STRENGTHENING **PRODUCTIVITY**

COMBINE WILL

ANNUAL REPORT 2015

CONTENTS

COMBINE WILL - TRANSFORMING IDEAS INTO INNOVATION!

CORPORATE **PROFILE**

Combine Will International Holdings Limited ("Combine Will") is a leading Original Design Manufacturer ("ODM") and Original Equipment Manufacturer ("OEM") supplier of corporate premiums, toys and consumer products. We are also a supplier of plastic injection and die-casting moulds for major manufacturers around the world and a distributor of state-of-the-art machineries and precision tools for mould making and automobile production.

For over 20 years, we have been manufacturing a wide range of competitively engineered custom products tailored to each of our clients' needs. We are able to achieve sustainable results by adopting a repeatable research and development ("R&D") execution model employed to drive innovation and focus on capabilities critical to building a strategic advantage. By setting a high benchmark on key performance metrics such as operational efficiency and development processes, we are able to boast an optimized product line, lower operating expenses and achieve high levels of consistency and quality. In turn, our clients are able to take advantage of these unique core capabilities to achieve their success and competitiveness.

Our project portfolio includes customers from Asia, Europe and North/South America and we have continuously demonstrated adequate and flexible capacity to handle production for leading multinational companies in their respective industries, ranging from toys and consumer products to international fast-food chains.

Based in Dongguan, Guangdong Province in the People's Republic of China, we have over 10,000 workers in our six manufacturing facilities located in Dongguan and Heyuan, Guangdong Province as well as our latest plant in Guangxi Province.

VISION

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

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

MISSION

To provide the highest quality products and solutions to our customers through our total dedication to R&D, manufacturing technology, professional service and quality management.

To become a progressive organisation where we dedicate our resources to building excellence and achieving growth.

To become a good corporate citizen and contribute to the society and communities in which we operate.

To provide sustainable value and returns to all our stakeholders.

