COMBINE WILL

Annual Report 2008

Combine Will International Holdings Limited

Contents

Corporate Profile

Established in 1992 and listed on the Main Board of the Singapore Exchange on 23 June 2008, Combine Will International Holdings Limited has three strategic business segments, namely ODM/OEM, Moulds and Tooling and Machine Sales.

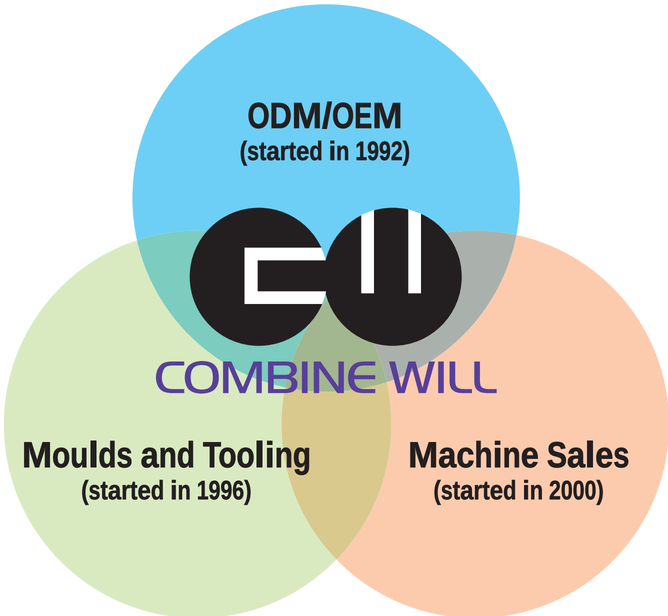
Combine Will is a one-stop integrated ODM/OEM manufacturer of plastic and die-cast products. In addition, the Group is a leading supplier of plastic injection and die-casting moulds in Southern China, and also sells machines and precision tools used for mould-making and metal parts processing.

The Group is a direct supplier to many well-known multinational companies, covering a broad spectrum of industries, from automobile to international fast-food chains.

Its production is primarily based at six factories in Guangdong Province, the PRC, covering an aggregate built-up area of approximately 117,254 sq m with a total workforce of approximately 10,000.

Our Business Model

Synergy among ODM/OEM manufacturing, Moulds and Tooling production, and Machine Sales



ODM/OEM

- Wide variety of plastic and die-cast products, including premiums, collectibles, toys, and consumer products such as razor handles, snowshoes and stationery
- One of the leading producers of premiums in China and Hong Kong, with blue-chip customers including a fast food chain and petroleum company
- One-stop seamless services – from ideas to actual product – with in-house design team, moulds and tooling, manufacturing expertise, and certified quality system
- Established customer relationship, with global brands such as TMS, Siku, Playmates, Hasbro, Univenture, Heritage Classics, Wal-Mart, and LL Bean

Moulds and Tooling

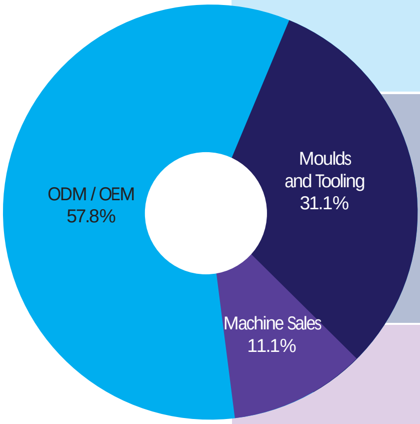
- One of the leading suppliers of plastic injection and die-casting moulds in Southern China
- Besides supplying moulds for its own ODM/OEM business, the Group also makes moulds for third parties
- An approved supplier to established automobile part manufacturers who are suppliers to Honda, Volvo and General Motors, as well as to automotive Tier One suppliers such as Valeo, Delphi and Faurecia
- Also supply industrial moulds to well-known brands, such as Toshiba, Honeywell, SEB and Whirlpool for their manufacture of consumer and household products

Machine Sales

- Distribute and install technologically-advanced machines and precision tools used in the manufacture of moulds, die-cast products and automobile parts
- These include metal-cutting machines, precision measuring instruments and cutting tools, together with the required operating software
- The Group also represents equipment manufacturers from Japan, the USA, Germany, the United Kingdom, Taiwan and Italy

2008 Highlights

Revenue by Business Segments (%)



Key Highlights

ODM/OEM

- Revenue grew by 2.1% to HK$777.6 million
- This business segment remains to be the mainstay of the Group's business
- Some pressure on export sales during the year which affected sales growth, but the Group has been able to maintain its established position

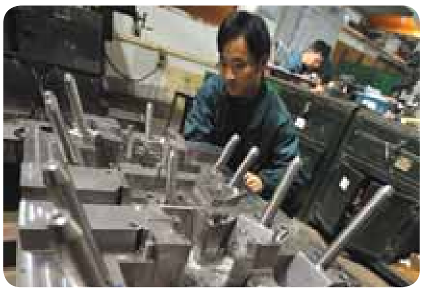
Moulds and Tooling

- Revenue surged 49.5% to HK$417.7 million
- Results of Group's strategic marketing initiatives in FY2008 to develop the moulds market for toys and automobile
- Reduced emphasis on automobile parts which is more significantly affected by the global economic slowdown
- Proactively minimize credit risks by only working with quality customers

Machine Sales

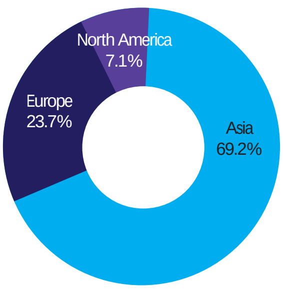
- Revenue dropped 13.9% to HK$149.4 million
- Group tightened credit policy by servicing only quality customers, optimize customer base and focus on profitability
- On-going market consolidation within the industry, and demand for advanced machines and precision tools has been reduced


ODM/OEM


Moulds and Tooling


Machine Sales

Revenue by Geographical Segments (%)



Geographical Coverage

- Revenue from North America dropped by 38.1% while revenue from Asia and Europe grew by 12.9% and 35.3%, respectively, on a year-on-year basis
- Higher proportion of sales to customers from Asia and Europe for the Moulds and Tooling segment

Chairman's Message

We are pleased that the Group's financial position remains healthy as we diligently maintained a strong balance sheet, with adequate cash and bank balances, stable cash flow from operating activities, as well as low gearing.

Dominic Tam
Executive Chairman and CEO

Dear Shareholders,

The current global economic meltdown is undoubtedly the most challenging and far reaching in modern history, and has claimed the downfall of many smaller players particularly in our industry in Southern China. Combine Will, however, delivered a satisfactory performance in FY2008, having achieved a net profit attributable to shareholders of HK$72.9 million on the back of a 10.7% growth in revenue to HK$1,344.7 million.

We are pleased that the Group's financial position remains healthy as we diligently maintained a strong balance sheet, with adequate cash and bank balances, stable cash flow from operating activities, as well as low gearing. We also managed to increase our bank and cash balances and reduced our trade receivables in FY2008, as we strengthened and tightened our cash and credit management policies.

As such, the Group is pleased to be able to propose a final cash dividend of one Singapore cent per ordinary share for approval at the upcoming Annual General Meeting.

Going forward, our strategy is to minimize our liquidity risks, and adhere to the best practices in financial management and corporate governance whilst enhancing our purchase, inventory, and debtor management policies.

While we remain confident of our long term growth plans, we envisage that our Group may face greater challenges this year, with an increased likelihood of a temporary slowdown in sales due to macroeconomic conditions. We will monitor the trends closely, and focus on increasing efficiency, raising productivity and exercising stringent control over operating costs.

Business Review

ODM/OEM

The ODM/OEM business continues to be the mainstay of the Group's business. Our major customers have all indicated that, barring unforeseen circumstances, their procurement programmes continue to be stable and sound in spite of the current global downturn. Our order books remain relatively strong.

In 2008, Combine Will received the "Overall Performance Award" from one of our major customers - an accolade that is very dear to our hearts. It serves as an encouragement to us, and shows that we are able to walk our talk and realize our commitment to our customers on quality, creativity, social responsibility and customer services. These values have also helped us to be on the radar screen of other potential customers. We have been receiving more new enquiries and more new product development opportunities from both our

existing and potential customers. We hope to have some good news later on in the year and into 2010.

Meanwhile, we can expect some pressure on export sales in FY2009, which may affect the sales growth in this segment in the short-term. The Group is cautiously optimistic that it will be able to maintain its pre-eminent position in the ODM/OEM industry as it wades through the economic uncertainties.

Moulds and Tooling

The automobile industry in China has been significantly affected by the global economic downturn, particularly for the foreign joint venture brands, and less so for the local brands. As such, the Group has decided to hold off further capital investments in automobile moulds this year, and will instead, focus on growing this business segment based on current capacity.

Meanwhile, we will focus more on developing moulds for toys and premiums, as well as moulds for medical and industrial products.

Machine Sales

Further market consolidation is expected, and this will most likely affect the demand for advanced machines and precision tools used in the manufacture of moulds, die-cast products and automobile parts in the PRC. In response, we will focus our efforts in seizing quality business opportunities, optimizing our customer base and maintaining the profitability in this business segment.

Outlook

We expect to see softening market demand, slowdown in export sales, and stiff competition in FY2009. While the Directors are cautiously optimistic that the Group will remain profitable in FY2009, we expect that the Group's FY2009 profit will be significantly lower than what was achieved in FY2008 because of the current economic climate.

Acknowledgments

It gives me great pleasure to thank, first of all, our customers for their trust and confidence in us, my fellow directors, management and staff for their hard work and dedication, and special thanks to our shareholders for the unwavering support and trust.

Given the tough operating environment, you can be assured that the Board and management of the Group will combine our strengths and efforts to ensure that we successfully navigate through such turbulent times, and emerge even stronger and fitter.

Dominic Tam
Executive Chairman and CEO

Operating and Financial Review

SUMMARY

Financial Year 2008

- **Delivered a satisfactory performance despite many smaller players falling by the wayside. Revenue grew by 10.7% to HK$1.3 billion and achieved net profit attributable to shareholders of HK$72.9 million despite a weak year for the industry.**

- **Three strategically-linked lines of businesses enable the Group to be flexible in deploying resources in the difficult operating environment.**

- **Financial position remains healthy with strong balance sheet and adequate cash and bank balances. Tighter cash and credit management enabled the Group to increase bank and cash balances and reduced trade receivables during the year.**

- **Recommended a final dividend of 1 Singapore cent per share for the financial year 2008 to reward shareholders for their loyalty and support.**

BUSINESS REVIEW

Based in Dongguan, Guangdong Province, the PRC, Combine Will is one of the leading ODM/OEM manufacturers of corporate premiums in the PRC and Hong Kong. The Group is also one of the leading suppliers of plastic injection and die-casting moulds in Southern China, as well as a distributor of technologically-advanced machines and precision tools used for the manufacture of moulds, die-cast and automobile products.

Currently, the Group has six manufacturing facilities in Dongguan and Heyuan in Guangdong Province, and several sales and marketing offices in North America, Asia and Europe catering to customers from its different business segments.

