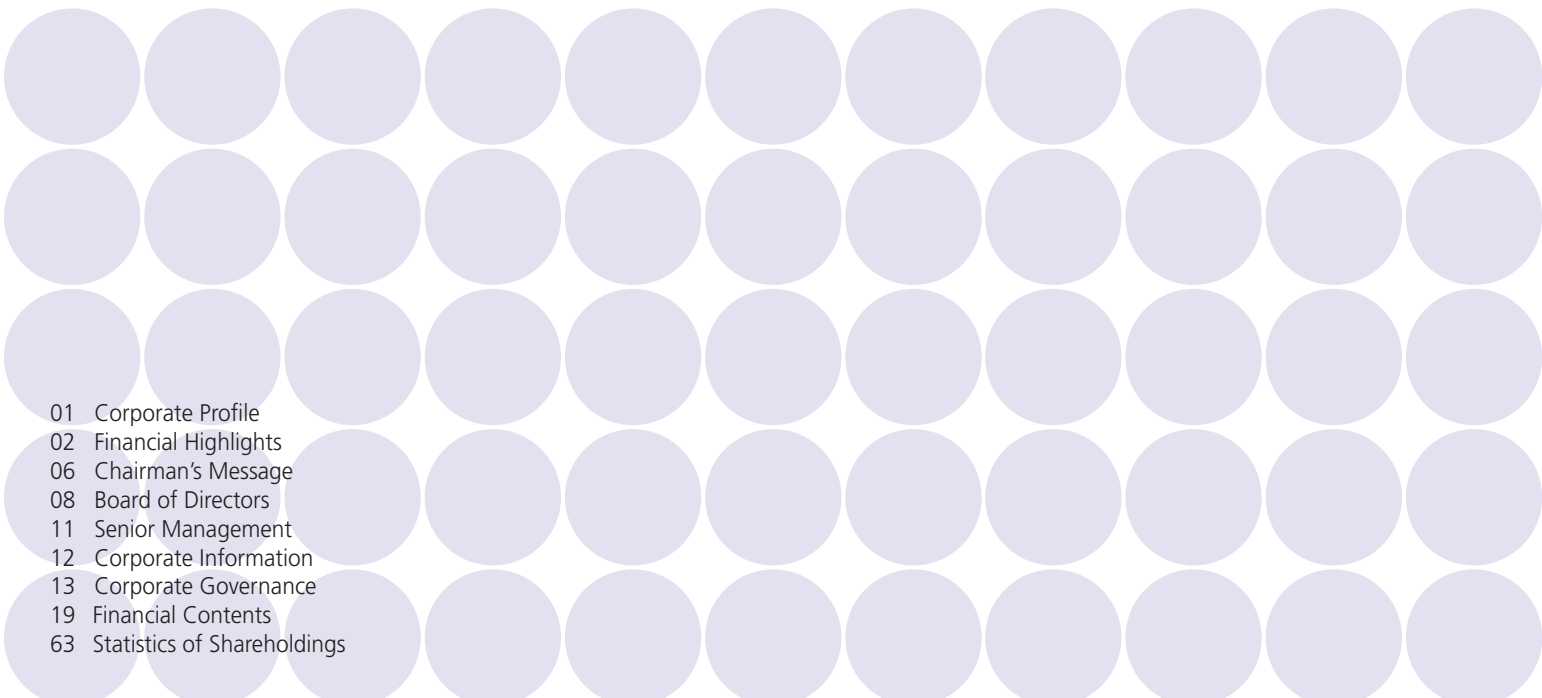




Where Ideas Become Reality



01	Corporate Profile
02	Financial Highlights
06	Chairman's Message
08	Board of Directors
11	Senior Management
12	Corporate Information
13	Corporate Governance
19	Financial Contents
63	Statistics of Shareholdings



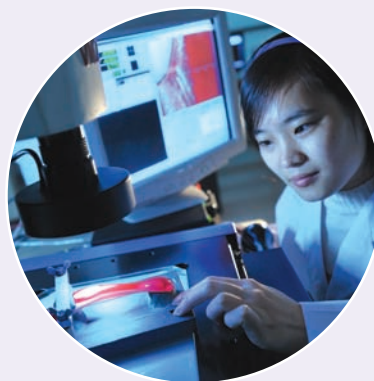
Contents

Corporate Profile

With six manufacturing facilities in Dongguan and Heyuan in Guangdong Province of the PRC, Combine Will International Holdings Limited produces plastic and die-cast products which include premiums, collectibles, toys and consumer products. Since our inception in 1992, the Group has developed a niche in the production of premiums with multi-national corporations such as The Marketing Store ("TMS"), a global brand activation agency and marketing network; Sieper GmbH which is known for the Siku brand of toys, and Hong Kong-listed Playmates Toys, Inc. Combine Will is presently one of the leading ODM/OEM manufacturers of corporate premiums in the PRC and Hong Kong.

