

**Combine Will International Holdings Limited**  
(Incorporated in Cayman Islands)  
(Co. Reg. No: MC-196613)

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2012**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group							
	3 months ended 31 December				12 months ended 31 December			
	2012	2011	Change	%	2012	2011	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>Revenue</b>	<b>366,337</b>	<b>444,375</b>	<b>(78,038)</b>	<b>(17.56)</b>	<b>1,526,553</b>	<b>1,778,188</b>	<b>(251,635)</b>	<b>(14.15)</b>
Cost of sales	(323,765)	(395,766)	(72,001)	(18.19)	(1,347,000)	(1,558,335)	(211,335)	(13.56)
<b>Gross Profit</b>	<b>42,572</b>	<b>48,609</b>	<b>(6,037)</b>	<b>(12.42)</b>	<b>179,553</b>	<b>219,853</b>	<b>(40,300)</b>	<b>(18.33)</b>
Other income	8,852	14,334	(5,482)	(38.24)	30,651	35,762	(5,111)	(14.29)
Selling and distribution expenses	(4,767)	(2,037)	2,730	134.02	(27,612)	(28,403)	(791)	(2.78)
Administrative expenses	(28,677)	(46,287)	(17,610)	(38.05)	(110,573)	(132,225)	(21,652)	(16.38)
<b>Profit From Operations</b>	<b>17,980</b>	<b>14,619</b>	<b>3,361</b>	<b>22.99</b>	<b>72,019</b>	<b>94,987</b>	<b>(22,968)</b>	<b>(24.18)</b>
Finance costs	(6,930)	(6,706)	224	3.34	(18,655)	(26,043)	(7,388)	(28.37)
Loss on disposal/dissolution of subsidiaries	(165)	-	(165)	-	(201)	-	(201)	-
<b>Profit Before Tax</b>	<b>10,885</b>	<b>7,913</b>	<b>2,972</b>	<b>37.56</b>	<b>53,163</b>	<b>68,944</b>	<b>(15,781)</b>	<b>(22.89)</b>
Income tax expenses	(8,062)	(5,884)	2,178	37.02	(18,662)	(18,862)	(200)	(1.06)
<b>Profit for the period/year</b>	<b>2,823</b>	<b>2,029</b>	<b>794</b>	<b>39.13</b>	<b>34,501</b>	<b>50,082</b>	<b>(15,581)</b>	<b>(31.11)</b>
<b>Attributable to:</b>								
Owners of the Company	4,792	741	4,051	546.69	37,108	40,561	(3,453)	(8.51)
Non-controlling interests	(1,969)	1,288	(3,257)	(252.87)	(2,607)	9,521	(12,128)	(127.38)

**1(a)(ii) Statement of Comprehensive Income for the quarter ended 31 December 2012**

	The Group							
	3 months ended 31 December				12 months ended 31 December			
	2012	2011	Change	%	2012	2011	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>Profit for the period/year</b>	<b>2,823</b>	<b>2,029</b>	<b>794</b>	<b>39.13</b>	<b>34,501</b>	<b>50,082</b>	<b>(15,581)</b>	<b>(31.11)</b>
<b>Other comprehensive income for the period, net of tax</b>								
Exchange difference on translating foreign operations	8,636	4,643	3,993	86.00	8,727	17,461	(8,734)	(50.02)
<b>Total comprehensive income for the period</b>	<b>11,459</b>	<b>6,672</b>	<b>4,787</b>	<b>71.75</b>	<b>43,228</b>	<b>67,543</b>	<b>(24,315)</b>	<b>(36.00)</b>

<b>Attributable to:</b>								
Owners of the Company	13,687	4,682	9,005	192.33	46,094	57,320	(11,226)	(19.58)
Non-controlling interests	(2,228)	1,990	(4,218)	(211.96)	(2,866)	10,223	(13,089)	(128.03)

**Note:**

The Group's profit before tax is arrived at after charging / (crediting):

	3 months ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bad debt written off	-	142	-	142
Depreciation	14,037	14,205	53,908	53,315
(Gain)/Loss on disposals of property, plant and equipment	(780)	206	(780)	206
Written off of deposits paid (Note)	-	11,245	-	11,245
Interest income	14	(2,209)	(2,746)	(9,162)
Interest on bank loans and overdrafts	6,930	6,706	18,655	26,043
Exchange difference, net	(96)	2,919	2,414	(2,296)

Note: Write-off of deposits paid related to the professional fee and various expenses incurred for the proposed dual listing of the Company on the Korean Exchange.