For the financial year ended 31 December 2008, the Group recorded revenue of HK$1.3 billion, of which 57.8% was contributed by ODM/OEM, 31.1% from Moulds and Tooling, and 11.1% from Machine Sales. The ODM/OEM segment accounted for the bulk of the Group's gross profit at 60.4%, compared to 27.5% from Moulds and Tooling, and 12.1% from Machine Sales.

ODM/OEM

Since its inception in 1992, the Group has developed a niche in the production of premiums, which are typically small gifts given out to consumers whenever a purchase of a particular product is made or when they receive a service.

Key customers include multi-national corporations such as The Marketing Store ("TMS"), a global brand activation agency and one of the largest marketing networks in the world, Sieper GmbH which is known for the Siku brand of die-cast replicas of cars, tractors and trucks, and Hong Kong-listed Playmates Toys, Inc.

Moulds and Tooling

As a leading player in Southern China, Combine Will also supplies moulds to established automobile part manufacturers who are suppliers to Honda, Volvo and General Motors, and to Tier One suppliers such as Valeo, Delphi and Faurecia.

Since 1996, the Group also produces industrial plastic injection and die-cast 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.

Machine Sales

Anticipating the demand in the PRC for precision machinery such as CNC machining centres and EDM machines, the Group set up this new business unit in 2000.

Combine Will is today a distributor for various brands of technologically-advanced machines and precision tools used in the manufacture of moulds, die-cast products and automobile parts, such as metal-cutting machines, precision measuring instruments, as well as cutting tools for equipment manufacturers from Japan, United States, Germany, United Kingdom, Taiwan, and Italy.

FINANCIAL REVIEW

Income Statement

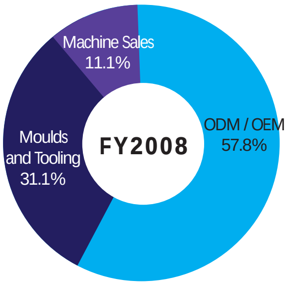
	FY2008 HK$'000	FY2007 HK$'000	Change %
Revenue			
- ODM/OEM	777,612	761,889	2.1
- Moulds & Tooling	417,663	279,294	49.5
- Machine Sales	149,433	173,552	(13.9)
Total Revenue	**1,344,708**	**1,214,735**	**10.7**
Cost of sales	(1,129,000)	(1,007,097)	12.1
Gross Profit	**215,708**	**207,638**	**3.9**
Other income	23,256	26,178	(11.2)
Selling and distribution expenses	(30,218)	(34,290)	(11.9)
Administrative expenses	(111,475)	(96,045)	16.1
Profit from Operations	**97,271**	**103,481**	**(6.0)**
Finance costs	(12,929)	(10,471)	23.5
Gain on disposal of subsidiaries	-	8,069	(100.0)
Gain on acquisition of minority interests	-	17,779	(100.0)
Profit before Tax	**84,342**	**118,858**	**(29.0)**
Income tax expense	(10,798)	(13,973)	(22.7)
Profit for the Year*	**73,544**	**104,885**	**(29.9)**
Attributable to:			
Equity holders of the Company	72,858	99,215	(26.6)
Minority interests	686	5,670	(87.9)
	73,544	**104,885**	**(29.9)**

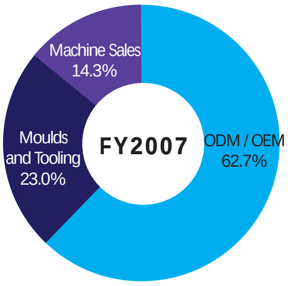
*Operating profit after tax before deducting minority interests reported for second half year of FY2007 included gain on disposal of subsidiaries and gain on acquisition of minority interests of HK$8,069,000 and HK$17,779,000 respectively, which was resulting from the IPO exercise. Without this exceptional gain, the profit after tax for FY2007 should be HK$79 million and the decrease in profit for FY2008 should be approximately HK$5.5 million, i.e. decrease by 6.9% when compared with FY2007.

Revenue

The Group's revenue grew by 10.7% to HK$1.3 billion in FY2008 from HK$1.2 billion a year ago. ODM/OEM and Moulds and Tooling segments recorded revenue growth while revenue for Machine Sales was lower.

Revenue by Business Segments (%)





ODM/OEM

Due to the current economic conditions, especially in the fourth quarter of FY2008, revenue for this segment only grew by 2.1% to HK$777.6 million in FY2008 as compared to the previous year.

Although it remains to be the mainstay of the Group's business, there was invariably some pressure on export sales during the year which affected sales growth. Nevertheless, the Group has been able to maintain its established position in the ODM/OEM industry through this difficult period and is confident of doing so in FY2009.

Moulds and Tooling

In FY2008, due to the Group's new strategic marketing initiatives to develop the moulds market for toys and automobile, revenue contribution from this segment surged 49.5% to HK$417.7 million.

The Group intends to focus more on developing moulds for toys and premiums, instead of expanding manufacturing capacity for automobile parts which is more significantly affected by the global economic slowdown. It will also focus on proactively minimizing credit risks by only working with quality customers.

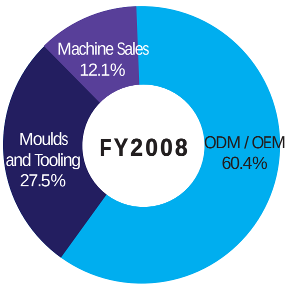
Machine Sales

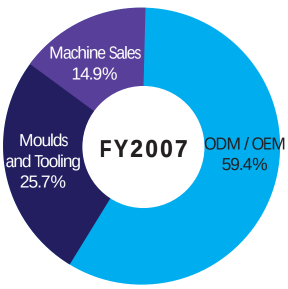
During the year, the Group tightened credit policy by servicing only quality customers. This resulted in a 13.9% drop in revenue to HK$149.4 million.

Due to the prevailing business climate, the Group expects further market consolidation within the industry, and that demand for advanced machines and precision tools is likely to be further reduced. The Group will continue to focus on quality business opportunities, optimize customer base and maintain profitability.

Profitability

Gross Profit by Business Segments (%)





Gross profit increased by 3.9% to HK$215.7 million in FY2008 as compared to the previous year. Profit for the year was lower by 29.0% to HK$73.5 million in FY2008, as compared to FY2007 which had included an exceptional gain of HK$25.8 million from the IPO exercise.

ODM/OEM

The Group's increase in gross profit from this segment was in line with the higher sales and the better margins. Due to the different product mix, gross profit grew from HK$123.4 million in FY2007 to HK$130.2 million in FY2008, while margin grew year-on-year from 16.2% to 16.7%.

Moulds and Tooling

With a higher proportion of toy moulds delivered, the Group also recorded higher gross profit from this segment, from HK$53.3 million in FY2007 to HK$59.3 million in FY2008. Margin, however, was lower at 14.2% in FY2008 compared to 18.6% a year ago.

Machine Sales

In line with the Group's tightened credit policy and focus on quality customers, gross profit from this segment was lower at HK$26.2 million in FY2008, compared to HK$30.9 million a year ago. Margin was largely maintained at 17.5% in FY2008.

Financial Position

	As at 31 December 2008 HK$'000	As at 31 December 2007 HK$'000
Total assets	**826,316**	**840,500**
- Non-current assets	238,983	222,727
- Current assets	587,333	617,773
Total liabilities	**394,415**	**556,299**
- Current liabilities	391,217	553,082
- Non-current liabilities	3,198	3,217
	431,901	284,201
Equity attributable to shareholders of the Company		
Share capital	246,000	1
Reserves	176,474	273,913
	422,474	273,914
Minority interests	9,427	10,287
Total equity	431,901	284,201

Non-current Assets

The Group's non-current assets increased by 7.3% to HK$239.0 million as at 31 December 2008, due mainly to:

- The increase in property, plant and equipment of HK$65.4 million which was partially offset against the depreciation expenses of HK$45.4 million charged for the year; and
- Impairment loss of available-for-sale financial assets of approximately HK$3.8 million.

Current Assets

As at 31 December 2008, the Group's current assets decreased by 4.9% to HK$587.3 million, due mainly to:

- A decrease in inventories of HK$2.6 million as the Group continued to manage inventory level in line with the economic slowdown;
- A decrease in trade and bills receivables of HK$60.3 million as the Group tightened up credit control; and
- An increase in bank and cash balances of HK$32.1 million as the Group continued to exercise better cash management.

Current Liabilities

The Group's current liabilities decreased mainly due to:

- A decrease in current portion of long term borrowings of HK$11.5 million due to scheduled repayment of long term borrowings;
- A decrease in accruals and other payables of HK$75.9 million as a result of settlement of interim dividend accrued for FY2007 to the equity holders of the ultimate parent which amounted to approximately HK$35.0 million and a decrease in mould and trade deposits received amounting to approximately HK$20.0 million;
- A decrease in short term borrowings amounting to approximately HK$35.5 million due to the Group's effort to lower banking facilities utilization; and
- A decrease in trade and bills payables amounting to approximately HK$44.3 million due to the Group's effort to lower banking facilities utilization.

These were partially offset by an increase in current tax payable of HK$5.3 million, mainly due to increase in sales to the PRC market.

Cash and Cash Equivalents

	12 months ended 31 December 2008 HK$'000	12 months ended 31 December 2007 HK$'000
Net cash generated from operating activities	94,225	8,335
Net cash used in investing activities	(64,852)	(27,175)
Net cash generated from financing activities	6,708	32,031
Net increase in cash and cash equivalents	36,081	13,191
Cash and cash equivalents at beginning of the year	69,194	48,339
Net effect of exchange rate changes in consolidating subsidiaries	494	7,664
Cash and cash equivalents at end of the year	105,769	69,194

Cash Flow Statement

The Group's cash resources are adequate for current operational needs. The increase in cash and cash equivalents held by the Group was mainly due to the receipt of gross proceeds of HK$115.0 million (S$20.2 million) from the listing of the Company's shares on the Main Board of the SGX-ST on 23 June 2008 and the Group's effort to exercise better credit and cash management.

The net increase in cash inflow from operating activities and financing activities was partially offset by the outflow from investing activities of purchase of property, plant and equipment to expand the operation of the ODM/OEM business unit in the Group's Heyuan factory.

The Group had also acquired and installed additional plant and machinery in its factories in Dongguan to cope with the increased business demand in both the ODM/OEM and Moulds and Tooling segments.

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, LJN 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 Mechtronics 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 Specialized 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. From late 1969 till 1978, he was attached to the Big four accounting firms including as an audit supervisor with Coopers & Lybrand Hong Kong for two years. From 1979 till 1983, he held the positions of Group Accountant with a major timber group with diversified operations in South Eastern Asia and as Finance / Administrative Manager cum Company Secretary with the well established civil engineering and construction Gammon Group of companies. In 1984, he set up Bob Low & Company providing assurance and compliance services. He has also acted as scheme manager and judicial manager for several leading civil engineering and construction groups.

Currently, he is the judicial manager for L&M Group Investments Ltd, a listed company in Singapore. He is also an independent director of several listed companies in Singapore, a liquidator for over 20 years, a Fellow Member of the UK Certified Accountants, Australian CPA and Insolvency Practitioners association of Singapore, a member of the UK Chartered Institute of Arbitrators, Singapore Institute of Arbitrators and the Institute of Certified Public Accountants of Singapore. He holds a Law degree (honours) from the London University and has served in several technical committees under ICPAS and the Professional Inquiry Committee under ACRA.