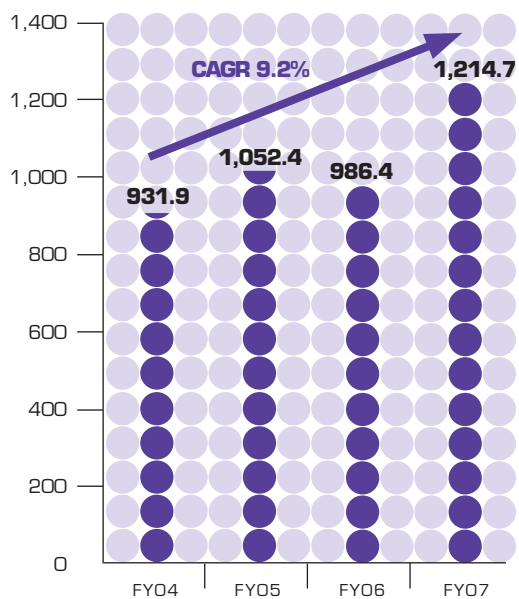
Further, we believe that the Group is also one of the leading suppliers of plastic injection and die-casting moulds in southern China. We are an approved supplier to established automobile part manufacturers who are suppliers to Honda, Volvo and General Motors, as well as to automobile Tier One suppliers such as Valeo, Delphi and Faurecia. Approximately 60% of our moulds produced in FY2006 and FY2007 were for the automobile industry, which includes various automobile parts such as climate control system parts, engine-cooling system parts, automobile lighting systems, interior and exterior mirror systems, instrument panels and interior decoration parts. In addition, the Group also produces industrial moulds for customers in other industries such as medical, electronic, household appliances, office equipment and telecommunications for reputable brands such as Toshiba, Honeywell, SEB and Whirlpool.

Anticipating a big demand in the PRC for advanced machines and precision tools used in mould making, the Group set up Machine Sales unit in 2000 and is today a distributor of various brands of technologically-advanced machines and precision tools used in the manufacture of mould, die-cast products and automobile parts such as metal-cutting machines, precision measuring instruments and cutting tools, together with the required operating software, for equipment manufacturers from Japan, the USA, Germany, the United Kingdom, Taiwan and Italy.