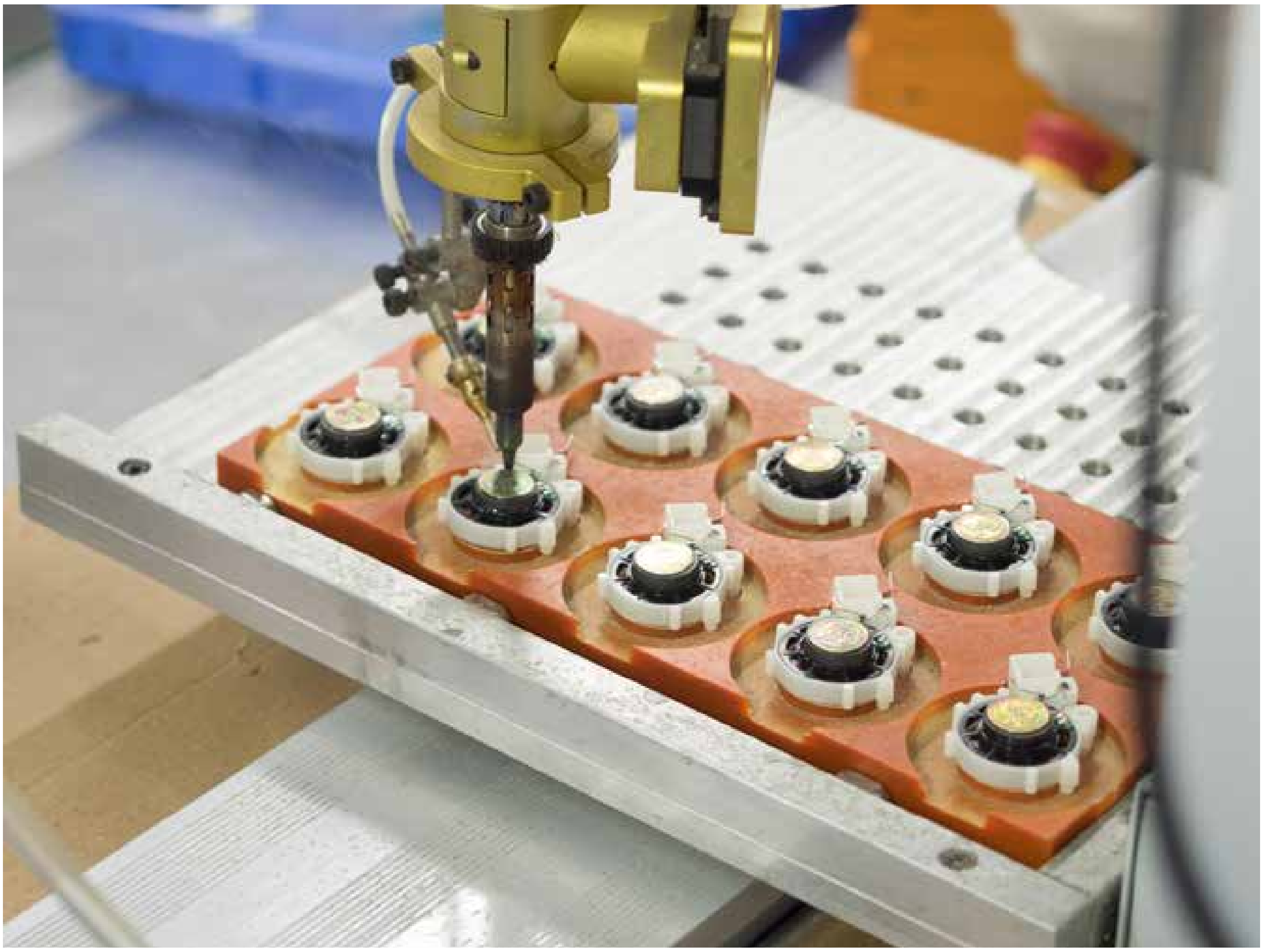
VALUES

INTEGRITY
We deliver our promises and lead by example

TEAMWORK
We respect diversities and work in unity

PROGRESSIVENESS
We pursue excellence in all we do

INNOVATION
We seek creativity and inspire breakthrough



BUSINESS **MODEL**

Combine Will's vertically integrated business model which includes a broad spectrum of services and capabilities in the design and supply of premium products, toys, consumer products, industrial plastic injection and die-cast moulds and machine sales, positions us as a unique one-stop solution provider that sets us apart from the competition.

ODM/OEM

We are a niche ODM/OEM of corporate premiums, toys and consumer products. Our ODM/OEM R&D team is fully integrated with our manufacturing and production team to ensure a one-stop, seamless development of our customers' products from inception to fruition.

Our R&D team is involved in the customers' projects right from conceptualisation to the production and supply of products and solutions. Whether it is an innovative idea from a customer or one that is initiated by us, our R&D team is involved in various aspects of the development process such as providing designs to meet the product specifications and giving advice on the functional capabilities and manufacturability of the products. Our commitment to employing new processing methods in integrating aesthetics, form and moulding has helped customers to conceptualise and launch novel product lines. Where required, we will set up a specific testing centre for the evaluation of customers' products which has, in the past, resulted in quicker turnaround and shorter time to market.

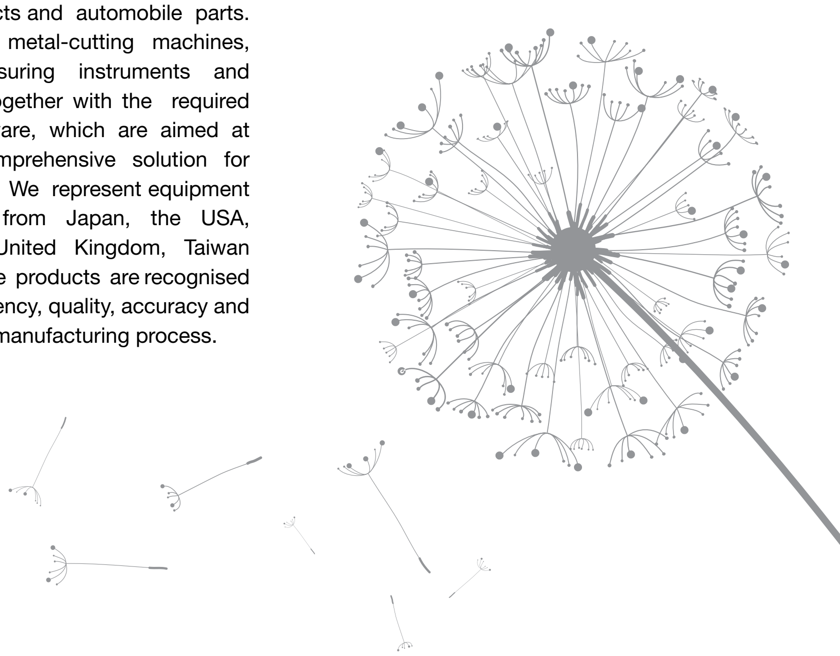
We utilise innovative processing methods and applications of unique technologies for use in our production process, so that our customers can benefit from greater cost savings and enhance their competitiveness.