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 started his accountancy career in the tax department of Ernst & Young, Hong Kong. He subsequently moved over to Coopers & Lybrand, Singapore before leaving the firm in 1992 as a Senior Tax Associate. He then joined M. C. Packaging (Hong Kong) Limited, the then largest metal and plastic food and beverage packaging manufacturing group in Asia, where he worked in the group's corporate development function and was responsible for negotiation, setting up and control of various sino-foreign joint-venture subsidiaries as well as compliance with the Listing Rules of Hong Kong Stock Exchange. He left the group to start his own public accounting and financial advisory practice in 1994. In 1995, he was instrumental in the successful listing of Ng Fung Hong Limited on the Hong Kong Stock Exchange, acting as its Qualified Accountant, Company Secretary and Senior Financial Manager.

He has over 20 years of experience in corporate development, project financing, auditing, tax planning and compliance, forensic accounting and corporate secretarial matters. He is 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. He switched to law in 2006. He holds a Professional Diploma in Company Secretaryship and Administration from the Hong Kong Polytechnic, a Master and a Bachelor degree of Laws from the University of New England, Australia. Mr Cheung is also an Independent Director of Asia Silk Holdings Limited, which is currently listed on Catalist in Singapore.

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 Leeport 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 Quantitive 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 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 Securities Trading Limited ("**SGX-ST**").

The corporate governance practices of the Company for the financial year ended 31 December 2008 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 for 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.

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.

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.

Since the initial public offering of the Company on 23 June 2008 to the financial year ended 31 December 2008, the number of meetings held by the Board and its committees and the details of attendance are as follows:

	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee	
Name of directors	No. of meetings Held	No. of meetings attended	No. of meetings Held	No. of meetings attended	No. of meetings Held	No. of meetings attended	No. of meetings Held	No. of meetings attended
Tam Jo Tak, Dominic	3	3	–	–	–	–	–	–
Yau Hing Wah, John	3	3	–	–	–	–	–	–
Zheng Naiqiao, Koulman	3	2	–	–	–	–	–	–
Chiu Hau Shun, Simon	3	3	4	2*	1	1*	1	1*
Bob Low Siew Sie	3	3	4	4	1	1	1	1
Cheung Hok Fung, Alexander	3	3	4	4	1	1	1	1
Chia Seng Hee, Jack	3	3	4	4	1	1	1	1

* attended the meetings as an invitee

Executive Chairman and 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.

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;
- 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.

Board Performance

The NC reviews the criteria for evaluating the Board's performance. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole.

The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with management and standard of conduct of the Directors.

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

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 2008, shown in bands of S$250,000, is disclosed below:

Name	Salary (%)	Bonus (%)	Directors' fees (%)	Total Compensation (%)
Directors				
S$250,000 to below S$500,000				
Tam Jo Tak, Dominic	100.0	–	–	100.0
Yau Hing Wah, John	100.0	–	–	100.0
Zheng Naiqiao, Koulman	100.0	–	–	100.0
Chiu Hau Shun, Simon	100.0	–	–	100.0
Executive Officers				
Below S$250,000				
Qiu Guo Lian, David	72.2	27.8	–	100.0
Tsui Chung Kit, Allan	100.0	–	–	100.0
Li Hin Lun, Alan	72.2	27.8	–	100.0
Hung Kam Tim, Samuel	100.0	–	–	100.0
Tsang Hung Leung, Alan	100.0	–	–	100.0

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.

The AC has explicit authority to investigate any matter within its terms of reference, full access to, and the co-operation of, Management, full discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

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 income statement, 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 with the 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.

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. The Internal Audit function is currently outsourced to Horwath First Trust who reports directly to the Chairman of the AC on audit matter. The internal auditor's scope of work will be reviewed by the AC, and the resulting report issued by the internal auditor will be reviewed in detail by the AC in conjunction with Management.

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, external and internal 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.

Financial Contents

Statement by Directors

For the Financial Year ended 31 December 2008

The Board of Directors is responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the Directors, the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and the consolidated cash flow statement, together with the notes thereon, are drawn up in accordance with and comply with International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's results and cash flows for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Directors

Tam Jo Tak, Dominic
Executive Chairman and
Chief Executive Officer

Chiu Hau Shun, Simon
Executive Director

6 April 2009

Independent Auditor's Report

To the Members of Combine Will International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the accompanying financial statements of Combine Will International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008, and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

6 April 2009

Consolidated Income Statement

For the Financial Year ended 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
Revenue	9	**1,344,708**	1,214,735
Cost of sales		**(1,129,000)**	(1,007,097)
Gross profit		**215,708**	207,638
Other income	10	**23,256**	26,178
Selling and distribution expenses		**(30,218)**	(34,290)
Administrative expenses		**(111,475)**	(96,045)
Profit from operations		**97,271**	103,481
Finance costs	11	**(12,929)**	(10,471)
Gain on disposal of subsidiaries	35(a)	**–**	8,069
Gain on acquisition of minority interests	35(b)	**–**	17,779
Profit before tax		**84,342**	118,858
Income tax expense	12	**(10,798)**	(13,973)
Profit for the year	13	**73,544**	104,885
Attributable to:			
Equity holders of the Company		**72,858**	99,215
Minority interests		**686**	5,670
		73,544	104,885
Dividends	15	**16,728**	56,837
Earnings per share (HK cents)	16	**25.46**	41.34

Balance Sheets

At 31 December 2008

	Note	Group 2008 HK$'000	Group 2007 HK$'000	Company 2008 HK$'000	Company 2007 HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment	17	**224,338**	203,539	**–**	–
Prepaid land lease payments	18	**12,228**	12,992	**–**	–
Investments in subsidiaries	19	**–**	–	**310,205**	–
Goodwill	20	**2,417**	2,417	**–**	–
Available-for-sale financial assets	21	**–**	3,779	**–**	–
Total non-current assets		**238,983**	222,727	**310,205**	–
Current assets					
Inventories	22	**266,376**	268,976	**–**	–
Trade and bills receivables	23	**129,210**	189,532	**–**	–
Prepayments, deposits and other receivables	24	**81,659**	80,344	**–**	–
Due from subsidiaries	19	**–**	–	**92,830**	–
Current tax assets		**4,319**	5,204	**–**	–
Bank and cash balances	25	**105,769**	73,717	**1,321**	–
Total current assets		**587,333**	617,773	**94,151**	–
Total assets		**826,316**	840,500	**404,356**	–
LIABILITIES AND EQUITY					
Non-current liabilities					
Finance lease payables	31	**58**	167	**–**	–
Deferred tax liabilities	27	**3,140**	3,050	**–**	–
Total non-current liabilities		**3,198**	3,217	**–**	–
Current liabilities					
Trade and bills payables	28	**105,406**	149,698	**–**	–
Accruals and other payables	29	**104,244**	180,209	**1,663**	–
Short-term borrowings	30	**162,319**	197,777	**–**	–
Current portion of long-term borrowings	26	**–**	11,482	**–**	–
Finance lease payables	31	**106**	102	**–**	–
Current tax liabilities		**19,142**	13,814	**–**	–
Total current liabilities		**391,217**	553,082	**1,663**	–
Total liabilities		**394,415**	556,299	**1,663**	–
Equity attributable to equity holders of the Company					
Share capital	32	**246,000**	1	**246,000**	–
Reserves	33	**176,474**	273,913	**156,693**	–
		422,474	273,914	**402,693**	–
Minority interests		**9,427**	10,287	**–**	–
Total equity		**431,901**	284,201	**402,693**	–
Total liabilities and equity		**826,316**	840,500	**404,356**	–

Consolidated Statement of Changes in Equity

For the Financial Year ended 31 December 2008

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Statutory reserves HK$'000 (Note)	Foreign currency translation reserve HK$'000	Retained earnings HK$'000	Subtotal HK$'000	Minority interests HK$'000	Total HK$'000
Balance at 1 January 2007	1	–	–	1,825	7,790	193,704	203,320	34,011	237,331
Exchange differences on translating foreign operations	–	–	–	–	10,415	–	10,415	330	10,745
Net income recognised directly in equity	–	–	–	–	10,415	–	10,415	330	10,745
Profit for the year	–	–	–	–	–	99,215	99,215	5,670	104,885
Total recognised income and expense for the year	–	–	–	–	10,415	99,215	109,630	6,000	115,630
Capital injection from minorities in a subsidiary	–	–	–	–	–	–	–	1	1
Disposal of partial equity holding in subsidiaries to minorities	–	–	–	–	–	–	–	717	717
Increase in equity holding of subsidiaries	–	–	–	–	–	–	–	(29,562)	(29,562)
Transfer to statutory reserves	–	–	–	232	–	(232)	–	–	–
Dividends declared (Note 15)	–	–	–	–	–	(39,036)	(39,036)	–	(39,036)
Dividends paid to minorities	–	–	–	–	–	–	–	(880)	(880)
Balance at 31 December 2007 and 1 January 2008	1	–	–	2,057	18,205	253,651	273,914	10,287	284,201
Share issue expenses	–	(22,512)	–	–	–	–	(22,512)	–	(22,512)
Exchange differences on translating foreign operations	–	–	–	–	1,015	–	1,015	–	1,015
Net (expense)/income recognised directly in equity	–	(22,512)	–	–	1,015	–	(21,497)	–	(21,497)
Profit for the year	–	–	–	–	–	72,858	72,858	686	73,544
Total recognised income and expense for the year	–	(22,512)	–	–	1,015	72,858	51,361	686	52,047
Issuance of new shares pursuant to the restructuring exercise	180,000	–	–	–	–	–	180,000	–	180,000
Adjustment arising from restructuring exercise	(1)	–	(179,999)	–	–	–	(180,000)	–	(180,000)
Transfer to merger reserve	–	–	179,999	–	–	(179,999)	–	–	–
Issuance of new shares pursuant to public offer and placement	66,000	49,000	–	–	–	–	115,000	–	115,000
Dividend to equity holders (Note 15)	–	–	–	–	–	(17,801)	(17,801)	–	(17,801)
Dividends paid to minorities	–	–	–	–	–	–	–	(1,546)	(1,546)
Balance at 31 December 2008	246,000	26,488	–	2,057	19,220	128,709	422,474	9,427	431,901

Note:

In accordance with The Commercial Code of Japan (the "Code"), the subsidiary of the Group established in Japan transfers an amount equal to at least 10% of the amounts to be disbursed as distributions of earnings to the statutory reserve until the sum of the statutory reserve and additional paid-in capital equals 25% of the stated capital. The statutory reserve may be used to reduce a deficit or may be transferred to stated capital, but is not available for distribution as dividends. The Code also stipulates that, to the extent that the sum of the additional paid-in capital account and the statutory reserve exceeds 25% of the common stock account, the amount of any such excess is available for appropriation by resolution of the equity holders of the subsidiary of the Group.