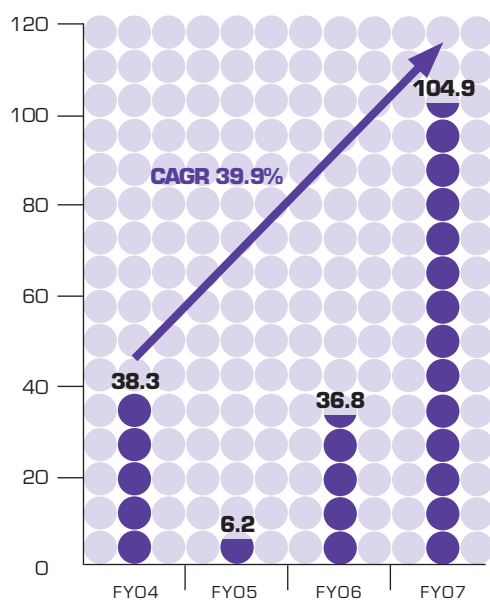


Financial Highlights

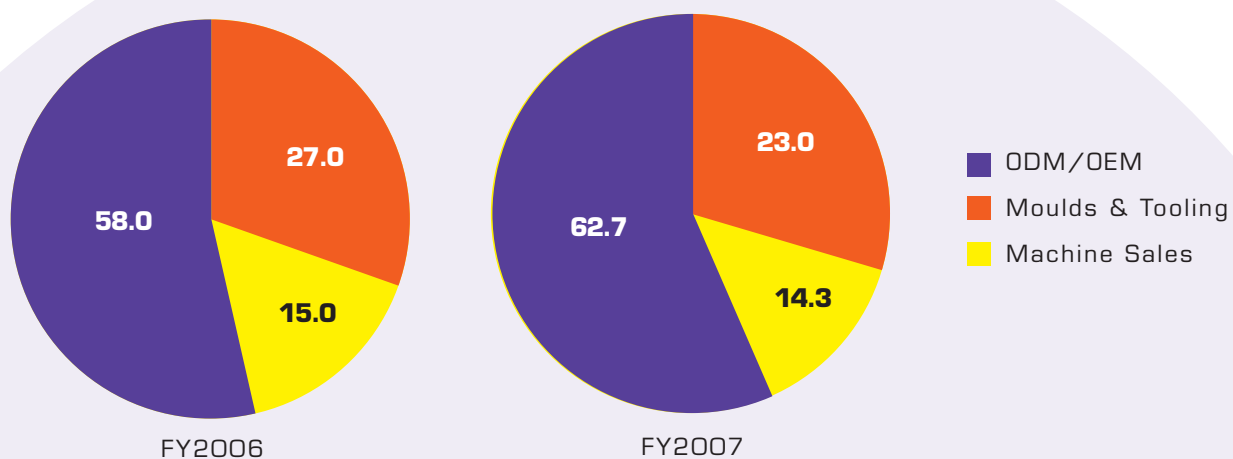
Revenue
HK\$ million



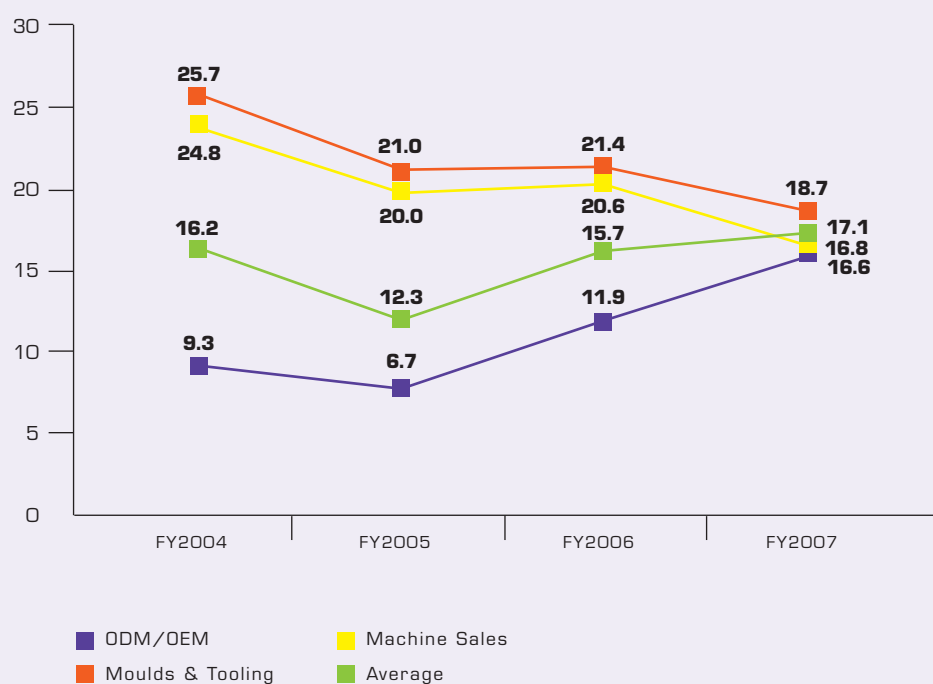
Net Profit
HK\$ million



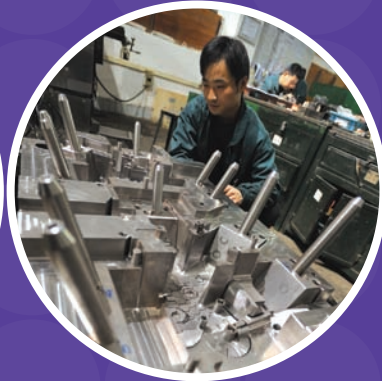
Revenue by Business Segments



Gross Profit Margin



Our Factories



Our Facilities

ODM/OEM



Moulds & Tooling



Our Services

Machine Sales



Chairman's Message



Dear Shareholders,

On 23 June 2008, Combine Will International successfully crossed an important milestone to become a publicly-listed company on the Singapore Exchange. Our listing exercise involved the sale of 88 million New Shares at \$0.23 each, raising approximately S\$15.1 million for our future expansion.

We are now ready to take Combine Will to another exciting phase of growth. While our ODM/OEM business segment continues to benefit from the increasing outsourcing trend of multinational companies (MNCs) in the PRC, we are also excited about our plans to leverage on our core technical expertise to expand our business to include the production of automobile parts for our Moulds and Tooling business segment.

Since our inception in 1992, we have grown from strength to strength, and are today a one-stop ODM/OEM manufacturer of plastic and die-cast products in the PRC, with six manufacturing facilities in the Guangdong Province. Combine Will is one of the leading ODM/OEM manufacturers of

corporate premiums in the PRC and Hong Kong, and one of the leading suppliers of plastic injection and die-casting moulds in southern China. More importantly, we have established ourselves as approved supplier to established automobile part manufacturers who are suppliers to Honda, Volvo and General Motors, as well as to automobile Tier One suppliers such as Valeo, Delphi and Faurecia.

Combine Will enjoys a strong network of relationships with our customers, many of whom are MNCs. We are well poised to grow our business and deliver more value to our investors, as we ride on the favourable industry prospects and have every reason to be excited about Combine Will's future.

Financial Review

For the financial year ended 31 December 2007, the Group achieved a 221.0% jump in net profit attributable to shareholders on the back of a 23.2% rise in revenue to HK\$1.2 billion, with all-round growth in all of our three core business segments, namely, ODM/OEM (which grew 33.2%), Moulds and Tooling (up 5.0%), and Machine Sales (up 17.2%).

Buoyed by a higher utilisation rate and the successful implementation of cost-saving measures, the Group managed to increase its gross profit margin, from 15.7% in FY2006 to 17.1% in FY2007.

Apart from an increase in sales across its three core businesses, the surge in the Group's net profit attributable to shareholders was also due to a 53.7% increase in Other Income, as well as gains on disposal of subsidiaries and acquisition of minority interests as a result of the Group's restructuring exercise whilst preparing for its listing on the Singapore Exchange.

Per Share Data

Based on its latest full-year results, the Group's basic earnings per ordinary share (based on its weighted average shares of 240,000,000) is 41.34 HK cents whilst its net asset value per ordinary share is 118.41 HK cents as at 31 December 2007.

Business Prospects

Our strong financial performance in FY2007 demonstrates our Group's ability in meeting market demand and competition across our three core businesses.

ODM/OEM

Our ODM/OEM business segment continues to benefit from the increasing outsourcing trend of MNCs in the PRC, and the focus on quality and safety of toys and premiums from these MNCs. These MNCs focus more on quality and safety of the toys and premiums, choosing to work with manufacturers who have an established track record and are socially responsible. Industry consolidation and tightening regulations in the PRC continue to benefit players with quality and safety standards such as our Group. They also prefer a manufacturing partner with integrated manufacturing capabilities and functions effectively as a one-stop supply chain. As such, our capabilities in design, engineering, production of moulds and tooling, plastic-injection and die-casting put us in an advantageous position.

Moulds and Tooling

Moving ahead, a strong driver of growth for the Group will come from our Moulds and Tooling business, focusing on the manufacturing of automobile parts using the moulds that we produce.

With more overseas companies setting up factories in the PRC, demand for moulds and tooling correspondingly increases. We have been upgrading and expanding our facilities for the Moulds and Tooling business segment since 1996, and we are now a leading plastic injection and die-casting mould producer in southern China. To date, about 60% of the moulds we make are for the automobile industry. We have the capacity and capability to produce very large moulds of up to 1,200 tonnes of injection moulding machine capacity, and this is our unique advantage. Going forward, we plan to add value to the supply chain by moving downstream to the manufacturing of automobile parts. We have already obtained the ISO/TS16949:2002 certification since 2006 which can facilitate our development into the auto parts business.

It was an intense effort to transform from toy to automobile mould making - a big leap for us in terms of technology, precision machinery, system, software, and especially capital requirements, but we see great potential and opportunities for the Group and we intend to leverage on our core technical expertise and market information to expand the business further.