**1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	At 31.12.2012	At 31.12.2011	At 31.12.2012	At 31.12.2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	289,029	303,626	-	-
Investments In Subsidiaries	-	-	310,205	310,205
Goodwill	2,417	2,417	-	-
	291,446	306,043	310,205	310,205
<b>Current assets</b>				
Inventories	503,071	442,813	-	-
Trade and bills receivables	337,162	378,132	-	-
Prepayments, deposits and other receivables	170,241	180,251	-	-
Current tax assets	8,390	20,336	-	-
Due from Subsidiaries	-	-	151,513	151,513
Pledged bank deposits	-	329,639	-	-
Bank and cash balances	54,796	108,726	109	109
	1,073,660	1,459,897	151,622	151,622
<b>Total assets</b>	<b>1,365,106</b>	<b>1,765,940</b>	<b>461,827</b>	<b>461,827</b>

<b>Current liabilities</b>				
Trade and bills payables	155,134	196,570	-	-
Accruals and other payables	133,985	192,720	455	455
Term loans	-	326,531	-	-
Short-term borrowings	257,015	214,943	-	-
Long-term borrowings	47,303	53,393	-	-
Current tax liabilities	24,687	27,260	-	-
	618,124	1,011,417	455	455
<b>Non-current liabilities</b>				
Long-term borrowings	93,797	141,276	-	-
Deferred tax liabilities	3,140	3,140	-	-
	96,937	144,416	-	-
<b>Total liabilities</b>	<b>715,061</b>	<b>1,155,833</b>	<b>455</b>	<b>455</b>
	<b>650,045</b>	<b>610,107</b>	<b>461,372</b>	<b>461,372</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	246,000	246,000	246,000	246,000
Reserves	386,090	339,996	215,372	215,372
	632,090	585,996	461,372	461,372
Non-controlling interests	17,955	24,111	-	-
<b>Total equity</b>	<b>650,045</b>	<b>610,107</b>	<b>461,372</b>	<b>461,372</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31 December 2012	As at 31 December 2011
Secured	Secured
HK\$'000	HK\$'000
304,318	594,867

**Amount repayable after one year**

As at 31 December 2012	As at 31 December 2011
Secured	Secured
HK\$'000	HK\$'000
93,797	141,276