In accordance with the relevant regulations in the People's Republic of China (the "PRC"), the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve which is not available for appropriation may be used to offset the accumulated losses, if any, of the subsidiaries.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**84,342**	118,858
Adjustments for:			
Depreciation and amortisation		**45,733**	42,915
Loss/(gain) on disposal of property, plant and equipment		**4**	(505)
Gain on disposal of subsidiaries	35(a)	**–**	(8,069)
Gain on acquisition of minority interests	35(b)	**–**	(17,779)
Impairment loss on available-for-sale financial assets		**3,779**	–
Interest income		**(399)**	(758)
Finance costs		**12,929**	10,471
Operating profit before working capital changes		**146,388**	145,133
Decrease/(increase) in inventories		**2,600**	(83,889)
Decrease/(increase) in trade and bills receivables		**60,322**	(35,568)
Increase in prepayments, deposits and other receivables		**(10,908)**	(36,211)
(Decrease)/increase in trade and bills payables		**(44,292)**	24,984
(Decrease)/increase in accruals and other payables		**(42,473)**	14,338
Cash generated from operations		**111,637**	28,787
Interest paid		**(12,917)**	(10,449)
Income taxes paid		**(4,495)**	(10,003)
Net cash generated from operating activities		**94,225**	8,335
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(65,425)**	(29,522)
Proceeds from disposal of property, plant and equipment		**174**	1,795
Disposal of subsidiaries	35(a)	**–**	(206)
Interest received		**399**	758
Net cash used in investing activities		**(64,852)**	(27,175)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inception of new short-term bank loans		**–**	3,000
Repayment of short-term bank loans		**–**	(3,000)
Repayment of long-term borrowings		**(11,482)**	(15,250)
Net (repayment)/advance of trust receipt and import loans		**(30,935)**	80,519
Repayment to equity holders of the ultimate parent		**–**	(26,382)
Repayment from an associate		**–**	2,209
Net proceeds from issuance of new shares		**103,589**	–
Finance lease charges		**(12)**	(22)
Repayment of finance lease payables		**(105)**	(195)
Dividends paid to equity holders		**(17,801)**	–
Dividends paid to equity holders of ultimate parent		**(35,000)**	(7,968)
Dividends paid to minorities		**(1,546)**	(880)
Net cash generated from financing activities		**6,708**	32,031
NET INCREASE IN CASH AND CASH EQUIVALENTS		**36,081**	13,191
Net effect of exchange rate changes in consolidating subsidiaries		**494**	7,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**69,194**	48,339
CASH AND CASH EQUIVALENTS AT END OF YEAR	34	**105,769**	69,194

1. GENERAL

The financial statements of the Company and of the Group for the financial year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company (Registration No. MC-196613) was incorporated in the Cayman Islands on 8 October 2007 under The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liabilities by shares. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at Xin Cheng District, Heng Li Zhen, Dongguan, Guangdong Province, the PRC. The Company's shares are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company is an investment holding company. The principal activities of its subsidiaries are stated in note 19 to the financial statements.

In the opinion of the directors of the Company, as at 31 December 2008, DJKS Holdings Limited, a company incorporated in the British Virgin Islands, is the ultimate parent of the Company.

2. THE RESTRUCTURING EXERCISE

Pursuant to a restructuring exercise (the "Restructuring Exercise") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the SGX-ST, the Company became the holding company of the subsidiaries now comprising the Group on 17 April 2008. Details of the Restructuring Exercise are set out in pages 55 to 57 of the Company's prospectus dated 11 June 2008 (the "Prospectus"). Details of the subsidiaries now comprising the Group are set out in note 19 to the financial statements.

As part of the Restructuring Exercise, on 17 April 2008, the Company and the shareholders of Combine Will Holdings Limited entered into a share swap agreement (the "Share Swap Agreement"). Pursuant to the Share Swap Agreement, the Company acquired the entire issued and paid-up share capital of Combine Will Holdings Limited of 10,000 ordinary shares of HK$0.1 each in consideration and in exchange for which, the Company allotted and issued 17,999,990,000 new ordinary shares of HK$0.01 each in the capital of the Company, credited as fully paid.

3. BASIS OF PRESENTATION

The Group's consolidated financial statements for the financial year ended 31 December 2008 were prepared based on the group structure after the Restructuring Exercise as disclosed in pages 55 to 57 of the Prospectus with the inclusion of the Company, Combine Will Holdings Limited and its subsidiaries using the pooling-of-interests method ("Group Structure"). Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the two years ended 31 December 2008, as a single economic enterprise, although the legal parent-subsidiary relationships were not established. Accordingly, the consolidated income statement and consolidated cash flow statement include the results of operations and cash flows of the Company and its subsidiaries as if the current structure of the Group had been in existence throughout the financial years ended 31 December 2008 and 2007. The consolidated balance sheets as at 31 December 2007 and 2008 have been prepared to present the financial position of the Group as if the Group Structure had been in existence as at those dates.

Under the pooling-of-interests method, the consolidated assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation.

All material intra-group transactions and balances, if any, have been eliminated in the preparation of the consolidated financial statements.

4. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which includes all applicable International Financial Reporting Standards, and International Accounting Standards issued by the International Accounting Standards Board ("IASB") and the Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The Group adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee of the IASB that were relevant and effective for accounting periods beginning on or after 1 January 2008. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has commenced considering the potential impact of these new IFRSs but is not yet in a position to determine whether these new IFRSs would have a significant impact on the financial statements of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention except where the IFRSs require an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

The preparation of these financial statements requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements are disclosed in note 6 to the financial statements.

The significant accounting policies, applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combination and goodwill

Business combinations are accounted for by applying the purchase method where the acquisition is not from parties under common control or by the pooling-of-interest method where the parties are under common control.

Purchase method

Under the purchase method of accounting, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement and accounted for as "negative goodwill". For negative goodwill a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in the consolidated income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary is initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

Pooling-of-interest method

Under the pooling-of-interest method, the consolidated assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation. The excess or deficiency of amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) over the amount recorded for the share capital acquired is to be adjusted to the retained earnings. Such manner of presentation reflects the economic substance of the combining companies, which were under common control through the two years ended 31 December 2008, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

The consolidated income statement and consolidated cash flow statement include the results and cash flows of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the principal operating subsidiaries of the Group and the presentation currency of these consolidated financial statements.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this transaction policy are included in the income statements.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (Cont'd)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses.

Cost includes acquisition cost and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	10 – 50 years
Plant and machinery	10 years
Toolings	4 years
Furniture, fixtures and equipment	5 years
Motor vehicles	4 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

An asset is depreciated when it is available for use until it is de-recognised even if during that period that item is idle. Fully depreciated assets still in use are retained in these financial statements.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, sub-contracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income statement.

(h) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investments (Cont'd)

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial liabilities and equity instruments (Cont'd)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of manufactured goods and trading of raw materials are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a straight line basis over the lease terms.

Mould engineering income is recognised when the mould engineering services are rendered.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all eligible employees. Contributions to the schemes by the Group and employees are calculated as a percentage of prescribed basis amount as determined by relevant authority. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the scheme.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(o) Taxation

Income tax represents the sum of the current tax and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
(ii) the party is an associate;
(iii) the party is a joint venture;
(iv) the party is a member of the key management personnel of the Company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between the Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

(r) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Impairment of assets (Cont'd)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(t) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

6. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Available-for-sale financial assets stated at cost

The Group determines that the available-for-sale financial assets be stated at cost. In making its judgement, the Group considers that the available-for-sale financial assets do not have a quoted market price in an active market and the fair value cannot be reliably measured and stated at cost.

6. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

Key assumption of estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Allowances for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. The directors specifically analyses trade receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. The amount of bad debts written off for the financial year ended 31 December 2008 and 2007 were HK$169,000 and HK$1,892,000 respectively.

(b) Inventory related allowances

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require the directors to estimate future demand for the products. Possible changes in these estimates could result in revisions to the valuation of inventory.

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK$, United States dollars ("USD"), Renminbi ("RMB") and Japanese Yen ("JPY") and the functional currencies of the principal operating entities of the Group are HK$ and RMB. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of financial derivatives is governed by the Group's policies approved by the board of directors of the Company, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy.

At 31 December 2008, if the HK$ had weakened 1 per cent against the USD with all other variables held constant, consolidated profit after tax for the year would have been HK$681,000 (2007: HK$643,000) higher, arising mainly as a result of the foreign exchange gain on trade and bills receivables denominated in USD. If the HK$ had strengthened 1 per cent against the USD with all other variables held constant, consolidated profit after tax for the year would have been HK$681,000 (2007: HK$643,000) lower, arising mainly as a result of the foreign exchange loss on trade and bills receivables denominated in USD.

(b) Interest rate risk

The Group's exposure to market risk for changes in interest rate relates primarily to the Group's cash and cash equivalents and bank loans. These cash and cash equivalents and bank loans bear interests at variable rates that varied with the then prevailing market conditions.

In the current year, the Group has been using interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. The critical terms of these interest rate swaps are similar to those of hedged loans.

7. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk (Cont'd)

At 31 December 2008, if interest rates at that date had been 50 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been HK$678,000 (2007: HK$173,000) higher, arising mainly as a result of lower interest expense on bank loans. If interest rates had been 50 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been HK$678,000 (2007: HK$173,000) lower, arising mainly as a result of higher interest expense on bank loans.

(c) Credit risk

The carrying amount of the trade and bills receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has no significant concentration of credit risk, with exposures spread over a number of counterparties and customers. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000
At 31 December 2008				
Trade and bills payables	105,406	–	–	–
Accruals and other payables	104,244	–	–	–
Short-term borrowings	162,319	–	–	–
Finance lease payables	114	59	–	–
At 31 December 2007				
Trade and bills payables	149,698	–	–	–
Accruals and other payables	180,209	–	–	–
Short-term borrowings	197,777	–	–	–
Long-term borrowings	12,125	–	–	–
Finance lease payables	117	117	60	–

(e) Fair values

Except as disclosed in note 21 to the finance statements, the carrying amounts of financial assets and liabilities approximate their respective fair values as at 31 December 2008.

8. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, there are transactions and arrangements between the Group and other related parties and the effects of these on the basis determined between the parties are shown below. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise.

(a) Significant related party transactions

	2008 HK$'000	2007 HK$'000
Purchases of goods from a related party	–	1,786
Other fees paid to a related party	–	1,692

The directors, Mr. Yau Hing Wah and Mr. Chiu Hau Shun, Simon have significant influences over the related parties.