Machine Sales

Along with rising demand for moulds and tooling, we see rising demand for advanced machines and precision tools used in the manufacture of moulds, die-cast products and automobile parts. Currently, we represent equipment manufacturers from Japan, US, Germany, UK, Taiwan and Italy whose

products are recognized for their consistency, quality and accuracy. Moving ahead, we intend to continue expanding our distribution channels as well as the range of machines that we distribute and represent.

Outlook

The operating landscape remains competitive and demanding. The accelerating appreciation of the RMB against the US dollar, spikes in raw material prices, rising inflation in the PRC and the newly effective China Labour Contract Law pushed up labour and material costs as well as other manufacturing overheads. In view of these challenging factors and keen market competition, the Group may face greater challenges in cost management in the coming year. To counter rising costs, the Group will continue to drive efficiency, raise productivity and exercise stringent control over operating costs.

The Group sees great potential and opportunities for us, particularly in the Moulds and Tooling business segment, and intends to leverage on its core technical expertise and market information to expand its businesses further. As such, we intend to stay focused on proactive design and development collaboration with our customers and continue further development into auto parts production.

Barring unforeseen circumstances, the directors expect the Group to remain profitable in FY2008.

Acknowledgments

We are thankful for all of your support, and for choosing to invest in the clear growth strategies of Combine Will. Our Group's name itself reflects our combined determination to grow our businesses to where it is today. It is also our assurance that we are ever more determined to secure our future in ODM/OEM manufacturing, and to leverage on our lead position as one of the largest makers of moulds and tooling in southern China to build our auto parts business.

I would take this opportunity to express my appreciation to my fellow directors, management and staff for their hard work and dedication; to the IPO team for their contribution to the success of our listing on SGX-ST and to our shareholders for your support and trust. We certainly look forward to your continued support as we strive to take Combine Will to its next level of growth.

Dominic Tam

Executive Chairman and CEO

Board of Directors

Tam Jo Tak, Dominic

Executive Chairman and CEO

Mr Tam Jo Tak, Dominic is the co-founder, Executive Chairman and Chief Executive Officer of our Group. He was appointed to our Board on 27 December 2007. Since the inception of the Group in 1992, he oversees all business and management activities of the Group and is responsible for setting business directions and goals, exploring new business opportunities and the overall customer relationships of the Group. Mr Tam has more than 25 years of experience in toy product development and the manufacturing industry.

Prior to setting up our Group, he was a product development director at Zindart Industrial Co., Ltd from 1989 to 1991. He held senior positions with many US companies in Hong Kong from 1982 to 1988 in the areas of production planning, quality control and engineering. Companies he has served in, include Galco International Toys, LJM Toys, ERTL (HK) Ltd, Ideal Toys and Hong Kong Industrial Co., Ltd. He was also a visiting lecturer of the Hong Kong Polytechnic from 1980 to 1983.

Mr Tam was the Chairman of the Hong Kong Diecasting Association in 2000 and 2001 and has been the Honorary Chairman thereafter. He has been a committee member of The Toys Manufacturer's Association of Hong Kong from 2002 up to now. Mr Tam graduated with a Bachelor of Science Honours Degree in Production Engineering and Management from the Loughborough University in the UK in 1980.

Yau Hing Wah, John

Executive Director

Mr Yau Hing Wah, John is the co-founder and Executive Director of our Group and is responsible for the operations of our ODM/OEM business segment. He was appointed to our Board on 27 December 2007 and has been with the Group since its inception in 1992. Mr Yau has more than 20 years of experience in the toys industry. Between 1983 and 1991, Mr Yau was a director at Wah Sing Toys Co., Ltd and was responsible for the production and operations of the company for approximately ten years. Prior to that, he served as an apprenticeship inspector at the Labour Department (HK government). From 1981 to 1983, he joined Kingsway Toys Co., Ltd. for two years as a factory manager. From 1979 to 1981, he was also a factory manager of Marx Toys Co., Ltd. and was responsible for the factory operations of the company. In 1981, Mr Yau graduated with a Higher Certificate in Production and Industrial Engineering from the Hong Kong Polytechnic, majoring in Production Engineering.

Zheng Naiqiao, Koulman

Executive Director

Mr Zheng Naiqiao, Koulman is an Executive Director of our Group and is responsible for the market and technological development, operations and quality control for our Moulds and Tooling Business Unit. He was appointed to our Board on 27 December 2007 and has been with the Group since 2000. For a period of approximately seven years, Mr Zheng was a manager of the overseas vendor operations of Liberty Classics Inc. Prior to that, he was a manager of production and operations at Dyna Mechatronics Inc. and responsible for the production from the CNC machining centres and manufacturing systems of the company. From 1978 to 1982, he was an engineer at the factory of Specialised Production Equipment in Guangzhou, China. Mr Zheng graduated with a Master of Science in Mechanical Engineering from the Northeastern University in Boston Massachusetts, USA.

Chiu Hau Shun, Simon

Executive Director

Mr Chiu Hau Shun, Simon is an Executive Director of our Group and prior to 1 October 2006, he was responsible for the finance and accounts of the Group. He was appointed to our Board on 8 October 2007 and has been with the Group since 2000. He is currently principally engaged in Human Resources, Administration and Corporate Affairs for our Group. He is also a director of Simon Chiu and Associates Limited, a PRC consultancy business which he founded in 1997. Prior to setting up his own business, he was the chief financial officer of various companies, such as Hua Yang Industrial Co., Ltd., Waly Decoration Company Limited, DMC Hong Kong Limited and G.J.M. Hong Kong Ltd.. He was also an assistant general manager of Sumida (HK) Limited from 1991 to 1993. He started his career as an accountant at Arthur Andersen & Co. where he practised for close to eight years. Mr Chiu received his education from the Indiana University School of Business, USA.

