company incorporated in the Cayman Islands for the purchase of its shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company intends to use its internal sources of funds to finance the Company's purchase or acquisition of any Shares pursuant to the Share Purchase Mandate.

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The Directors will only make purchases or acquisitions pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the group and would not cause the Company to be insolvent.

6. FINANCIAL EFFECTS OF THE SHARE PURCHASE MANDATE

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether such purchase is made out of profits, share premium account, proceeds of a fresh issue or capital, and the price paid for such Shares. The financial effects on the Company and the group, based on audited financial statements of the Company and the group for FY2020 are based on the following assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Purchase Mandate had taken place on 1 January 2020 for the purpose of computing the financial effects on the EPS of the Group;
- (b) the purchase or acquisition of Shares pursuant to the Share Purchase Mandate had taken place on 31 December 2020 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group;
- (c) the purchase or acquisition of Shares pursuant to the Share Purchase Mandate is assumed to be financed by internal funds; and
- (d) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate are insignificant and are ignored for the purpose of computing the financial effects.

6.1 Purchase or acquisition out of capital or profits

Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the nominal value of the Shares purchased (assuming such purchased Shares are cancelled and not held in treasury). Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

6.2 Information as at the Latest Practicable Date

For illustrative purposes, based on the issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date and assuming no further Shares are issued or purchased or acquired on or prior to the AGM, and further assuming that no Shares purchased or acquired by the Company (if any) are held as treasury shares, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its Shares will result in the purchase or acquisition of 3,232,740 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 3,232,740 Shares at the Maximum Price of S\$0.9030 for one (1) Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 3,232,740 Shares is S\$2,919,164.

LETTER TO SHAREHOLDERS

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 3,232,740 Shares at the Maximum Price of S\$1.0320 for one (1) Share (being the price equivalent to twenty per cent. (20%) above the highest price transacted for a Share as recorded on the Market Day immediately preceding the Latest Practicable Date, on which there were trades in the Shares), the maximum amount of funds required for the purchase or acquisition of 3,232,740 Shares is S\$3,336,188.

6.3 Pro Forma Financial Effects

For illustration purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled;
- (b) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled;
- (c) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as treasury shares; and
- (d) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as treasury shares,

on the audited financial statements of the Group and the Company for FY2020 are as follows:

6.3.1 Purchases made entirely out of profits and cancelled

(HK\$'000)	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
Share capital	242,456	218,210	218,210	242,456	218,210	218,210
Shareholders' funds	695,953	679,054	676,640	429,388	412,489	410,075
NTA	694,026	677,127	674,713	429,388	412,489	410,075
Current assets	1,127,000	1,110,101	1,107,687	10,046	10,046	10,046
Current liabilities	834,499	834,499	834,499	17,049	33,948	36,362
Working Capital	292,501	275,602	273,188	(7,003)	(23,902)	(26,316)
Total Borrowings	460,601	460,601	460,601	-	-	-
Cash and cash equivalents	57,155	40,256	37,842	1,213	1,213	1,213
Profit after tax and minority interest	30,919	30,919	30,919	780	780	780
No. of shares ('000)	32,327	29,095	29,095	32,327	29,095	29,095
Financial Ratios						
NTA per Share (cents)	2,146.87	2,327.32	2,319.03	1,328.25	1,417.75	1,409.45
Basic EPS (cents)	95.64	106.27	106.27	2.41	2.68	2.68
Net gearing (times)	0.66	0.68	0.68	-	-	-
Return on equity (%)	4.44	4.55	4.57	0.18	0.19	0.19

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6.3.2 Purchases made entirely out of capital and cancelled