(b) Key management compensation

	2008 HK$'000	2007 HK$'000
Salaries and other short-term employee benefits	**13,314**	11,272

The above amounts are included under employee benefits expenses. Included in the above amounts are the following items:

	2008 HK$'000	2007 HK$'000
Remunerations of the directors of the Company	**7,032**	7,120
Fees to directors of the Company	**575**	–

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

(c) Other receivables from and other payables to related parties

The movements in other receivables from and other payables to equity holders of the ultimate parent and associate are as follows:

	Equity holders of the ultimate parent HK$'000	Associate HK$'000
Other receivables/(other payables):		
Balance at 1 January 2007	(27,100)	2,209
Amount paid out during the year	7,668	–
Amounts received on behalf	(20,010)	–
Amounts paid on behalf	37,734	–
Disposal of a subsidiary	–	(482)
Other adjustments	1,708	(1,727)
Balance at 31 December 2007, 1 January 2008 and 31 December 2008	–	–

9. REVENUE

	2008 HK$'000	2007 HK$'000
Sales of goods	**1,344,708**	1,214,735

10. OTHER INCOME

	2008 HK$'000	2007 HK$'000
Bank interest income	**399**	758
Gain on disposal of property, plant and equipment	**–**	505
Miscellaneous receipts	**5,815**	7,826
Mould engineering income, net	**13,760**	10,445
Rental income	**971**	1,445
Sales of scrap materials	**1**	1,808
Sponsorship income	**2,310**	3,391
	23,256	26,178

11. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Finance leases charges	**12**	22
Interest on bank loans and overdrafts	**12,917**	10,449
	12,929	10,471

12. INCOME TAX EXPENSE

	2008 HK$'000	2007 HK$'000
Current tax expenses		
– Hong Kong	**7,181**	9,422
– the PRC	**2,328**	2,870
– Overseas	**461**	416
	9,970	12,708
Under-provision in prior years	**738**	1,265
Deferred tax (Note 27)	**90**	–
	10,798	13,973

Hong Kong Profits Tax has been provided at a rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year ended 31 December 2008.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Pursuant to relevant income tax rules and regulations of the PRC, the Group's PRC subsidiaries are exempted from PRC enterprise income tax for the two years from their respective first profit-making year and thereafter are entitled to a 50% relief from the PRC enterprise income tax for the following three years. For the financial year ended 31 December 2007 and 2008, the applicable PRC enterprise income tax rate is ranging from 12.5% to 25%.

12. **INCOME TAX EXPENSE (CONT'D)**

In accordance with the relevant income tax rules and regulations of the PRC, the Group's PRC subsidiaries should withhold the dividend income tax of the Group. For the year ended 31 December 2008, the dividend income tax of the Group amounted to HK$188,000 (2007: HK$Nil) have not been provided as the amount was immaterial.

The income tax expense varied from the amount of income tax expense determined by applying the Hong Kong profits tax rate to profit before tax as a result of the following differences:

	2008 HK$'000	2007 HK$'000
Profit before tax	**84,342**	118,858
Income tax expense at Hong Kong Profits Tax rate	**13,916**	20,800
Tax effect of income that is not taxable	**(5,151)**	(4,152)
Tax effect of expenses that are not deductible	**817**	500
Tax effect of temporary differences not recognised	**51**	(2,252)
Tax effect of utilisation of tax losses not previously recognised	**(127)**	(1,544)
Tax effect of tax losses not recognised	**3,094**	1,622
Effect of different tax rates of subsidiaries	**1,661**	1,840
Effect of tax concession	**(3,021)**	(4,396)
Under-provision in prior years	**738**	1,265
(Under)/over-provision for the year	**(1,180)**	290
Income tax expense	**10,798**	13,973

13. **PROFIT FOR THE YEAR**

The Group's profit for the year is stated after charging the following:

	2008 HK$'000	2007 HK$'000
Impairment loss on available-for-sale financial assets	**3,779**	–
Bad debt written off	**169**	1,892
Depreciation	**45,430**	42,612
Loss on derivative financial instruments	**1,298**	114
Loss on disposal of property, plant and equipment	**4**	–
Exchange differences	**11,943**	962
Operating lease expenses		
– Hire of plant and machinery	**–**	596
– Land and buildings	**10,130**	10,023

14. EMPLOYEE BENEFITS EXPENSES

	2008 HK$'000	2007 HK$'000
Employee benefits expenses including directors	**260,565**	241,243
Contributions to defined contribution scheme	**1,022**	1,603
Employee benefits expenses	**261,587**	242,846

15. DIVIDENDS

	2008 HK$'000	2007 HK$'000
Interim dividend declared by the Company of HK$Nil (2007: HK$35,000,000) per share for the financial year	–	35,000
Interim dividend declared and paid by Combine Will Holdings Limited of HK$Nil (2007: HK$403.60) per share for the financial year	–	4,036
Final dividend proposed by the Company of S$0.01 (equivalent to approximately HK$0.051) (2007: S$0.01 (equivalent to approximately HK$0.05427)) per share for the financial year	**16,728**	17,801
	16,728	56,837

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company of approximately HK$72,858,000 (2007: HK$99,215,000) by the weighted average number of ordinary shares of 286,163,934 shares (2007: 240,000,000 shares which represents the pre-invitation share capital of the Company) in issue during the year.

No diluted earnings per share had been presented as the Company did not have any dilutive potential shares for the two financial years ended 31 December 2008.

17. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings HK$'000	Plant and machinery HK$'000	Toolings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost							
At 1 January 2007	69,905	270,739	35,967	45,008	7,436	–	429,055
Additions	–	16,208	6,038	2,937	2,625	2,178	29,986
Disposals	–	(1,889)	(649)	(255)	(1,490)	–	(4,283)
Disposal of subsidiaries	–	(189)	–	(635)	–	–	(824)
Exchange differences	1,574	2,916	90	537	124	–	5,241
At 31 December 2007 and 1 January 2008	71,479	287,785	41,446	47,592	8,695	2,178	459,175
Additions	–	59,602	1,077	2,540	264	1,942	65,425
Transfer	312	4,132	(3,340)	–	–	(1,104)	–
Disposals	–	(312)	–	(114)	–	–	(426)
Exchange differences	177	450	38	(21)	2	153	799
At 31 December 2008	71,968	351,657	39,221	49,997	8,961	3,169	524,973
Accumulated depreciation							
At 1 January 2007	31,542	122,851	25,681	28,393	5,746	–	214,213
Charge for the year	6,240	24,434	4,577	6,280	1,081	–	42,612
Disposals	–	(1,198)	(649)	(256)	(890)	–	(2,993)
Disposal of subsidiaries	–	(189)	–	(450)	–	–	(639)
Exchange differences	252	1,837	38	258	58	–	2,443
At 31 December 2007 and 1 January 2008	38,034	147,735	29,647	34,225	5,995	–	255,636
Charge for the year	6,251	28,608	4,163	5,194	1,214	–	45,430
Disposals	–	(166)	–	(82)	–	–	(248)
Exchange differences	(13)	(55)	26	(138)	(3)	–	(183)
At 31 December 2008	44,272	176,122	33,836	39,199	7,206	–	300,635
Carrying amount							
At 31 December 2008	27,696	175,535	5,385	10,798	1,755	3,169	224,338
At 31 December 2007	33,445	140,050	11,799	13,367	2,700	2,178	203,539

The depreciation expense is charged as follows:

	Cost of sales HK$'000	Administrative expenses HK$'000	Total HK$'000
Financial year ended 31 December 2008	39,508	5,922	45,430
Financial year ended 31 December 2007	35,432	7,180	42,612

At 31 December 2008, the carrying amount of buildings pledged as security for the Group's banking facilities amounted to HK$5,887,000 (2007: HK$6,059,000).

At 31 December 2008, the carrying amount of the motor vehicles held by the Group under finance lease amounted to HK$239,000 (2007: HK$355,000).

18. PREPAID LAND LEASE PAYMENTS

	Group HK$'000
Cost	
At 1 January 2007	15,685
Exchange differences	311
At 31 December 2007 and 1 January 2008	15,996
Exchange differences	(512)
At 31 December 2008	15,484
Accumulated amortisation	
At 1 January 2007	2,673
Charge for the year	303
Exchange differences	28
At 31 December 2007 and 1 January 2008	3,004
Charge for the year	303
Exchange differences	(51)
At 31 December 2008	3,256
Carrying amount	
At 31 December 2008	12,228
At 31 December 2007	12,992

At 31 December 2008, the carrying amount of prepaid land lease payments pledged as security for the Group's banking facilities amounted to HK$5,912,000 (2007: HK$6,069,000).

The amortisation of prepaid land lease payments is charged as follows:

	Cost of Sales HK$'000	Administrative expenses HK$'000	Total HK$'000
Financial year ended 31 December 2008	147	156	303
Financial year ended 31 December 2007	147	156	303

19. INVESTMENTS IN SUBSIDIARIES

	Company 2008 HK$'000	2007 HK$'000
Unlisted investments, at cost	**310,205**	–

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particular of the subsidiaries as at 31 December 2008 are as follows:

Name	Date and place of incorporation/ establishment	Principal activities	Issued and paid-up/ registered capital	Effective interests held by the Group %
Combine Will Holdings Limited *	19 September 2000 Cayman Islands	Investment holding	HK$1,000	100
Combine Will Industrial Company Limited **	12 March 1992 Hong Kong	Investment holding, manufacturing and trading of plastic toys, die casting and premium items on OEM basis	HK$14,000,000	100
联志玩具礼品(东莞)有限公司 (Combine Will (Dongguan) Ind. Co., Ltd.)***	7 November 2001 Dongguan, Guangdong, PRC	Manufacturing of plastic toys, die casting and premium items on OEM basis	HK$41,893,520	100
东莞成达玩具有限公司 (Dongguan Cheng Da Toy Company Limited)	27 July 1992 Dongguan, Guangdong, PRC	In voluntary liquidation	HK$20,520,000	90
Triple Wise Co., Ltd. *	3 August 2000 British Virgin Islands	Investment holding	USD1	100
Loong Run Industrial Company Limited **	7 March 1995 Hong Kong	Investment holding and trading of plastic toys, die casting and premium items on OEM basis	HK$100,000	100
东莞联弘玩具有限公司 (Dongguan Loong Run Toys Company Limited) ***	21 August 2002 Dongguan, Guangdong, PRC	Manufacturing of plastic toys, die casting and premium items on OEM basis	HK$14,500,000	100
Legacy Giftware Limited **	6 August 1996 Hong Kong	Investment holding and trading of plastic toys, die casting and premium items on OEM basis	HK$3,100,000	100
东莞联艺工艺制品有限公司 (Dongguan Legacy Craft Product Limited) ***	29 May 2002 Dongguan, Guangdong, PRC	Manufacturing of plastic toys, die casting and premium items on OEM basis	HK$2,500,000	100
Combine Will Industrial (Overseas) Company Limited *	25 October 2000 British Virgin Islands	Investment holding	USD2	100
Million Favour Inc. *	8 August 2000 Samoa	Investment holding and trading of electronics parts for the toys	USD100	70

19. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Particular of the subsidiaries as at 31 December 2008 are as follows: (Cont'd)

Name	Date and place of incorporation/ establishment	Principal activities	Issued and paid-up/ registered capital	Effective interests held by the Group %
东莞成乐电子有限公司 (Bliss Electronic (China) Company Limited) ***	5 August 2003 Dongguan, Guangdong, PRC	Manufacturing of electronics parts	HK$5,361,000	70
Sunstone Company Limited **	3 February 1994 Hong Kong	Trading of premium items	HK$100,000	100
Wonderful Luck Incorporated *	27 December 1996 British Virgin Islands	Investment holding	USD1	100
Most Lucky Co., Ltd. *	3 August 2000 British Virgin Islands	Investment holding	USD9	100
Altrust Precision Tooling Company Limited **	12 November 1996 Hong Kong	Investment holding	HK$10,100,000	100
Kam Hing Product Design and Development Company Limited **	12 February 1997 Hong Kong	Trading of models and moulds	HK$10,100,000	100
Altrust Precision Tooling Company Limited *	29 June 1999 Samoa	Investment holding and trading of moulds	USD1	100
忠信制模(东莞)有限公司 (Altrust Precision Tooling (Dongguan) Co., Ltd.) ***	22 October 1999 Dongguan, Guangdong, PRC	Manufacturing of moulds	HK$89,196,920	100
Advanced Precision Tooling USA, LLC *	22 February 2002 California, United States of America	Trading of moulds	N/A (Note)	60
Altrust Japan Corporation *	15 July 2004 Japan	Trading of moulds	JPY10,000,000	70
Headonway Industrial Company Limited **	4 January 2007 Hong Kong	Manufacturing of models and moulds	HK$1,000	60
Unifaith Machine Tools Company Limited **	22 March 2000 Hong Kong	Trading of machinery and tools	HK$1,000,000	60
联信行贸易(深圳)有限公司 (Unifaith Trading (Shenzhen) Company Limited) ***	12 March 2003 Shenzhen, Guangdong, PRC	Trading of machinery and tools	HK$4,000,000	60
Hopewell Precision Machine Tools Company Limited **	8 October 2001 Hong Kong	Trading of machinery	HK$1,000,000	60

* Not required to be audited by law of country of incorporation.