**Details of collaterals**

The Group's banking facilities are secured by cross corporate guarantees executed by the group companies, and the guarantee issued by the Government of the Hong Kong Special Administrative Region.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			
	3 months ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	10,885	7,913	53,163	68,944
Adjustments for :				
Depreciation	14,037	14,205	53,908	53,315
(Gain)/Loss on disposals of property, plant and equipment	(780)	206	(780)	206
Loss on disposal/dissolution of subsidiaries	201	-	201	-
Bad debts written off	-	142	-	142
Interest income	14	(2,209)	(2,746)	(9,162)
Finance costs	6,930	6,706	18,655	26,043
<b>Operating profit before working capital changes</b>	<b>31,287</b>	<b>26,963</b>	<b>122,401</b>	<b>139,488</b>
(Increase)/Decrease in inventories	(14,936)	49,998	(60,258)	(30,334)
Decrease/(Increase) in trade and bills receivables	59,739	33,570	40,970	(61,023)
Decrease/(Increase) in prepayments, deposits and other receivables	2,074	3,235	5,904	(6,961)
(Decrease)/Increase in trade and bills payables	(27,951)	6,007	(39,755)	24,347
(Decrease)/Increase in accruals and other payables	(17,916)	(3,539)	(57,293)	57,088
<b>Cash generated from operations</b>	<b>32,297</b>	<b>116,234</b>	<b>11,969</b>	<b>122,605</b>
Interest paid	(6,930)	(6,706)	(18,655)	(26,043)
Income tax refund/(paid)	5,121	(22,168)	(9,574)	(28,999)
<b>Net cash generated from/(used in) operating activities</b>	<b>30,488</b>	<b>87,360</b>	<b>(16,260)</b>	<b>67,563</b>
<b>Cash flows from investing activities</b>				
Decrease/(Increase) in pledged bank deposits	-	229,258	329,639	(100,813)
Purchase of property, plant and equipment	(11,224)	(11,570)	(37,869)	(51,725)
Proceeds from disposal of property, plant and equipment	1,893	89	1,893	89
Net proceeds from disposal of a subsidiary	(521)	-	(521)	-
Interest received	(14)	2,209	2,746	9,162
<b>Net cash (used in)/generated from investing activities</b>	<b>(9,866)</b>	<b>219,986</b>	<b>295,888</b>	<b>(143,287)</b>
<b>Cash flows from financing activities</b>				
Inception of new short-term bank loans	-	-	-	15,000
Inception of new long-term bank loans	-	50,211	-	100,211
Inception of new term loans	-	-	-	326,531
Repayment of short-term bank loans	(15,000)	(30,889)	(35,000)	(45,889)
Repayment of term loans	-	(225,505)	(326,531)	(225,505)
Repayment of long-term borrowings	(11,628)	(2,280)	(53,354)	(34,980)
Net (repayment)/advance of trust receipt and import loans	(27,163)	(130,332)	78,968	(96,309)
Dividends paid to equity holders	-	-	-	(21,021)
Dividends paid to non-controlling interests	(1,080)	(2,409)	(1,994)	(2,409)
<b>Net cash (used in)/generated from financing activities</b>	<b>(54,871)</b>	<b>(341,204)</b>	<b>(337,911)</b>	<b>15,629</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(34,249)</b>	<b>(33,858)</b>	<b>(58,283)</b>	<b>(60,095)</b>
<b>Cash and cash equivalents at beginning of the period/year</b>	<b>82,887</b>	<b>135,598</b>	<b>106,830</b>	<b>160,009</b>
Net effect of exchange rate changes in consolidating subsidiaries	6,158	5,090	6,249	6,916

Cash and cash equivalents at end of the period/year

54,796	106,830	54,796	106,830
--------	---------	--------	---------

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Group	Attributable to the owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Statutory reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Subtotal HK\$'000		
At 1 January 2012	246,000	26,488	-	2,057	50,011	261,440	585,996	24,111	610,107
Total comprehensive income for the period	-	-	-	-	8,986	37,108	46,094	(2,866)	43,228
Disposal of a subsidiary	-	-	-	(24)	-	24	-	(1,296)	(1,296)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,994)	(1,994)
<b>At 31 December 2012</b>	<b>246,000</b>	<b>26,488</b>	<b>-</b>	<b>2,033</b>	<b>58,997</b>	<b>298,572</b>	<b>632,090</b>	<b>17,955</b>	<b>650,045</b>
At 1 January 2011	246,000	26,488	-	2,057	33,252	241,900	549,697	16,297	565,994
Total comprehensive income for the period	-	-	-	-	16,759	40,561	57,320	10,223	67,543
Dividends to owners	-	-	-	-	-	(21,021)	(21,021)	-	(21,021)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,409)	(2,409)
<b>At 31 December 2011</b>	<b>246,000</b>	<b>26,488</b>	<b>-</b>	<b>2,057</b>	<b>50,011</b>	<b>261,440</b>	<b>585,996</b>	<b>24,111</b>	<b>610,107</b>

The Company	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2012	246,000	26,488	130,205	58,679	461,372
Total comprehensive income for the period	-	-	-	-	-
<b>At 31 December 2012</b>	<b>246,000</b>	<b>26,488</b>	<b>130,205</b>	<b>58,679</b>	<b>461,372</b>
At 1 January 2011	246,000	26,488	130,205	60,000	462,693
Total comprehensive income for the period	-	-	-	19,700	19,700
Dividends to owners	-	-	-	(21,021)	(21,021)
<b>At 31 December 2011</b>	<b>246,000</b>	<b>26,488</b>	<b>130,205</b>	<b>58,679</b>	<b>461,372</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the twelve months ended 31 December 2012, the Company did not allot nor issue any shares, nor grant any share options under the Employee Share Option Scheme.