(HK\$'000)	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
Share capital	242,456	218,210	218,210	242,456	218,210	218,210
Shareholders' funds	695,953	679,054	676,640	429,388	412,489	410,075
NTA	694,026	677,127	674,713	429,388	412,489	410,075
Current assets	1,127,000	1,110,101	1,107,687	10,046	10,046	10,046
Current liabilities	834,499	834,499	834,499	17,049	33,948	36,362
Working Capital	292,501	275,602	273,188	(7,003)	(23,902)	(26,316)
Total Borrowings	460,601	460,601	460,601	-	-	-
Cash and cash equivalents	57,155	40,256	37,842	1,213	1,213	1,213
Profit after tax and minority interest	30,919	30,919	30,919	780	780	780
No. of shares ('000)	32,327	29,095	29,095	32,327	29,095	29,095
Financial Ratios						
NTA per Share (cents)	2,146.87	2,327.32	2,319.03	1,328.25	1,417.75	1,409.45
Basic EPS (cents)	95.64	106.27	106.27	2.41	2.68	2.68
Net gearing (times)	0.66	0.68	0.68	-	-	-
Return on equity (%)	4.44	4.55	4.57	0.18	0.19	0.19

6.3.3 Purchases made entirely out of profits and held as treasury shares

(HK\$'000)	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
Share capital	242,456	218,210	218,210	242,456	218,210	218,210
Shareholders' funds	695,953	679,054	676,640	429,388	412,489	410,075
NTA	694,026	677,127	674,713	429,388	412,489	410,075
Current assets	1,127,000	1,110,101	1,107,687	10,046	10,046	10,046
Current liabilities	834,499	834,499	834,499	17,049	33,948	36,362
Working Capital	292,501	275,602	273,188	(7,003)	(23,902)	(26,316)
Total Borrowings	460,601	460,601	460,601	-	-	-
Cash and cash equivalents	57,155	40,256	37,842	1,213	1,213	1,213
Profit after tax and minority interest	30,919	30,919	30,919	780	780	780
No. of shares ('000)	32,327	29,095	29,095	32,327	29,095	29,095
Financial Ratios						
NTA per Share (cents)	2,146.87	2,327.32	2,319.03	1,328.25	1,417.75	1,409.45
Basic EPS (cents)	95.64	106.27	106.27	2.41	2.68	2.68
Net gearing (times)	0.66	0.68	0.68	-	-	-
Return on equity (%)	4.44	4.55	4.57	0.18	0.19	0.19

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6.3.4 Purchases made entirely out of capital and held as treasury shares

(HK\$'000)	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
Share capital	242,456	218,210	218,210	242,456	218,210	218,210
Shareholders' funds	695,953	679,054	676,640	429,388	412,489	410,075
NTA	694,026	677,127	674,713	429,388	412,489	410,075
Current assets	1,127,000	1,110,101	1,107,687	10,046	10,046	10,046
Current liabilities	834,499	834,499	834,499	17,049	33,948	36,362
Working Capital	292,501	275,602	273,188	(7,003)	(23,902)	(26,316)
Total Borrowings	460,601	460,601	460,601	-	-	-
Cash and cash equivalents	57,155	40,256	37,842	1,213	1,213	1,213
Profit after tax and minority interest	30,919	30,919	30,919	780	780	780
No. of shares ('000)	32,327	29,095	29,095	32,327	29,095	29,095
Financial Ratios						
NTA per Share (cents)	2,146.87	2,327.32	2,319.03	1,328.25	1,417.75	1,409.45
Basic EPS (cents)	95.64	106.27	106.27	2.41	2.68	2.68
Net gearing (times)	0.66	0.68	0.68	-	-	-
Return on equity (%)	4.44	4.55	4.57	0.18	0.19	0.19

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited accounts of the Company as at 31 December 2020 and is not necessarily representative of the future financial performance of the Company.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued share capital of the Company, the Company may not necessarily purchase or acquire the entire ten per cent. (10%) of the issued share capital of the Company, nor to such an extent that would materially and adversely affect the financial position of the Company.

7. REPORTING REQUIREMENTS UNDER THE ARTICLES

The Articles require the Company to make an announcement to the SGX-ST of any purchase or acquisition by the Company of Shares on the Market Day following the day of such purchase or acquisition.