** The statutory financial statements for the year ended 31 December 2008 were audited by RSM Nelson Wheeler.

*** The statutory financial statements for the year ended 31 December 2008 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 深圳和诚会计师事务所 (He Cheng Certified Public Accountants) for tax filing and annual registration purposes.

Note: Advanced Precision Tooling USA, LLC does not have share capital but ascertains its ownership through membership interest.

20. GOODWILL

	Group HK$'000
Cost	
Arising on acquisition of additional equity interest in subsidiaries from minority interests (Note 35(b)) and at 31 December 2007, 1 January 2008 and 31 December 2008	2,417
Accumulated impairment losses	
At 1 January 2007, 31 December 2007, 1 January 2008 and 31 December 2008	–
Carrying amount	
At 31 December 2007 and 31 December 2008	2,417

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the segment of original design manufacturers services/original equipment manufacturers services of HK$1,927,000 and trading of HK$490,000. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 5%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's trading activities is 10%.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2008 HK$'000	2007 HK$'000
Unlisted equity securities, at cost	**3,779**	3,779
Less: Impairment loss on available-for-sale financial assets	**(3,779)**	–
	–	3,779

Unlisted equity securities were carried at cost less impairment loss as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The above amount is denominated in Singapore dollars ("S$").

22. INVENTORIES

	Group	
	2008	2007
	HK$'000	HK$'000
Raw materials, consumables and supplies	**78,933**	81,785
Work in progress	**137,570**	121,398
Finished goods	**58,784**	67,354
Less: Allowance for impairment	**(8,911)**	(1,561)
	266,376	268,976
The cost of sales includes the following:		
Allowance/(reversal) of slow moving/obsolete inventories	**7,350**	(5,643)
Changes in inventories of finished goods and work in progress increased	**7,602**	49,981
Raw materials and consumables used	**560,179**	529,577

Reversal of slow moving/obsolete inventories represented obsolete inventories in prior years which were subsequently utilised in 2007.

23. TRADE AND BILLS RECEIVABLES

The average credit period generally granted to non-related trade and bills receivables customers is about 90 days (2007: 90 days).

The carrying amounts of trade and bills receivables denominated in currencies other than the presentation currency of the Group are as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
RMB	**8,343**	21,874
USD	**82,917**	77,877
JPY	**3,145**	12,477
EUR	**4,442**	7,514

Trade receivables of HK$36,844,000 (2007: HK$5,025,000) as at 31 December 2008 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of defaults. An ageing analysis of these trade receivables is as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Up to 3 months	**25,869**	1,320
Over 3 months	**10,975**	3,705
	36,844	5,025

23. TRADE AND BILLS RECEIVABLES (CONT'D)

The movement of the allowance of doubtful debts is as follows:

	Group	
	2008 **HK$'000**	2007 HK$'000
At 1 January	**3,922**	5,181
Realised for the year	**(33)**	(1,259)
At 31 December	**3,889**	3,922

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2008 **HK$'000**	2007 HK$'000
Prepayments	**14,841**	15,781
Trade deposits paid	**10,982**	25,703
Utility and other deposits	**3,635**	4,649
Other receivables	**52,201**	34,211
	81,659	80,344

25. BANK AND CASH BALANCES

An analysis of the bank and cash balances denominated in currencies other than the presentation currency of the Group is as follows:

	Group		Company	
	2008 **HK$'000**	2007 HK$'000	**2008** **HK$'000**	2007 HK$'000
USD	**15,857**	14,242	–	–
RMB	**23,287**	32,656	–	–
JPY	**5,754**	12,678	–	–
EUR	**95**	1,815	–	–
SGD	**1,321**	–	1,321	–
Australian dollars	**4**	5	–	–

The rate of interest for the cash on interest earning balances is between 0.01 % to 0.5 % (2007: 0.25% to 1.5%) per annum. These approximate the effective interest rates.

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

26. LONG-TERM BORROWINGS

	Group	
	2008 **HK$'000**	2007 HK$'000
Bank loans, secured (Note 36)	–	11,482
Current portion of long-term borrowings	–	(11,482)
Non-current portion	–	–

Long-term borrowings are denominated in HK$ and bear interest of approximately nil% (2007: 5.6%) per annum at 31 December 2008.

27. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Accelerated tax depreciation HK$'000	Others HK$'000	Total HK$'000
At 1 January 2007, 31 December 2007 and 1 January 2008	3,140	(90)	3,050
Charge to income statement (Note 12)	–	90	90
At 31 December 2008	3,140	–	3,140

There is no income tax consequence of dividends to equity holders of the Company.

The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	Group	
	2008 HK$'000	2007 HK$'000
Deferred tax liabilities	**3,140**	3,140
Deferred tax assets	**–**	(90)
	3,140	3,050

28. TRADE AND BILLS PAYABLES

	Group	
	2008 HK$'000	2007 HK$'000
Bills payables, secured (Note 36)	**48,367**	17,168
Trade payables	**57,039**	132,530
	105,406	149,698

An analysis of the above amounts denominated in currencies other than the presentation currency of the Group is as follows:

	Group	
	2008 HK$'000	2007 HK$'000
USD	**14,775**	20,852
RMB	**39,814**	57,752
JPY	**4,961**	15,290
SGD	**234**	55

The average credit period taken to settle non-related trade payables is about 30 to 60 days (2007: 30 to 60 days).

29. ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Accruals	**34,892**	31,794	–	–
Mould and trade deposits received	**39,647**	59,609	–	–
Other payables	**29,505**	53,606	1,663	–
Dividend payable	**200**	35,200	–	–
	104,244	180,209	1,663	–

30. SHORT-TERM BORROWINGS

	Group 2008 HK$'000	2007 HK$'000
Bank loans, secured (Note 36)	**20,000**	20,000
Trust receipt and import loans, secured (Note 36)	**142,319**	173,254
Bank overdrafts, secured (Note 34 and 36)	**–**	4,523
	162,319	197,777

The average floating interest rates at 31 December were as follows:

	Group 2008	2007
Bank loans, secured	**3.3%**	5.9%
Trust receipt and import loans, secured	**5.1%**	6.6%
Bank overdrafts, secured	**Nil**	7.5%

An analysis of the above amounts denominated in currencies other than the presentation currency of the Group is as follows:

	Group 2008 HK$'000	2007 HK$'000
USD	**22,649**	29,731
JPY	**–**	4,730

31. FINANCE LEASE PAYABLES

Assets under finance leases are motor vehicles. The most significant obligations assumed under the lease terms, other than rental payments, are the interest payment of principal. Lease terms are four years.

Future minimum lease payments and present value for the finance lease liabilities of the Group are as follows:

	Group 2008 HK$'000	2007 HK$'000
Finance lease payables – minimum lease payments		
Not later than one year	**114**	117
Later than one year and not later than two years	**59**	117
Later than two years and not later than five years	**–**	60
	173	294
Future finance charges on finance leases	**(9)**	(25)
	164	269
Present value of finance lease payables		
Not later than one year	**106**	102
Later than one year and not later than two years	**58**	110
Later than two years and not later than five years	**–**	57
	164	269

31. FINANCE LEASE PAYABLES (CONT'D)

All finance lease payables are denominated in HK$.

Finance costs related to obligations under finance leases are charged to the income statement at an effective rate of 7.03% (2007: 7.03%) per annum on the outstanding balance of lease liabilities for the year. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicles at nominal prices.

32. SHARE CAPITAL

	Note	Company Resultant number of shares	 Resultant share capital HK$
Authorised share capital			
At the date of incorporation, 31 December 2007 and 1 January 2008		39,000,000	390,000
Increase of authorised share capital	(b)(i)	75,000,000,000	750,000,000
Consolidation of 75 ordinary shares of HK$0.01 each into 1 ordinary share of HK$0.75 each pursuant to the Restructuring Exercise and at 31 December 2008	(b)(iii)	1,000,000,000	750,000,000
Issued share capital			
Issued and fully paid ordinary shares of HK$0.01 each as at the date of incorporation, at 31 December 2007 and 1 January 2008		1	0.01
Issued and fully paid 9,999 new ordinary shares of HK$0.01 each pursuant to the Restructuring Exercise	(a)	10,000	100
Issue of 17,999,990,000 new ordinary shares of HK$0.01 each pursuant to the Share Swap Agreement	(b)(ii)	18,000,000,000	180,000,000
Consolidation of 75 ordinary shares of HK$0.01 each into 1 ordinary share of HK$0.75 each pursuant to the Restructuring Exercise	(b)(iii)	240,000,000	180,000,000
Issue of 88,000,000 new ordinary shares of HK$0.75 each pursuant to the Invitation and at 31 December 2008	(b)(iv)	328,000,000	246,000,000

Notes:

(a) Pursuant to written resolutions dated 1 April 2008, the then directors of the Company approved the increase of the issued share capital of the Company from one share of HK$0.01 each to 10,000 ordinary shares of HK$0.01 each with the allotment and issue of 9,999 ordinary shares at HK$0.01 each.

(b) Pursuant to written resolutions in lieu of a special general meeting dated 18 April 2008, the then sole shareholder of the Company approved, inter alia, the following:

(i) the increase of the authorised share capital of the Company from HK$390,000 divided into 39,000,000 ordinary shares of HK$0.01 each to HK$750,000,000 divided into 75,000,000,000 ordinary shares of HK$0.01 each;

(ii) the allotment and issue of 17,999,990,000 ordinary shares of HK$0.01 each in the capital of the Company pursuant to the Share Swap Agreement;

(iii) the consolidation of every 75 ordinary shares of HK$0.01 each in the authorised and issued share capital of the Company into one ordinary share of HK$0.75 each; and

(iv) the allotment and issue of 88,000,000 new ordinary shares of the Company (the "New Shares"), which are the subject of the invitation to the public for the subscription of the New Shares, at S$0.23 each for a total cash consideration, before expenses, of S$20,240,000. The New Shares, issued on 23 June 2008, and fully paid-up, rank pari passu in all respects with the existing issued and fully paid-up shares of the Company.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity holders of the Company and benefits for other stakeholders, and to provide an adequate return to equity holders of the Company by pricing products and services commensurately with the level or risk.