MOULDS AND TOOLING

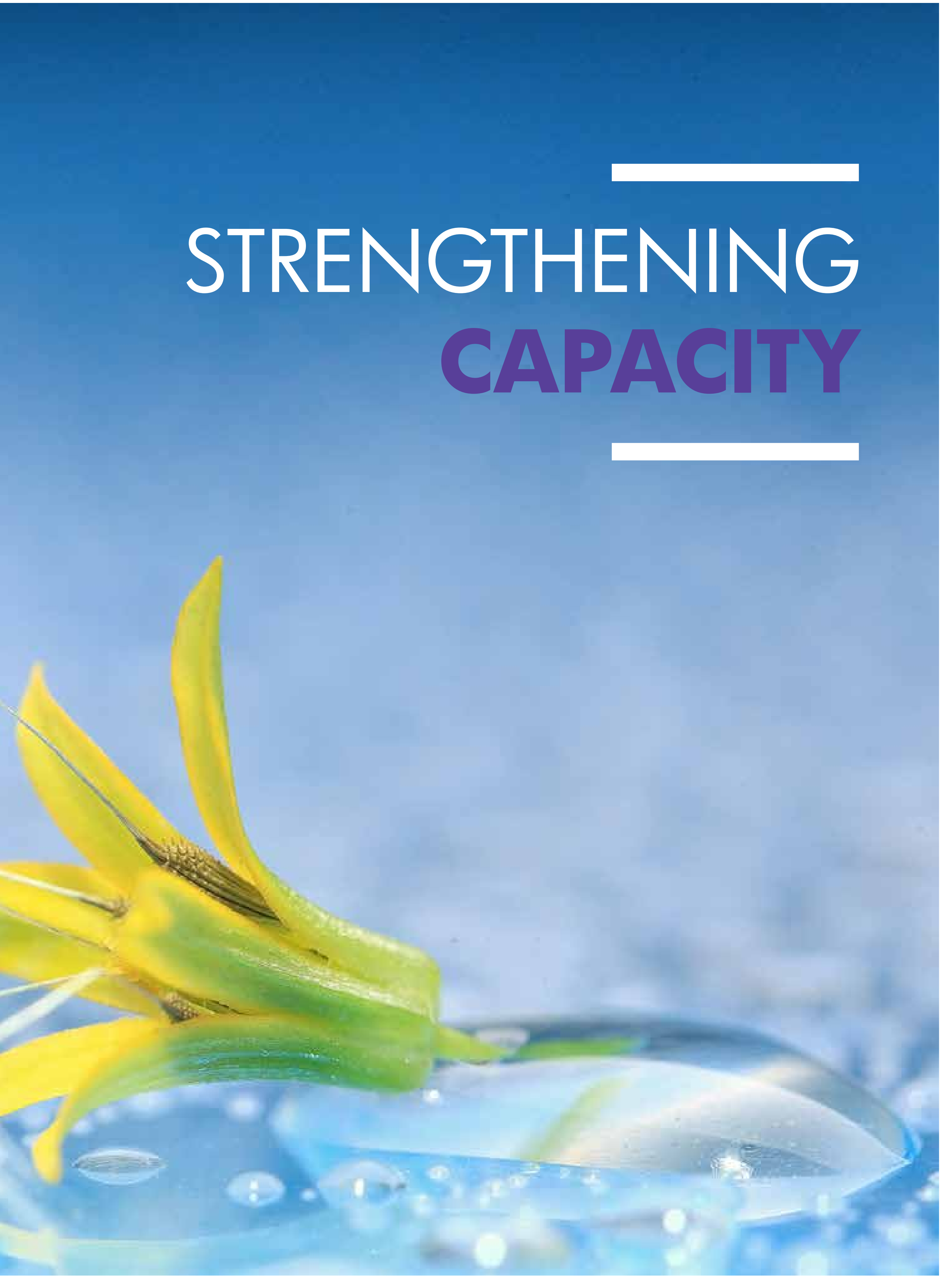
We are one of the major manufacturers of plastic injection and die-casting moulds in Southern China. In addition to the production of moulds and tooling for our ODM/OEM products, we produce moulds and tooling as well as production fixtures for the automobile and consumer and household products industries. Our latest technologies and state-of-the-art equipment and software, such as the high-speed CNC machines, five-axis CNC machines and precision EDMs help shorten the production lead time and ensure reliable quality output on our moulds and tooling for our customers.