As at 31 December 2012, there were no outstanding share options / warrants / convertible securities / treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

32,800,000 ordinary shares of HK\$7.50 each as at 31 December 2011.

32,800,000 ordinary shares of HK\$7.50 each as at 31 December 2012.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing for the audited financial statements for the year ended 31 December 2011.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for accounting period beginning on 1 January 2012. 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 period.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	The Group			
	3 months ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
	HK cents	HK cents	HK cents	HK cents
Earnings per ordinary share for the period based on the net profit for the period				
(a) Based on weighted average number of ordinary shares on issue; and	14.61	2.26	113.13	123.66
(b) On a fully diluted basis	N/A	N/A	N/A	N/A

Basic earnings per share for Q4 2012 is calculated by dividing the profit attributable to the owners of the Company of approximately HK\$4,792,000 (Q4 2011: HK\$741,000) by the weighted average number of ordinary shares in issue of 32,800,000 (Q4 2011: 32,800,000) during the Q4 2012.

Basic earnings per share for FY2012 is calculated by dividing the profit attributable to the owners of the Company of approximately HK\$37,108,000 (4Q 2011: HK\$40,561,000) by the weighted average number of ordinary shares in issue of 32,800,000 (4Q 2010: 32,800,000) during the 4Q 2012.

No diluted earnings per share had been presented as the Group did not have any dilutive potential shares for the Q4 2012 and Q4 2011.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	The Group		The Company	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital at the end of the year:	1,927.10	1,786.57	1,406.62	1,406.62
Number of ordinary shares in issue	32,800,000	32,800,000	32,800,000	32,800,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### 8.1 Revenue

In Q4 2012, the Group's overall revenue decreased by HK\$78.0 million or 17.6%, from HK\$444.4 million in Q4 2011 to HK\$366.3 million in Q4 2012. The breakdown in the performance by the Group's 3 business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	-12.5m	-4.3	The decrease in revenue was mainly due to differences in the timing of the delivery schedule.
Moulds and Tooling	-40.7m	-56.5	The decreased revenue experienced was due to a slow-down in customer orders arising from uncertain global economic conditions which resulted in a decrease in demand for our products.
Machine Sales	-24.8m	-31.0	The decreased revenue experienced was due to a slow-down in orders from our manufacturing customers in China which faced uncertain global economic conditions.

*Increase/Decrease in revenue by geographical segments for Q4/2012*

Region	(+/-) in HK\$	%	Comments
Asia	-141.8m	-40.1	The decrease in revenue from Asia was mainly due to the timing of delivery schedule in the ODM/OEM business segment resulting from our major customers together with the decrease in sales in Machine Sales and Moulds and Tooling business segment.
North America	-7.6m	-37.2	The decrease in revenue from North America was mainly due to a difference in the timing of the delivery schedule of the ODM/OEM business segment.
Europe	+71.4m	+101.4	The significant increase in revenue from Europe was mainly due to the increase in sales to this region by the ODM/OEM business segment.

## 8.2 Gross profit and gross profit margin

In Q4 2012, the Group's gross profit decreased by 12.4% or HK\$6.0 million, generating gross profit margin of 11.6% (Q4 2011: 10.9%). The breakdown according to business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	0.3m	1.0	There was a slight increase in gross profit despite higher labour and material costs due to cost savings resulting from increased productivity through the use of automation, more efficient technical design and better production planning.
Moulds and Tooling	-8.7m	-89.1	The decrease in gross profit was primarily due to competitive price pressures experienced as a result of the slowdown in the U.S and Europe economies which led to a shrinkage of demand.
Machine Sales	+2.4m	+32.6	The increase in gross profit and gross margin was mainly due to cut-off price concessions made in Q4 2011 on a significant order to a major customer which was not repeated in Q4 2012.

## 8.3 Other Income

The Group's other income decreased by HK\$ 5.5 million or 38.2%, from HK\$ 14.3 million in Q4 2011 to HK\$ 8.9 million in Q4 2012 mainly due to a receipt of a one-off government subsidy of HK\$ 5.0 million granted in respect of one of the Company's QC laboratories, which did not recur in Q4 2012.