8. LISTING RULES

8.1 Rule 886(1) of the Listing Manual provides that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

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Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

- 8.2** While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because a listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any purchase of Shares pursuant to the proposed renewal of the 2020 Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares pursuant to the proposed renewal of the 2020 Share Purchase Mandate during the period commencing one (1) month immediately preceding the announcement of the Company’s half year and full year financial statements (as the Company does not announce its quarterly financial statements), and ending on the date of the announcement of the relevant results.
- 8.3** The Listing Rules also requires a listed company to ensure that at least ten per cent. (10%) of its shares is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the directors, substantial shareholders, chief executive officers or controlling shareholders of a company and its subsidiaries, as well as associates of such persons.
- 8.4** As at the Latest Practicable Date, 8,227,400 Shares representing 25.45% of the issued share capital of the Company are held in the hands of the public. In the event that the Company purchases the maximum of ten per cent. (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of Shares held by public Shareholders would be reduced to approximately 17.17%. Accordingly, the Company is of the view that there is a sufficient number of the Shares in public hands that would permit the Company to potentially undertake purchases or acquisitions of its Shares up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

9. TAKE-OVER CODE IMPLICATIONS ARISING FROM SHARE PURCHASE

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”). Consequently, depending on the number of Shares purchased by the Company and the Company’s issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

Under the Take-over Code, persons acting in concert or concert parties comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert, namely (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (ii) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

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The circumstances under which Shareholders of the Company (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties are between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the register of Directors' shareholdings and the register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of ten per cent. (10%) of the issued ordinary share capital of the Company, (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, and (iii) none of the outstanding Share Options are exercised, will be as follows:

	<u>Before Share Purchases</u>			<u>After Share Purchases</u>		
	Direct Interest (%)	Deemed Interest (%)	Total Interest (%)	Direct Interest (%)	Deemed Interest (%)	Total Interest (%)
Directors						
Tam Jo Tak, Dominic ⁽¹⁾	nil	74.55	74.55	nil	82.83	82.83
Chiu Hau Shun, Simon	nil	nil	nil	nil	nil	nil
Cheung Hok Fung, Alexander	nil	nil	nil	nil	nil	nil
Wee Sung Leng ⁽²⁾	nil	0.003	0.003	nil	0.003	0.003
Hu Hou Zhi	0.65	nil	0.65	0.72	nil	0.72
Substantial Shareholders						
DJKS Holdings Limited ⁽³⁾	74.55	nil	74.55	82.83	nil	82.83
Yau Hing Wah, John ⁽⁴⁾	nil	74.55	74.55	nil	82.83	82.83

Notes:

- (1) Mr Tam Jo Tak, Dominic owns 57.14% of the equity interest in DJKS Holdings Limited and is deemed to be interested in the Shares held by DJKS Holdings Limited.
- (2) Mr Wee Sung Leng is deemed to be interested in the Shares held by his spouse.
- (3) DJKS Holdings Limited is holding its Shares through its nominee, Raffles Nominees (Pte.) Ltd.
- (4) Mr Yau Hing Wah, John owns 28.57% of the equity interest in DJKS Holdings Limited and is deemed to be interested in the Shares held by DJKS Holdings Limited.

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As disclosed above, there will not be any obligation on any Shareholders (including Directors) and persons acting in concert with them to make a general offer to other Shareholders pursuant to Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholders (including Directors) and their concert parties increase, since each of their shareholdings are above fifty per cent. (50%).

Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they acquire any Shares during the Relevant Period.

10. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

11. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report, will be held on 20 April 2021, at 10 a.m., by way of electronic means, for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions as set out in the notice of AGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, a Shareholder will not be able to attend the AGM in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL <http://www.combinewill.com/ar.html>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

- (a) if submitted by post, be deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
- (b) if submitted electronically, be submitted via email to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at agm.teamE@boardroomlimited.com,

in either case not less than 48 hours before the time set for the holding of the AGM.

A Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.

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In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

13. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Share Purchase Mandate is in the best interests of the Company. The Directors accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Share Purchase Mandate to be proposed at the AGM as set out in the notice of AGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or, reproduced in this Appendix in its proper form and context.

15. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the office of the Company's local share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 during normal business hours from the date of this Appendix, up to and including, the date of the AGM:

- (i) the Memorandum and Articles; and
- (ii) the Annual Report.

Yours faithfully
For and on behalf of the Board

Chiu Hau Shun, Simon
Executive Director

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