MACHINE SALES

We distribute, install and provide after-sales services for advanced machines and precision tools for our customers who are in the manufacturing of mould and die-cast products and automobile parts. These include metal-cutting machines, precision measuring instruments and cutting tools, together with the required operating software, which are aimed at providing a comprehensive solution for our customers. We represent equipment manufacturers from Japan, the USA, Germany, the United Kingdom, Taiwan and Italy, whose products are recognised for their consistency, quality, accuracy and flexibility in the manufacturing process.

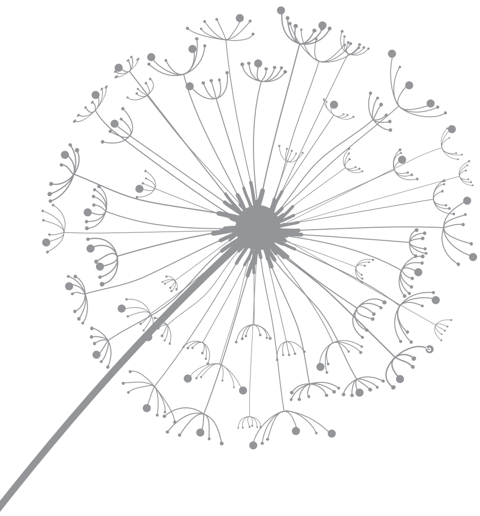


STRENGTHENING CAPACITY



CHAIRMAN'S **MESSAGE**

I am pleased to announce that, amidst challenging conditions, Combine Will International Holdings Limited ("Combine Will" or together with its subsidiaries, "the Group") has performed well to record continued operating profits for the financial year ended 31 December 2015 ("FY2015"), achieving profits before tax of HK$21.2 million.



Dear Shareholders,

I am pleased to announce that, amidst challenging conditions, Combine Will International Holdings Limited ("Combine Will" or together with its subsidiaries, "the Group") has performed well to record continued operating profits for the financial year ended 31 December 2015 ("FY2015"), achieving profits before tax of HK$21.2 million.

Although the toys industry in our key markets strengthen in 2015, global economies ended on a weaker footing with emerging and developing economies reflecting continued growth deceleration amid post war lows in commodity prices, weaker capital flows and subdued global trade.

Despite gyrations in the world economy and challenging operating conditions, we have managed to achieve relatively credible results for FY2015. This was, in no small part, due to restructuring we have implemented in the last two years to streamline our operations to focus on profitable segments and target our core customers as well as investing in new technologies and improved work methods. These initiatives have strengthened our operational capability.

On behalf of the Board of Directors, I would like to present to you this Annual Report and Audited Financial Statements of our Group for FY2015.

FINANCIAL REVIEW

Our Group revenue of HK$1,967.6 million for FY2015 was lower by HK$100.5 million, a decrease of 4.9% compared to revenue of HK$2,068.1 million for the financial year ended 31 December 2014 ("FY2014") due mainly to lower revenue contribution across all business segments. While gross profit was higher at approximately HK$170.2 million compared to HK$167.8 million in FY2014, group pre-tax profit of HK$21.2 million reflected a decrease of HK$1.5 million or 6.4%, over pre-tax profit of HK$22.7 million for FY2014.