32. **SHARE CAPITAL (CONT'D)**

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders of the Company, return capital to equity holders of the Company, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, minority interests, retained earnings and other reserves).

	Group	
	2008	2007
	HK$'000	HK$'000
Total debt	**162,483**	205,005
Less: Cash and cash equivalents (Note 34)	**(105,769)**	(69,194)
Net debt	**56,714**	135,811
Total equity and adjusted capital	**431,901**	284,201

	Group	
	2008	2007
Debt-to-adjusted capital ratio	**13%**	48%

The decrease in the debt-to-adjusted capital ratio during 2008 resulted primarily from the issue of New Shares during the year.

The only externally imposed capital requirement is that for the Group to maintain its listing on the SGX-ST it has to have a public float of at least 10% of the total issued shares. The Group receives a report from the share registrars monthly in substantial share interests showing the non-public float and it demonstrates continuing compliance with the 10% limit throughout the year. At 31 December 2008 26.52% of the total issued shares were in public hands.

33. **RESERVES**

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

(b) The Company

	Note	Share premium HK$'000	Contributed surplus HK$'000	Retained earnings HK$'000	Total HK$'000
		(note 33(c)(i))	(note 33(c)(iii))		
At the date of incorporation – 8 October 2007, 31 December 2007 and 1 January 2008		–	–	–	–
Share issue expenses		(22,512)	–	–	(22,512)
Profit for the year		–	–	17,801	17,801
Arising from Restructuring Exercise	32(b)(ii)	–	130,205	–	130,205
Issuance of New Shares pursuant to public offer and placement	32(b)(iv)	49,000	–	–	49,000
Dividend to equity holders (Note 15)		–	–	(17,801)	(17,801)
At 31 December 2008		26,488	130,205	–	156,693

33. RESERVES

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve arose as a result of the Restructuring Exercise and represented the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of Combine Will Holdings Limited.

(iii) Contributed surplus

Contributed surplus of the Company arose as a result of the Restructuring Exercise and represented the difference between the then consolidated net asset value of subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.

The contributed surplus of the Company is available for distribution to shareholders, provided that the Company is, after the payment of dividends out of the contributed surplus, able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, issued share capital and reserves.

34. CASH AND CASH EQUIVALENTS AT END OF YEAR

	Group	
	2008	2007
	HK$'000	HK$'000
Bank and cash balances	**105,769**	73,717
Bank overdrafts (Note 30)	–	(4,523)
	105,769	69,194

35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Gain on disposal of subsidiaries

On 9 October 2007, the Group disposed 90%, 100% and 100% equity interests in Heritage Workshop International Company Limited, Fine Rhythm Co., Ltd., and Peace Noble Co., Ltd., respectively for cash consideration of HK$1 each.

35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

(a) Gain on disposal of subsidiaries (Cont'd)

The amounts of the assets and liabilities of the disposed subsidiaries as at dates of transactions were:

Net (liabilities)/assets of the subsidiaries at the date of disposal were as follows:

	Group 2007 HK$'000
Property, plant and equipment	185
Trade receivables	31
Inventories	87
Prepayments, deposits and other receivables	728
Bank and cash balances	206
Other payables	(9,306)
	(8,069)
Share of net liabilities	(8,069)
Gain on disposal	8,069
Total consideration	–

The total consideration was satisfied by the following:

Cash consideration received	–

Net cash outflow on disposal:

Cash consideration received	–
Bank and cash balances disposed, net	(206)
Net cash outflow	(206)

(b) Acquisition of additional equity interests in subsidiaries from minority interests

On 9 October 2007, the Group acquired 3%, 15%, 15% and 10% of the issued capital of Combine Will Industrial Company Limited, Legacy Giftware Limited, Altrust Precision Tooling Company Limited and Sunstone Company Limited respectively for cash considerations of HK$14,200,000.

The minority interests acquired are as follows:

	Group 2007 HK$'000
Minority interests	29,562
Goodwill (Note 20)	2,417
Gain on acquisition of minority interests	(17,779)
Satisfied by:	
Cash but not yet paid and included in accruals and other payables	14,200

(c) Major non-cash transactions

Additions to property, plant and equipment during the year of HK$Nil (2007: HK$464,000) were financed by finance lease.

36. BANKING FACILITIES

	Group 2008 HK$'000	2007 HK$'000
Banking facilities, secured	**341,015**	239,788

The above banking facilities are secured by:

(i) cross corporate guarantees executed by the group companies and personal guarantees from two directors of the Company which released in January 2009;

(ii) certain of the Group's buildings (Note 17) and prepaid land lease payments (Note 18);

(iii) assignment over receivables of certain subsidiaries of the Company which released in March 2009; and

(iv) charge of deposits of two subsidiaries of the Company.

37. OPERATING LEASE PAYMENT COMMITMENTS

At the balance sheet date, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2008 HK$'000	2007 HK$'000
Not later than one year	**9,975**	6,591
Later than one year and not later than five years	**8,156**	10,321
	18,131	16,912

Operating lease payments are for rentals payable for the factory, office premises and staff quarters. Certain lease rental terms were negotiated for an average term of one to five years and certain leases were entered with no commitment terms. The rentals are subject to an escalation clause but the amount of the next increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

38. CAPITAL COMMITMENTS

At the balance sheet date, the capital commitments of the Group are as follows:

	Group 2008 HK$'000	2007 HK$'000
Purchase of property, plant and equipment and construction of factory premises	**677**	5,670

39. SEGMENTAL INFORMATION

For management purposes, the Group operates in three operating divisions – manufacturing of toys and premium products, manufacturing of moulds and model and trading of machineries and premium goods. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

(i) Original design manufacturers services ("ODM")/Original equipment manufacturers services ("OEM") – Manufacture of toys and premium products

(ii) Moulds and tooling – Manufacture of the moulds and model

(iii) Trading – Trading of machineries and premium goods.

39. SEGMENTAL INFORMATION (CONT'D)

(a) Business segments

Financial year ended 31 December 2008

	ODM/OEM products HK$'000	Moulds and tooling HK$'000	Trading HK$'000	Elimination HK$'000	Consolidated HK$'000
REVENUE					
External revenue	777,612	417,663	149,433	–	1,344,708
Intersegment sales	–	6,840	1,957	(8,797)	–
Total revenue	777,612	424,503	151,390	(8,797)	1,344,708
RESULTS					
Segment results	79,610	21,061	1,922	(2,319)	100,274
Interest income					399
Unallocated expenses					(3,402)
Finance costs					(12,929)
Income tax expense					(10,798)
Profit for the year					73,544
ASSETS					
Segment assets	448,798	195,390	48,480	–	692,668
Unallocated corporate assets					133,648
Total assets					826,316
LIABILITIES					
Segment liabilities	78,775	88,253	36,434	–	203,462
Unallocated corporate liabilities					190,953
Total liabilities					394,415
OTHER INFORMATION					
Capital expenditure	49,266	16,092	67	–	65,425
Depreciation and amortisation	20,690	24,479	564	–	45,733
Allowance for doubtful debts and bad debts written off	–	169	–	–	169
Allowance of slow moving/ obsolete inventories	3,500	3,850	–	–	7,350

39. SEGMENTAL INFORMATION (CONT'D)

(a) Business segments (Cont'd)

Financial year ended 31 December 2007

	ODM/OEM products HK$'000	Moulds and tooling HK$'000	Trading HK$'000	Elimination HK$'000	Consolidated HK$'000
REVENUE					
External revenue	761,889	279,294	173,552	–	1,214,735
Intersegment sales	32	2,302	76	(2,410)	–
Total revenue	761,921	281,596	173,628	(2,410)	1,214,735
RESULTS					
Segment results	81,085	16,173	7,454	(1,945)	102,767
Interest income					758
Gain on disposal of subsidiaries					8,069
Gain on acquisition of minority interests					17,779
Unallocated expenses					(44)
Finance costs					(10,471)
Income tax expense					(13,973)
Profit for the year					104,885
ASSETS					
Segment assets	396,726	271,087	72,825	–	740,638
Unallocated corporate assets					99,862
Total assets					840,500
LIABILITIES					
Segment liabilities	131,051	106,778	42,004	–	279,833
Unallocated corporate liabilities					276,466
Total liabilities					556,299
OTHER INFORMATION					
Capital expenditure	23,237	6,687	62	–	29,986
Depreciation and amortisation	18,473	23,698	744	–	42,915
Allowance/(reversal) for doubtful debts and bad debts written off	1,790	113	(11)	–	1,892
Reversal of slow moving/obsolete inventories	(5,643)	–	–	–	(5,643)

39. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

The Group's customers are located in Asia (including the PRC, Hong Kong and Japan), America and Europe.

The following table provides an analysis of the Group's sales by geographical market, based on the location of customers.

	2008 HK$'000	2007 HK$'000
Asia	**930,446**	824,395
America	**96,106**	155,208
Europe	**318,156**	235,132
	1,344,708	1,214,735

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets	
	2008 HK$'000	2007 HK$'000
Asia	**825,379**	839,617
America	**937**	883
	826,316	840,500

	Additions to property, plant and equipment	
	2008 HK$'000	2007 HK$'000
Asia	**65,425**	29,986

40. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency derivatives:

Currency derivatives are utilised to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the entity's principal markets. As a matter of principle, the entity does not enter into derivative contracts for speculative purposes.

Notional amounts of derivative financial instruments:

This includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

At the balance sheet date, the Group had notional amounts as follows:

	2008 HK$'000	2007 HK$'000
Foreign exchange forward contracts – USD	**9,360**	74,100
Foreign exchange forward contracts – RMB	**–**	74,100
Interest rate swaps	**–**	39,208
	9,360	187,408

Statistics of Shareholdings

As at 20 March 2009

SHARE CAPITAL

Authorised share capital	:	HK$750,000,000
Issued and fully paid-up capital	:	HK$246,000,000
Number of Shares	:	328,000,000
Class of Shares	:	Ordinary share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	0	0.00	0	0.00
1,000 – 10,000	218	55.61	1,168,000	0.36
10,001 – 1,000,000	171	43.62	17,259,000	5.26
1,000,001 AND ABOVE	3	0.77	309,573,000	94.38
Total	392	100.00	328,000,000	100.00

TWENTY LARGEST SHAREHOLDINGS

No.	Name	No. of Shares	% of Issued Share Capital
1	HL BANK NOMINEES (S) PTE LTD	303,661,000	92.58
2	CIMB-GK SECURITIES PTE. LTD.	4,838,000	1.48
3	DBS VICKERS SECURITIES (S) PTE LTD	1,074,000	0.33
4	2G CAPITAL PTE LTD	1,000,000	0.30
5	CHUA KIAM SENG	700,000	0.21
6	GAY ANNIE CECILIA MRS FONG PENG WEE	700,000	0.21
7	ONG ENG GUI	700,000	0.21
8	QUAH RAYMOND	600,000	0.18
9	HSBC (SINGAPORE) NOMINEES PTE LTD	535,000	0.16
10	TAN JUI TAK	522,000	0.16
11	PATRICK TAN CHOON HOCK	400,000	0.12
12	OCBC SECURITIES PRIVATE LTD	352,000	0.11
13	UOB KAY HIAN PTE LTD	351,000	0.11
14	HAUSJAH MARGARET	350,000	0.11
15	HNG CHUNG LENG	350,000	0.11
16	GOH YONG HOCK	300,000	0.09
17	CHUA TIAN CHO	278,000	0.08
18	NG FAH SEN	278,000	0.08
19	KIM WHYE GHEE (JIN HUAIYI)	226,000	0.07
20	NG SIOW HIN	201,000	0.06
	Total	317,416,000	96.76

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholder	No. of Shares	%	No. of Shares	%
DJKS Holdings Limited (1) ("**DJKS Holdings**")	241,000,000	73.48	–	–
Tam Jo Tak, Dominic (2)	–	–	241,000,000	73.48
Yau Hing Wah, John (2)	–	–	241,000,000	73.48

Note:

(1) DJKS Holdings is holding the shares through its nominee, HL Bank Nominees (S) Pte Ltd.