Bob Low Siew Sie

Lead Independent Director

Mr Bob Low Siew Sie is our Lead Independent Director and was appointed to our Board on 28 March 2008. Mr Low joined Turquand Young & Company as an auditor in 1969. From 1972 to 1978, he held various accounting positions at Peats Marwick, Price Waterhouse Singapore, Coopers and Lybrand Hong Kong, before subsequently joining Coopers Lybrand Singapore in 1978. In 1981, Mr Low was a Finance/Administrative Manager and Company Secretary for Gammon Hong Kong Pte., Ltd, a position he held until 1983. Since January 1984, Mr Low has been practising as a certified public accountant through a sole proprietorship, Bob Low & Co.. Mr Low has also acted as a judicial manager for various companies such as Hong Lai Huat Construction Pte Ltd (a subsidiary of PDC Corp Ltd) and Bandung Piling & Civil Engineering Pte Ltd and is still acting as a judicial manager for L&M Group Investments Ltd. Mr Low graduated from the University of London with a Bachelor of Law in 1985. He is a UK Chartered Certified Accountant, Fellow member of the Australian Certified Public Accountant, a Certified Public Accountant and an Approved Company Auditor and Liquidator under the Institute of Certified Public Accountants of Singapore. He is also Member of the Insolvency Practitioner Association of Singapore and Member of UK Chartered Institute of Arbitrators.

Board of Directors

Cheung Hok Fung, Alexander

Independent Director

Mr Cheung Hok Fung, Alexander is our Independent Director and was appointed to our Board on 28 March 2008. He is currently a Barrister-at-Law practising in Hong Kong. He is also a Certified Public Accountant in Hong Kong, a chartered accountant of New Zealand and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr Cheung is admitted as a Barrister and Solicitor in Victoria and a Legal Practitioner in New South Wales, Australia. He has over 20 years of experience in corporate development, project finance, auditing, tax planning and compliance, insolvency, forensic accounting and company secretarial matters. He holds a Professional Diploma in Company Secretaryship and Administration awarded by The Hong Kong Polytechnic, a Bachelor of Laws degree from the University of New England, Australia and a Post-graduate Certificate of Laws from the University of Hong Kong.

Chia Seng Hee, Jack

Independent Director

Mr Chia Seng Hee, Jack is our Independent Director and was appointed to our Board on 28 March 2008. Currently, he runs his own investment advisory firm Jack Capital Services Pte Ltd, which he set up in June 2005. Prior to that he was Senior Director, International Enterprise Singapore (the former Trade Development Board) and was based in Shanghai from June 2002. Mr Chia was also with Singapore Technologies, Government of Singapore Investment Corporation as well as Arthur Andersen in marketing and consulting capacities. He graduated from the National University of Singapore with a degree in Accountancy and from the International University of Japan with a Masters of Arts degree in International Relations. He is qualified as a Certified Public Accountant. He also completed the General Manager Program at Harvard Business School.

Senior Management

Hung Kam Tim, Samuel

General Manager, Head of Machine Sales Business Unit

Mr Hung Kam Tim, Samuel has been the General Manager, Head of Machine Sales Business Unit, since 2000 and is responsible for the management and operational activities of the Group in relation to our Machine Sales business segment. Prior to joining our Group, he was a regional sales manager at Leepport Machine Tools Co., Ltd and was involved in the sales and marketing, strategic planning and operational activities of the company for approximately eight years. Mr Hung graduated with a Bachelor's Degree in Manufacturing Engineering (first class honours) and a Masters Degree (Arts) in Quantitative Analysis for business from the City University of Hong Kong in 1992 and 1996, respectively.

Tsui Chung Kit, Allan

General Manager, Moulds and Tooling Business Unit

Mr Tsui Chung Kit, Allan has been a General Manager of our Moulds and Tooling Business Unit since 1994 and is responsible for the marketing and sales, customer service and engineering support functions of the Unit. He had about seven years of experience prior to joining our Group in product development and project management at various toy manufacturing companies when he was a project manager at MB sales from 1992 to 1994, a senior engineer at Matchbox Limited from 1989 to 1992, and an engineer at Zindart Industrial Co., Ltd. from 1987 to 1989. Mr Tsui graduated with an Endorsement High Certification in Mechanical and Manufacturing Engineering (MME) and an Endorsement Certification in Management Service from the Hong Kong Polytechnic in 1990 and 1991, respectively.

Qiu Guo Lian, David

General Manager, Head of Operations, ODM/OEM Business Unit

Mr Qiu Guo Lian, David has been the General Manager, Head of Operations of our ODM/OEM Business Unit since 1992 and has been responsible for the plant operations of our ODM/OEM Business Unit. Prior to joining our Group, he was a senior supervisor at Wah Shing Toys Co., Ltd. for four years and was involved in production planning

and material control. Mr Qiu graduated with a college diploma in Education in English from the Huizhou Educational College in 1987.

Li Hin Lun, Alan

General Manager, Head of Sales and Marketing, ODM/OEM Business Unit

Mr Li Hin Lun, Alan has been the General Manager, Head of Sales and Marketing, ODM/OEM Business Unit, since 1994 and is responsible for the operations, administration and shipping department in the Group's Hong Kong office for the ODM/OEM Business Unit. Prior to joining our Group, Mr Li had close to seven years of experience in the die-cast and plastic toy manufacturing industry, having been at Paka Toys from 1991 to 1994 as a senior engineer and a design engineer in Kader Industrial Co., Ltd. from 1989 to 1991. He was also a project engineer at Forwind Windsome Co., Ltd. from 1987 to 1989 and engaged in project development of toys from design to manufacturing. Mr Li graduated with a higher diploma in Production and Industrial Engineering from the Hong Kong Polytechnic in 1987.