Notwithstanding the profits before tax recorded for FY2015, due to strengthening of the USD against the RMB towards the end of the year, and with our group assets denominated in net RMB position, net asset value per share was lower at HK$19.76 as at the end of FY2015 compared to HK$20.23 as at the end of FY2014.

REVIEW OF OPERATIONS

ODM/OEM

Revenue derived from ODM/OEM revenue figure was lower at HK$1,757.8 million for FY2015 compared to HK$1,789.0 million for FY2014. Despite the decrease, ODM/OEM remains the major revenue driver, contributing an increased 89.3% (FY2014: 86.5%) to our total Group revenue for FY2015 as the other segments registered greater than proportionate decreased contributions.

In 2015, we increased training for workers and engineers, we have strengthened our industrial design capability and improved productivity. We introduced increased automation in our printing process and will continue to conduct more studies with the aim of introducing further improvements into automating the ODM/OEM production process.

For the coming year, we are in the midst of finalizing plans to set up a manufacturing facility in an overseas location. A team has been tasked with conducting initial studies on the feasibility as well as identifying suitable locations and potential joint venture partners. The decision to set up the overseas manufacturing facility, when finalized will also involve, amongst others, re-designation and/or temporary secondment of key personnel to assist in the construction, installation and setup of production lines as well as redesign of work flows and production lines in PRC factories.

Moulds & Tooling

With the streamlining and re-focusing of the Moulds & Tooling segment, revenue contribution from this segment reduced significantly, from HK$79.4 million in FY2014 to HK$56.8 million for FY2015, a decrease of 28.5% and accounted for 2.9% to Group revenue for FY2015 (FY2014 : 3.8%).

In FY2015, various streamlining and rationalization measures were implemented to reduce headcount and re-deploy resources. The R&D team was merged to form an integrated team to concentrate on conducting studies to effect further improvements in the automation of the ODM/OEM production process.

Machine Sales

With the slowdown in China economy and uncertainty arising from a transition from investment based to consumption based economy, manufacturers were generally more cautious in their investments in capital equipment. Revenue from Machine Sales was lower at HK$153.0 million for FY2015 (FY2014 : HK$199.7 million) and contributed a reduced 7.8% of Group revenue for FY2015 (F2014: 9.7%).

Going forward, the marketing strategy in the Machine Sales segment will be enhanced to provide a one-stop service to our customers from offering early assistance and advice in their technical requirements for their manufacturing operations to their investment decisions on production equipment.

GOING FORWARD

To prepare ourselves for the challenges as well as opportunities ahead, we will embark on corporate evolution program and undertake a number of pro-active changes to strengthen internal processes, diversify manufacturing operations to manage future costs increases which we hope will lead to more effective production processes, replacement of outdated assets and eventually new products and new markets.

Transformation projects and restructuring measures include;-

- Proposed setting up of overseas manufacturing facility in a low costs location to take advantage of the cost differential, diversify geographical concentration as well as to prepare for the eventual and inevitable costs increases in China. The first location is expected to be in the South East Asian ("S.E. Asia") region.

- Setting up of focus groups to undertake the new overseas expansion, to look at processes to enhance productivity measures and reduce costs.

- Increasing emphasis and investment in China operations to focus on higher value activities like design, research and development into new products as well as improved manufacturability of products and increased automation.

- To prepare for the implementation of this multi-year transformation program, there will be a reorganization of the management structure to streamline reporting, improve management reaction time and may include remuneration structure to attract and retain management talent.

The corporate evolution program and the effecting of the transformational changes is expected to take a number of years to complete, details of which will be progressively announced and released when finalized.

These transformational changes are essential for us to keep up with technological, environmental and economic changes that are facing us and when completed, will enable us to stay competitive, place us in a better position to face adversity in view of the global uncertainties and to ensure sustainable viability.