(2) Mr Tam Jo Tak, Dominic and Mr Yau Hing Wah, John own 57.14% and 28.57% respectively of the equity interest in DJKS Holdings and thus they are deemed to be interested in DJKS Holdings's shareholding in our Company.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

Based on the information available to the Company as at 20 March 2009, there were 87,000,000 shares in the hands of the public as defined in the SGX Listing Manual, representing 26.52% of the issued share capital of the Company. The Company confirms that Rule 723 of the SGX Listing Manual is complied with.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Carlton Hotel, Connaught Room 2, Level 2, 76 Bras Basah Road, Singapore 189558 on Tuesday 28 April 2009 at 10.30am for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2008, together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To declare a final dividend of 1 Singapore cent per ordinary share for the financial year ended 31 December 2008. **(Resolution 2)**

3. To approve the payment of directors' fees of S$180,000 for the financial year ending 31 December 2009 [2008: S$195,000]. **(Resolution 3)**

4. To re-elect Mr Chiu Hau Shun, Simon being a Director who retires pursuant to Article 86 of the Company's Articles of Association. *[See Explanatory Note (i)]* **(Resolution 4)**

5. To re-appoint Messrs RSM Nelson Wheeler as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business:

To consider and if deemed fit to pass the following Ordinary Resolutions with or without modifications:-

6. **Share Issue Mandate**

That pursuant to Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue whether by way of bonus or otherwise (i) shares; (ii) convertible securities; (iii) additional convertible securities (where an adjustment to the number of convertible securities to which a holder is originally entitled to, is necessary as a result of any rights, bonus or other capitalisation issues by the Company), notwithstanding that such authority may have ceased to be in force at the time such additional convertible securities are issued, provided that the adjustment does not give the holder of the convertible securities a benefit that a shareholder does not receive; and/or (iv) shares arising from the conversion of securities in (ii) and additional convertible securities in (iii) above, notwithstanding that such authority may have ceased to be in force at the time the shares are to be issued, and any such issue may be made at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, PROVIDED THAT:-

(i) the aggregate number of shares and convertible securities to be issued pursuant to this resolution shall not exceed 50% of the total number of the issued shares (excluding treasury shares) of the Company, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of the issued shares (excluding treasury shares) of the Company;

(ii) the aggregate number of shares issued or issuable under this Resolution when added to the number of shares issued or issuable pursuant to Resolution (7) below, if any, does not exceed one hundred per centum (100%) of the total issued share capital (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (iii) below),

(iii) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of this Resolution, the percentage of the issued share capital shall be based on the Company's total number of the issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;
(b) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
(c) any subsequent bonus issue, consolidation or subdivision of shares;

(iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(v) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *[See Explanatory Note (ii)]* **(Resolution 6)**

7. **Authority to allot and issue shares up to 100 per centum (100%) of the total number of issued shares via a pro-rata renounceable rights issue**

That authority be given to the Directors of the Company to issue shares by way of pro-rata renounceable rights issue at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of shares when added to the number of shares issued or issuable pursuant to Resolution (6) above, if any, does not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution;

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of shares of the Company (excluding treasury shares) as at the date of passing this Resolution, after adjusting for;

(i) new shares arising from the conversion or exercise of convertibles securities;
(ii) new shares arising from the exercising of share options or vesting of Shares awards outstanding or subsisting at the time this Resolution is passed; and
(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities. *[see Explanatory Note (iii)]* **(Resolution 7)**

8. **Placement of shares under the share issue mandate at more than 10% discount**

That notwithstanding Rule 811 of the Listing Manual but subject to the relevant requirements of the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Directors of the Company be and are hereby authorised, subject to the grant of the Share Issue Mandate proposed to be tabled as Resolution (6) above and pursuant to the terms and conditions of the Share Issue Mandate, to issue new shares of the Company to subscribers or placees under a share placement at a discount that exceeds 10% but not more than 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed provided that the issue price in respect of each share shall not be less than its par value unless otherwise permitted by law. If, however, trading in the Company's shares is not available for a full market day, the weighted average price shall be based on trades done on the preceding market day up to the time the placement agreement or subscription agreement is signed. *[See Explanatory Note (iv)]* **(Resolution 8)**

9. **Authority to allot and issue shares under the Combine Will Employee Share Option Scheme**

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Combine Will Employee Share Option Scheme (the "**Scheme**") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of the issued shares (excluding treasury shares) of the Company from time to time. *[See Explanatory Note (v)]* **(Resolution 9)**

10. **Proposed Renewal of Share Purchase Mandate**

That:

(a) pursuant to the Company's articles of association (the "**Articles**"), the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "**Companies Law**") and the listing manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), approval be and is hereby given for the renewal of the Share Purchase Mandate (as hereinafter defined) and the directors of the Company (the "**Directors**") be authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares, fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) ("**Market Purchase**"), transacted on SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted; and/or

(ii) off-market purchase(s) ("**Off-Market Purchase**") (if effected otherwise than on SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Articles and the Listing Manual,

and otherwise in accordance with all other laws and regulations (the "**Share Purchase Mandate**").

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law or the Articles to be held;

(ii) the date on which Share purchases or acquisitions pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is aried or revoked at a general meeting;

(the "**Relevant Period**")

In this resolution:

"**Prescribed Limit**" means ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, 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); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105 per cent. (105%) of the Average Closing Price;

(ii) in the case of an Off-Market Purchase: 120 per cent. (120%) of the Highest Last Dealt Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share 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 after the relevant five-day period;

"**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 of the Company 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; and

(c) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or any of them may consider expedient, necessary, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution. **(Resolution 10)**

11. To transact any other business that may properly be transacted at an Annual General Meeting.

By Order of the Board

Ng Joo Khin/Tsang Hung Leung, Alan
Joint Company Secretaries

Singapore, 13 April 2009

Explanatory Notes

(i) **Resolution 4** – Pursuant to Article 86 of the Company's Articles of Association, Mr Chiu Hau Shun, Simon will retire at the forthcoming Annual General Meeting and shall be eligible offered himself for re-election at that meeting.

(ii) **Resolution 6**, if passed, will authorise the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company up to an amount not exceeding 50% of the Company's total number of issued shares (excluding treasury shares) with an aggregate sub-limit of 20% of the Company's total number of issued shares (excluding treasury shares) other than on a pro rata basis to shareholders of the Company provided that the total number of shares issued or issuable pursuant to Resolution (6) when added to the number of shares issued and issuable pursuant to Resolution (7) below, if any, does not exceed one hundred per centum (100%) of the total issued shares (excluding treasury shares) of the Company. The Company cannot rely on the authority given under Resolution (6) for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.

(iii) **Resolution 7** is to empower the Director to issue shares in the capital of the Company up to 100% (from the existing 50%) of its issued capital by way of a pro-rata renounceable rights issue provided that the total number of shares issued or issuable pursuant to Resolution (7) when added to the number of shares issued or issuable pursuant to Resolution (6) above, if any, does not exceed one hundred per centum (100%) of the total issued shares (excluding treasury shares) in the capital of the Company. This is one of the new measures introduced by the Singapore Exchange Limited, in consultation with Monetary Authority of Singapore, on 20 February 2009 to accelerate and facilitate listed issuers' fund raising efforts.

This mandate is conditional upon the Company:

(i) making periodic announcements on the use of proceeds as and when the funds are materially disbursed; and

(ii) providing a status report on the use of proceeds in the annual report.

This mandate, if passed, will provide the directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights issue.

(iv) **Resolution 8** is to authorise the Directors to issue new shares to subscribers or placees at a discount of not more than 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed provided that the issue price in respect of each share shall not be less than its par value unless otherwise permitted by law.

The maximum pricing discount of 20% is proposed pursuant to the SGX-ST's news release of 19 February 2009 which introduced further measures to accelerate and facilitate the fund raising efforts of listed issuers.

(v) **Resolution 9** – the aggregate number of shares to be issued under Combine Will Employee Share Option Scheme shall not exceed 15% per cent of the total issued ordinary share capital (excluding treasury shares) of the Company from time to time.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2009 for the purpose of determining Members' entitlements to the proposed final dividend of 1 Singapore cents per ordinary share (the "**Proposed Final Dividend**").

Duly completed registrable transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on 7 May 2009 by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483 will be registered to determine members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company as at 5.00 p.m. on 7 May 2009 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by members at the forthcoming Annual General Meeting to be held on 28 April 2009, will be paid on 22 May 2009.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote on his behalf and where a member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member Proxy Form. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 not less than 48 hours before the time set for the holding of the Annual General Meeting.

2. If a member is unable to attend the Annual General Meeting and wishes to appoint a proxy to attend and vote at the Annual General Meeting in his stead, then he should complete and sign the relevant Member Proxy Form and deposit the duly completed Member Proxy Form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street #08-01, Samsung Hub, Singapore 049483, not later than 48 hours before the time set for the holding of the Annual General Meeting.

3. A Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore) as at a time not earlier than 48 hours prior to the time of the Annual General Meeting who/which is (i) an individual but is unable to attend the Annual General Meeting personally and wishes to appoint a nominee to attend and vote; or (ii) a corporation, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, at least forty-eight (48) hours before the time of the Annual General Meeting.

4. If a member who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company is unable to attend the Annual General Meeting and wishes to appoint a proxy, he should use the Depositor Proxy Form and the Member Proxy Form for, respectively, the Shares entered against his name in the Depository Register and the Shares registered in his name in the Register of Members of the Company.

5. A Depositor who is an individual and whose name is shown in the Depository Register as at a time not earlier than 48 hours prior to the time of the Annual General Meeting and who wishes to attend the Annual General Meeting in person need not take any further action and can attend and vote at the Annual General Meeting as CDP's proxy without the lodgment of any proxy form.

This page is intentionally left blank.

This page is intentionally left blank.

Corporate Information

BOARD OF DIRECTORS
Tam Jo Tak, Dominic
(Executive Chairman / Chief Executive Officer)
Yau Hing Wah, John
(Executive Director)
Zheng Naiqiao, 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

Equal Brand Design

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)