## 8.4 Selling and distribution expenses

The Group's selling and distribution expenses increased by HK\$2.7 million or 134.0%, from HK\$2.0 million in Q4 2011 to HK\$4.7 million in Q4 2012 mainly due to increase in export related logistics and transportation expenses resulting from increased sales to Europe.

## 8.5 Administrative expenses

The Group's administrative expenses decreased by HK\$17.6 million or 38.1%, from HK\$46.3 million in Q4 2011 to HK\$ 28.7 million in Q4 2012 due to:

- a write-off of HK\$ 11.0 million of legal, professional and related cost incurred due to the Korean Dual Listing in Q4 2011; and
- a decrease of HK\$ 4.0 million of business development cost incurred due to the expansion of the Moulds and Tooling business in Eastern China in Q4 2011, which was not repeated in Q4 2012.

## 8.6 Finance Costs

There were no significant changes to finance costs in Q4 2012.

## 8.7 Income Tax Expenses

Income tax expense increased by HK\$2.2 million or 37.0%, from HK\$5.9 million in Q4 2011 to HK\$8.1 million in Q4 2012 mainly due to a higher incidence of tax expense in respect of our PRC operations.

## Financial position

### 8.8 Non-current assets

The Group's non-current assets decreased by 4.8% or HK\$14.6 million as at 31 December 2012, due mainly to the depreciation expense of HK\$53.9 million charged for the period ended 31 December 2012 which was partially offset by an increase in property, plant and equipment of HK\$37.9 million.

### 8.9 Current assets

As at 31 December 2012, the Group's current assets decreased by HK\$386.2 million or 26.5%, from HK\$1,459.9 million as at 31 December 2011 to HK\$1,073.7 million mainly due to:

- a decrease in trade and bills receivables of HK\$41.0 million due to the timing of customer delivery schedule;
- a decrease in prepayments, deposits and other receivables of HK\$10.0 million due to a decrease in purchase deposit paid to suppliers;
- a decrease in current tax assets of HK\$11.9 million due mainly to the utilization of tax prepaid as a result of lower profit for 2012 from certain subsidiaries;
- a decrease in pledged bank deposit of HK\$329.6 million which resulted in a corresponding decrease in short term loans of HK\$326.5 million (please refer to section 8.10 "Current Liabilities" for more details); and
- a decrease in bank and cash balances of HK\$53.9 million which was mainly due to higher utilization of working capital needs to fulfill customers' delivery schedule in Q1 2013;

which were partially offset by:

- an increase in inventories of HK\$60.2 million due to a ramp up of our production activity to meet customers' Q1 2013's delivery schedule.

### 8.10 Current liabilities

As at 31 December 2012, the Group's current liabilities decreased by HK\$393.3 million or 38.9%, from HK\$1,011.4 million as at 31 December 2011 to HK\$618.1 million mainly due to:

- a decrease in trade and bills payables of approximately HK\$41.4 million due to timing of settlement of trade and bills payables;
- a decrease in accruals and other payables of HK\$58.7 million due to decreased amount of customer deposits derived from Moulds & Tools and Machine Sales business segments;
- a decrease in term loans of HK\$326.5 million due to the repayment of loan; and
- a decrease in the current portion of long-term borrowings of HK\$6.1 million due to the repayment of long-term borrowings in accordance with the payment schedule; and
- a decrease in current tax liabilities of HK\$2.6 million due to the payment of tax net of the income tax charged for the period;

which were partially offset by:

- an increase in short-term borrowings of approximately HK\$42.0 million mainly to finance our working capital requirements.

### 8.11 Non-current liabilities

The decrease in long-term borrowings is mainly due to the repayment of long-term borrowings according to the payment schedule.