ACKNOWLEDGEMENTS

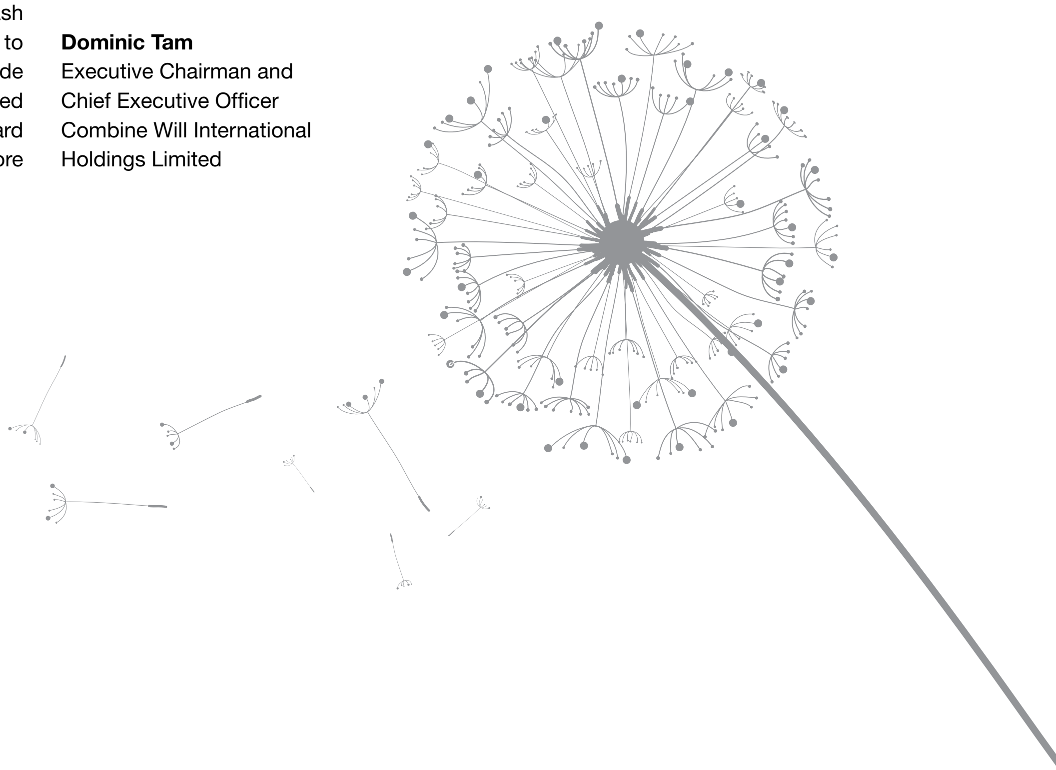
As highlighted above, we are in the process of finalizing strategies to invest in overseas manufacturing operations as well as internal restructuring which necessitate increased investments. This implies a need to be conservative in our cash management approach. Nonetheless, to acknowledge and express our gratitude to our shareholders for their continued confidence in the Company, the Board is proposing dividends of 4.5 Singapore cents per share for FY2015.

I would like to express my gratitude to the management team and staff for their hard work, patience and understanding in view of the painful changes we have implemented over the past year, changes which were necessary to prepare ourselves to face the challenges ahead.

I would like to take this opportunity to thank our shareholders, customers and suppliers, business associates, financial institutions and the regulatory authorities for their continued trust and support.

Lastly, a special word of appreciation to our executive director, John Yau, who will be retiring this upcoming AGM, for his untiring service and past contributions to the success of the Company. To my Board of Directors, thank you for your time and dedication and I look forward to working with you to bring the Company forward.

Dominic Tam
Executive Chairman and
Chief Executive Officer
Combine Will International
Holdings Limited



OPERATIONAL **REVIEW**

OVERVIEW

With decreased contribution across our three business segments, Group revenue of HK$1,967.6 million for FY2015 was lower by HK$100.5 million, a decrease of 4.9% compared to revenue of HK$2,068.1 million for FY2014. While our restructuring initiatives and efforts at managing production costs has resulted in us achieving increased gross profits of HK$170.2 million for FY2015 (FY2014 : HK$167.8 million) and improved gross profit margins of 8.7% (FY2014 : 8.1%). Lower other income and increased finance costs resulted in a reduced profit before tax of HK$21.2 million compared to HK$22.7 million for FY2014.

ODM/OEM

Revenue for ODM/OEM segment were lower at HK$1,757.8 million for FY2015 compared to HK$1,789.0 million in FY2014 due mainly to delays in the rollout and delivery of replacement model product towards the end of December instead of early Q3 2015. Despite the reduced revenue, ODM/OEM segment accounted for an increased 89.3% of Group revenue in FY2015 compared to 86.5% in FY2014 on the back of reduced revenue contribution from the other two segments.