Tsang Hung Leung, Alan

Chief Financial Officer

Mr Tsang Hung Leung, Alan has been the Chief Financial Officer of our Group since November 2006 and is involved in financial reporting and treasury management. Prior to joining our Group, Mr Tsang had worked at China Resources Enterprise Limited from 2001 to 2006 and was responsible for the internal audit and supervisory work for the operations of Ng Fung Hong and CR Vanguard. He was also a financial controller of Hong Kong Netcom Limited between 2000 to 2001. Prior to that, he was an audit manager at Fok Siu Yuan CPA for two years and a senior auditor, responsible for financial audits and computer risk management, at Arthur Anderson & Co. for five years between 1993 to 2000. While at Arthur Anderson & Co., he was involved in several listing exercises which involved the application of International Accounting Standard (the predecessor of IFRS). Mr Tsang graduated with an Accounting Degree from the City University of Hong Kong in 1993 and is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.



Corporate Information

BOARD OF DIRECTORS

Tam Jo Tak, Dominic (Executive Chairman / Chief Executive Officer)
Yau Hing Wah, John (Executive Director)
Zheng Naqiao, Koulman (Executive Director)
Chiu Hau Shun, Simon (Executive Director)
Bob Low Siew Sie (Lead Independent Director)
Cheung Hok Fung, Alexander (Independent Director)
Chia Seng Hee, Jack (Independent Director)

AUDIT COMMITTEE

Cheung Hok Fung, Alexander (Chairman)
Bob Low Siew Sie
Chia Seng Hee, Jack

NOMINATING COMMITTEE

Chia Seng Hee, Jack (Chairman)
Bob Low Siew Sie
Cheung Hok Fung, Alexander

REMUNERATION COMMITTEE

Bob Low Siew Sie (Chairman)
Cheung Hok Fung, Alexander
Chia Seng Hee, Jack

COMPANY SECRETARY

Tsang Hung Leung, Alan, CPA
Ng Joo Khin, LLB (Hons)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Combine Will (Dongguan) Industrial Co., Ltd.
Xin Cheng District, Heng Li Zhen
Dongguan, Guangdong Province,
The PRC

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483

AUDITOR

RSM Nelson Wheeler
Certified Public Accountants, Hong Kong
29th Floor, Caroline Centre,
Lee Gardens Two,
28 Yun Ping Road
Hong Kong
Partner-in-charge: Mr Eugene Liu, CPA
(With effect from FY2007)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
2/F, HSBC Building Mong Kok
673 Nathan Road, Mong Kok
Kowloon, Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road
Central, Hong Kong

Standard Chartered Bank Hong Kong Limited
13th Floor Standard Chartered Building
4-4A Des Voeux Road
Central, Hong Kong

Corporate Governance

The Directors and Management of Combine Will International Holdings Limited are committed to achieving and maintaining high standards of corporate governance, in compliance with the principles set out in the Code of Corporate Governance 2005 (the "**Code**") issued by the Singapore Corporate Governance Committee and the relevant sections of the Listing Manual ("**Listing Manual**") issued by the Singapore Exchange Trading Securities Limited ("**SGX-ST**").

The corporate governance practices of the Company for the financial year ended 31 December 2007 are described herein under the following sections:-

I	Board Matters
II	Remuneration Matters
III	Accountability and Audit
IV	Communication with Shareholders
V	Dealings in Securities

I. BOARD MATTERS

(Principles 1, 2, 3, 4, 5 and 6 of the Code)

Board's Conduct of its Affairs

The Board of Directors of the Company (the "**Board**") is responsible to supervise the management and affairs of the Company. The Board's primary duty is to ensure that the Company is managed in the best interests of shareholders as a whole while taking into account the interests of other stakeholders, and at the same time not losing track of its viability.

There is a clear division of responsibilities in the top management with clearly defined lines of responsibility between the Board and executive functions of the management of the Company's business. The Board is assisted by experienced and qualified executive officers of the Company.

Broadly, the responsibilities of the Board include but are not limited to the following:

- reviewing and approving overall business strategy developed and recommended by the Management;
- ensuring that decisions and investments are consistent with long-term strategic goals;
- ensuring the Company is operated to preserve its financial integrity and in accordance with policies approved by the Board;
- providing oversight in ensuring that the Company's activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- overseeing, through the Audit Committee, the quality and integrity of the Company's accounting and financial reporting systems, disclosure controls and procedures, internal controls and risk management systems;
- reviewing transactions entailing any material acquisitions or disposals of assets; and
- assuming overall responsibility for corporate governance.

Board Composition and Guidance

Presently, the Board consists of seven (7) members; comprising three (3) independent non-executive directors and four (4) executive directors. A brief profile of each Director is presented in the Profile of Board of Directors section of this Annual Report and their shareholdings in the Company and its subsidiaries as at 31 December 2007 are disclosed in the Directors' Report for the financial year ended 31 December 2007.

There is a good balance between the executive and non-executive directors. There is also a strong and independent element on the Board. Nevertheless, given the scale of the Company and the complexity of the business, the size of the Board will be reviewed from time to time to ensure that it can provide the optimum balance to facilitate effective decision making. The Board, taking into account the scope and nature of the operations of the Company, considers the current size of seven directors to be adequate for effective decision making.

The Board has used its best efforts to ensure that the Directors appointed to the Board possess the background, experience and knowledge in technology, finance, business and management skills critical to the Company's business to enable the Board to make sound and well considered decisions.