### 8.12 Statement of Cash Flows

As at 31 December 2012, the Group's cash resources of HK\$54.8 million are considered adequate for current operational needs. The net decrease in cash and cash equivalents of HK\$53.9 million held by the Group for the 12 months ended 31 December 2012 comprised:

- Net cash used in operating activities of HK\$16.3 million, due to the higher utilization of working capital to meet customers' delivery schedule;
- Net cash generated from investing activities of HK\$295.9 million, mainly due to an increase in capital expenditure and the maturity of RMB deposits; and
- Net cash used in financing activities of HK\$337.9 million, mainly due to a decrease in repayment of bank loans.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects to continue strengthening their business relationship with major customers in FY2013. The Group is optimistic that with its effort in improving productivity and reducing reliance on labour through automation, adoption of new technology to enhance the functional capability of its products and its strong customer relationship, the Group will be able to achieve moderated and sustainable growth for its ODM/OEM segment.

Barring any unforeseen circumstances, the Group remains confident that there are opportunities on which the Group can leverage for growth and sustain its business performance in FY2013.

For further details, please refer to the Company's press release dated 27 February 2013.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

Name of Dividend	Final
Dividend Type	Not applicable
Dividend Amount per Share (in Singapore cents)	Nil
Tax Rate	Not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

Name of Dividend	Final
Dividend Type	Not applicable
Dividend Amount per Share (in Singapore cents)	Nil
Tax Rate	Not applicable

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommended for the current period reported on.

**13. If the group has obtained a general mandate from shareholders of IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained for the current period reported on.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segments**

	FY2012	FY2011	Change
	HK\$'000	HK\$'000	%
<b>Revenue</b>			
ODM/OEM	1,171,626	1,193,628	(1.8)
Moulds and Tooling	166,168	267,160	(37.8)
Machine Sales	188,759	317,400	(40.5)
<b>Total</b>	<b>1,526,553</b>	<b>1,778,188</b>	<b>(14.2)</b>
<b>Segment results</b>			
ODM/OEM	80,395	70,049	15.1
Moulds and Tooling	(6,196)	15,200	(140.8)
Machine Sales	4,158	28,861	(85.6)
<b>Total</b>	<b>78,357</b>	<b>114,110</b>	<b>(31.2)</b>

**(b) Geographical segments**

Revenue of geographical segments of principal markets are analyzed by location of customers

	FY2012		FY2011		Change
	HK\$'000		HK\$'000		%
		%		%	
Asia	1,131,286	74.1	1,357,928	76.3	(16.7)
North America	84,099	5.5	172,107	9.7	(51.1)
Europe	311,168	20.4	248,153	14.0	25.4
<b>Total</b>	<b>1,526,553</b>	<b>100</b>	<b>1,778,188</b>	<b>100</b>	<b>(14.2)</b>

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 above.

**16. A breakdown of sales.**

	FY2012 HK\$'000	FY2011 HK\$'000	Change %
	Group	Group	Group
(a) Sales reported for first half year	732,173	920,895	(20.5)
(b) Operating profit after tax before deducting minority interests reported for first half year	21,446	38,038	(43.6)
(c) Sales reported for second half year	794,380	857,293	(7.3)
(d) Operating profit after tax before deducting minority interests reported for second half year	13,055	12,044	8.4

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend

	FY2012 HK\$'000	FY2011 HK\$'000
Ordinary	-	-
Preference	N/A	N/A
<b>Total:</b>	-	-

**18. Interested Person Transactions ("IPTs")**

	Aggregate value of all interested person transaction during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	HK\$'000	HK\$'000
	N/A	N/A

**19. Use of IPO Proceeds**

HK\$ (million)	Used	Prospectus (revised announcement)	Not used
Plant, machinery and production facilities	45.6	45.6	-
Research and development	11.4	11.4	-
Sales and marketing network	5.7	5.7	-
General capital	30.0	30.0	-

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial year ended 31 December 2012.

**21. Negative Assurance Confirmation Pursuant To Rule 705(4) of the Listing Manual**

We, Tam Jo Tak, Dominic and Chiu Hau Shun, Simon, being two Directors of Combine Will International Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 12 months financial period ended 31 December 2012 to be false or misleading.

On behalf of the Board of Directors,

**Tam Jo Tak, Dominic**  
**Executive Chairman**

**Chiu Hau Shun, Simon**  
**Executive Director**

**BY ORDER OF THE BOARD**

**Tam Jo Tak, Dominic**  
**Executive Chairman**

27 February 2013