Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Combine Will International Holdings Limited

Stock code: N0Z

Meeting details:
Date: 20 April 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Would the board/management provide shareholders with greater clarity on its operations? Specifically:

(i) **Capacity:** In the chairman's message, it was disclosed the group continued to invest in capacity-building at its two key manufacturing centres in Cangwu, China and Sragen, Indonesia. **What are the capacities at the two sites? Do they have the same (technical) capabilities, in terms of product range, quality and turnaround time/delivery speed?**

(ii) **Utilisation: What was the utilisation rate in FY2020?**

(iii) **"Micro-line": Can management elaborate further on the "micro-line" manufacturing concept that is being implemented at the Cangwu plant?** Management has credited the "micro-line" manufacturing concept with a 15-20% improvement in operating efficiencies.

(iv) **Automation: What is the level of automation at the two plants?**

(v) **Sragen, Indonesia: Did management experience differences in culture and language in the new plant? How did management overcome such challenges to achieve high efficiency at the new plant?**

(vi) **Major customer:** In Note 7 (page 76 – Segment information), it is shown that revenue from the top customer ("Customer a") decreased from HK$857 million to HK$575 million in FY2020. **Has management analysed the reasons for the increase in revenue from "Customer b" from HK$206 million in FY2019 to HK$222 million in FY2020 while revenue from "Customer a" dropped by a third to HK$575 million?**

Q2. The group's vision can be found on page 1 of the annual report and is reproduced below:

We aspire to be a world-class corporation which sets the standards in the manufacturing of plastic, paper, die-cast and electronics products.

We aim to be a leader and a key supplier of choice for our customers in providing quality ODM/OEM services for corporate premiums, toys and consumer products.

"Paper [products]" has been added to the vision in the 2020 annual report. This relates to the group's vertical integration into paper products. As noted in the annual report, a new team has been assembled to support the vertical integration into paper printing and product manufacturing at the new paper product manufacturing site in Heyuan. Pilot production has been successfully completed and large-scale production has commenced.

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The group's vertical integration into paper products is said to strengthen the group's OEM/ODM service to our customers and meet the growing demand for paper products.

(i) **Can management elaborate further on what these paper products are?**

(ii) **Can management provide shareholders with pictures and details of its paper products at the AGM and in future annual reports so as to allow shareholders to better understand this new business (and its risks)?**

There has been no mention of a new product line by the company in the past year. The first mention was in the group's FY2020 results published on 28 February 2021.

(iii) **What was the amount invested for its new paper manufacturing capability?**

(iv) **What is management's experience in mass-producing these paper products? Is the group selling these paper products to the current major customers?**

(v) **Will this vertical integration into paper products alter the risk profile of the group?**

Q3. In the corporate governance report, it is disclosed that the internal audit function carries out reviews and internal control advisory activities aligned to the key risks in the group's business. The audit committee (AC) is satisfied that the internal audit function is independent and effective and that the internal audit function has adequate resources and appropriate standing within the group to perform its functions effectively.

(i) **Can the AC clarify if the internal audit function is staffed in-house or outsourced to a reputable accounting/auditing firm? If the former, what is the size of the IA team?**

(ii) **Can the AC also confirm that the internal audit function complies with the standards set by nationally or internationally recognised professional bodies?**

(iii) **What were the key findings of the audits performed by the internal auditors based on the approved audit plan?**

(iv) **Can the AC confirm that the internal audit plan covers the group's operations in Indonesia?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)