Members of the Board comprise professionals that provide core competencies to ensure the effectiveness of the Board. Such core competencies include accounting, finance, strategic ability, business acumen, management experience and depth understanding of industry and customer, familiarity with regulatory requirements, and knowledge of risk analyses and control.

Corporate Governance

Board Committees

The Board has established specific committees to assist in the efficient implementation of its functions, namely, the Audit Committee, the Nominating Committee and the Remuneration Committee. Specific responsibilities have been delegated to each of the committees. These committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis.

The Board meets at least on a quarterly basis and ad-hoc meetings are convened as and when circumstances require. The Company's Articles of Association provides for Directors to participate in Board and Board committee meetings by means of teleconference, video conferencing or audio visual equipment.

The Board also receives documents on matters requiring its consideration prior to and in advance of each meeting and vide circular resolutions. The Board papers and papers accompanying circular resolutions are required to be comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made. All proceedings from Board and Committees meetings are minuted and signed by the respective Chairman of the meetings.

The Company was incorporated in the Cayman Islands on 8 October 2007 and was only admitted to the Official List of Singapore Exchange Securities Trading Limited on 23 June 2008. There is no formal Board meetings were held during the financial year ended 31 December 2007. However, when the Company was undergone the process of initial public offering, the Board had met unofficially in several occasions to discuss various matters pertaining to the initial public offering of the Company and any formal decisions made during that time were recorded via written resolutions.

Executive Chairman, Chief Executive Officer and Lead Independent Director

Mr Tam Jo Tak, Dominic is the co-founder, Executive Chairman and Chief Executive Officer of the Group.

Since the inception of the Group in 1992, Mr Tam oversees all business and management activities of the Group and is responsible for setting up business directions and goals, exploring new business opportunities and the overall customer relationships of the Group. Mr Tam has more than 25 years of experience of toy product development and the manufacturing industry.

Mr Tam is also responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The Board is of the opinion that the appointment of Mr Tam as Executive Chairman and Chief Executive Officer of the Company does not affect the effective running of the Board. The independent non-executive directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the executive directors.

The Code of Corporate Governance 2005 recommends the appointment of a lead independent director to whom any concerns of any shareholders may be conveyed where such concerns were not resolved through the normal channels or for which such channels are inappropriate. For this purpose, Mr Bob Low Siew Sie has been appointed as the Lead Independent Director of the Company.

Board Membership

The Nominating Committee (the "NC") comprises entirely of Independent Non-Executive Directors, namely:-

Chia Seng Hee, Jack (Chairman)
Cheung Hok Fung, Alexander
Bob Low Siew Sie

The principal functions of the NC are set out below:-

- making recommendation to the Board on all board appointments;
- re-nomination of the Directors having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent. All Directors are subject to re-nomination and re-election at regular intervals and at least every three years pursuant to the Company's Articles of Association. A newly appointed Director will have to submit himself for retirement and election at annual general meetings;
- determining annually whether or not a Director is independent pursuant to the guidelines set out in the Code of Corporate Governance, and by such amendments made thereto from time to time;

Corporate Governance

- subject to approval of the Board, deciding on how the Board's performance is to be evaluated and proposing objective performance criteria that address how the Board has enhanced long-term shareholder value; and
- assessing the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board.

The Independent Non-Executive Directors have multiple board representations. However, the NC is satisfied that the Directors have been able to devote adequate time and attention to fulfil their duties as Directors of the Company, in addition to their multiple board representations.

Following the listing of the Company in 23 June 2008, the first NC meeting was held in July 2008 to deliberate on the terms of reference, review the independence of each independent non-executive Director, retirement and re-election of the Directors pursuant to the Company's Articles of Association and adoption of Board Evaluation Questionnaire.

Board Performance

An annual performance evaluation process will be implemented to assess the effectiveness of the Board, Board committees and each Director's contribution commencing from financial year 2008 onwards. The purpose of the evaluation process is to increase the overall effectiveness of the Board.

Access to information

Prior to each Board meeting, Directors are provided with timely and complete information to enable them to fulfil their responsibilities. Information provided includes background information on matters to be addressed by the Board, copies of disclosure documents, monthly internal financial statements, risk management reports, budgets, forecasts, and reports of variances from budgets and forecasts.

The Directors have separate and independent access to the company secretaries. All Board and committee meetings are to be conducted with the presence of the Company Secretary to ensure that Board procedures are followed and applicable rules and regulations are complied with. The Board is responsible for the appointment and removal of the company secretaries.

Where members of the Board, either individually or as a group, seek independent professional advice, after consultation with the Chairman, such expenses will be borne by the Company.

II

REMUNERATION MATTERS

(Principles 7, 8 and 9 of the Code)

Procedures for Developing Remuneration Policies

The Remuneration Committee (the "RC") consists of the following Independent Non-Executive Directors:-

Bob Low Siew Sie (Chairman)
Cheung Hok Fung, Alexander
Chia Seng Hee, Jack

The RC is for responsible for

- (i) recommending to the Board a framework of remuneration for the Directors and key executives, and to determine specific remuneration packages for the Chief Executive Officer and each Executive Director. The recommendations of the RC are submitted for endorsement by the entire Board. Each member of the RC is to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package. As such, no Director is involved in deciding his own remuneration.
- (ii) reviewing and administering the Company's compensation schemes such as Combine Will Employee Share Option Scheme (the "Scheme") from time to time. As part of its review, the RC shall ensure that all aspects of the Scheme are comparable to other similar companies within the industry.

The current policy of the RC in respect of Directors' remuneration is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

Corporate Governance

The first Remuneration Committee Meeting was held in July 2008 to deliberate on the terms and reference and the remuneration packages of Directors and Key Executives for financial years 2007 and 2008. The RC had proposed for the appointment of an independent executive compensation consultant to review the compensation schemes of the executive directors and key executives of the Company.

Level and Mix of Remuneration

In fine-tuning remuneration packages, the RC takes into consideration pay and employment conditions within the industry and in comparable companies. The Company's relative performance and the individual performance of the Directors are also intended to be factored into each remuneration package.

The remuneration of non-executive Directors will be appropriate to their respective levels of contribution, taking into account factors such as effort and time spent, and their responsibilities. The Board will recommend the remuneration of the non-executive Directors for approval at the annual general meetings of the Company.

Disclosure of Remuneration

The remuneration of the Directors and the key executives (who are not Directors) for the financial year ended 31 December 2007, shown in bands of S\$250,000, is disclosed below:

Name of Directors	Salary ⁽¹⁾ (%)	Bonus (%)	Directors' fees (%)	Total Compensation (%)
Directors				
S\$250,000 to below S\$500,000				
Tam Jo Tak, Dominic	100	0	0	100
Yau Hing Wah, John	100	0	0	100
Zheng Naiqiao, Koulman	100	0	0	100
Chiu Hau Shun, Simon	100	0	0	100
Executive Officers				
Below S\$250,000				
Qiu Guo Lian, David	100	0	0	100
Tsui Chung Kit, Allan	100	0	0	100
Li Hin Lun, Alan	100	0	0	100
Hung Kam Tim, Samuel	100	0	0	100
Tsang Hung Leung, Alan	100	0	0	100

III ACCOUNTABILITY AND AUDIT

(Principles 10, 11, 12 and 13)

Audit Committee

The Audit Committee (the "AC") comprises of three Independent Non-Executive Directors, namely:-

Cheung Hok Fung, Alexander (Chairman)
 Bob Low Siew Sie
 Chia Seng Hee, Jack

The AC focuses principally on assisting the Board in fulfilling its duties by providing an independent and objective review of the financial process, internal controls and the audit function.

Corporate Governance

The duties and responsibilities of the AC include:-

- To review with the external auditors the audit plan, including the nature and scope of the audit before the audit commences, their evaluation of the system of internal controls, audit report, management letter and Management's response.
- To ensure co-ordination where more than one audit firm is involved.
- To review the quarterly and annual financial statements before submission to the Board for approval.
- To review the financial statements of the Company and the consolidated balance sheet and profit and loss accounts, before approval by the Board.
- To discuss problems and concerns, if any, arising from the quarterly and final audits, in consultation with the external auditors and the internal auditors where necessary.
- To meet with the external auditors and internal auditors without the presence of Management, at least annually, to discuss any problems and concerns they may have.
- To review the assistance given by Management to the external auditors.
- To review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors.
- Where the auditors also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the auditors would not be compromised.
- To review the internal audit programme (including reviewing the procedures implemented by the Group to ensure that all requisite licences and approvals are obtained prior to commencement of the appropriate phases of each property project, as well as ensuring that such procedures are adequate) and to ensure co-ordination between the internal and external auditors and Management.
- To review the scope and results of the internal audit procedures.
- To review the adequacy of the Company's internal financial controls, operational and compliance controls and risk management policies and systems.
- To review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response.
- To review arrangements by which staff of the Company or of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters and, to conduct an independent investigation of such matters for appropriate follow up action.
- To investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.
- To review interested person transactions (IPTs) falling within the scope of the SGX-ST Listing Manual and potential conflicts of interest, if any.
- To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.
- To undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.
- To consider the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors.

Since the listing of the Company, the AC had met twice to deliberate the terms of reference, unaudited results for full year ended 31 December 2007 and half year ended 30 June 2008, and the setting up of the internal audit function.

Internal Controls and Internal Audit

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

The AC ensures that a review of the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. This review will be carried out by an internal auditor to be appointed by the Company, and the resulting report issued by the internal auditor will be reviewed in detail by the AC in conjunction with Management. The internal auditor's primary line of reporting is to the chairman of the AC. The internal auditor's scope of work will be reviewed by the AC.

The Board considers that the existing system of financial, operational and compliance controls is adequate. The Board is satisfied that, with the assistance of the AC and external auditors, current internal controls and risk management processes are satisfactory for the nature and scope of the Company's operations.

IV. COMMUNICATION WITH SHAREHOLDERS

(Principle 14 and 15 of the Code)

Adequate communication with Shareholders

It is the Company's policy to keep shareholders informed on a timely basis, through different media, of all major developments relating to the Company, in line with the disclosure obligations of the Company under the Listing Manual. Material and price sensitive information is always released via SGXNET. Information on shareholders' meetings is disseminated through notices published in newspapers, as well as through reports or circulars sent to all registered shareholders.

The Company encourages attendance, participation and voting by shareholders at the Company's annual general meetings and special general meetings, where they are allowed to vote in person or in abstentia. Shareholders will be afforded adequate opportunity to communicate their views on matters relating to the Company. The chairpersons of the AC, NC and RC and the external auditors will be present at the Annual General Meeting to address any relevant queries from shareholders.

V. DEALINGS IN SECURITIES

The Company has adopted an internal code of practice for securities transactions by all Directors and designated employees, in compliance with Rule 1207(18) of the Listing Manual.

Under the above-mentioned Rule, Directors and designated employees must refrain from dealing in the listed securities of the Company on short-term considerations and when they are in possession of unpublished price-sensitive information in relation to the Company and/or its subsidiaries or associated companies. Directors and designated employees are also not to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's full financial year results, as the case may be, and ending on the day of the announcement of the relevant results.



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 No. MC-196613)