Profit attributed from the ODM/OEM segment was lower at HK$78.1 million in FY2015 compared to HK$97.0 million in FY2014 mainly due to lower other income earned and increased finance costs.

Going forward, ODM/OEM segment would remain the main revenue and profit contributor for our Group. However, in the face of cost pressures, plans are being finalized on the set-up of manufacturing operations in overseas location to lower our operating costs and diversify geographically. A team has been assigned the direct responsibility of performing initial feasibility studies and research on suitable locations as well as conducting preliminary discussions with potential joint venture partners.

Beside capital expenditure on the proposed manufacturing facility, personnel will also be sent to assist in the equipment set up, training as well as the implementation of production and quality control procedures.

In China, there will be a redesign of workflow and production lines, and investments in equipment for the China operations to focus on R&D, higher value products and enhance productivity. The proposed diversification strategy and consequent initiatives are expected to take a number of years to complete.

In FY2016, we will work closely with our core customers, and build on the strength of our product development, R&D and strong quality control to improve our operating performance.

MOULDS AND TOOLING

With the streamlining of the Moulds and Tooling segment and re-focus as an internal service centre to support our ODM/OEM business, revenue contribution was lower at HK$56.8 million and accounted for reduced 2.9% of Group revenue, compared to HK$79.4 million and 3.8% in FY2014 respectively.

In FY2015, various rationalization measures were implemented to reduce headcount and re-deploy resources. As a result of the rationalization measures, loss for the segment was lower at HK$30.0 million compared to HK$53.0 million in FY2014.

MACHINE SALES

Due to the slowdown and uncertainty of the China economy, manufacturers were cautious in investing in capital equipment in 2015. In view of the cautious sentiment, revenue of Machine sale business segment declined to HK$153.0 million and accounted for 7.8% of Group revenue in FY2015 compared to HK$199.7 million and 9.7% in FY2014 respectively. With the lower revenue, profitability for Machine Sales decreased significantly with a loss of HK$0.5 million in FY2015 compared to a profit of HK$3.5 million in FY2014.

In FY2016, the sales and marketing efforts will be enhanced further to include providing early assistance and input to customers in their design and technical requirements for their manufacturing process as well as their equipment investment/replacement process. This early engagement would be part of the one-stop service offering implemented by us to increase overall margins.

CORPORATE DEVELOPMENTS AND **CORPORATE SOCIAL RESPONSIBILITY**

Corporate social responsibility is an integral part of Combine Will's corporate mission and we are committed to implementing the spirit of corporate social responsibility in our daily business and operations. In 2015, we continued to actively implement a number of improvement programs and training with specific goals to improve the standards of our corporate social responsibility initiatives.

We are greatly concerned about the welfare of our employees as we understand how important motivated employees and good employee relations are to the success of an organization. We offer a variety of training programs to encourage our employees to enhance their personal development. Employees are able to apply for external training allowance and subsidies to enable them to attend training programs.

In 2015, we invited professional institutions and consultants to provide training in a variety of topics, such as: advanced industrial engineering courses, leadership and innovation development training, efficient team development training, etc to update our employees with the latest knowledge and skills to strengthen our workforce. Last year, a total of 124,529 employees attended 1,063,955 man hours of training.

In addition, the Work Improvement Teams (WITs) established by the different departments and functions continued to play an important role in strengthening the Group and creativity, with the participation of 220 employees leading to a total of 124 projects were implemented to improve processes and increase productivity, a result which we are proud of.

In 2015, Combine Will was honored to be awarded the "Enterprise Learning Award" by the Hong Kong Professional Accreditation Authority in recognition of our efforts to promote continuous learning and staff development.

While Combine Will is focused on carrying out its vision of "High quality plastic, die casting and electronics business model" as the preferred choice of business partner, it has not forsaken its commitment to care for the environment. Measures are taken in every stage of the production process to minimise environmental impact, including the use of energy saving devices and procedures to reduce carbon emissions and waste in order to protect the natural environment.

For example, we replaced traditional lighting fixtures with energy-saving lamps, installed curtain cooling system to replace the general environmental air conditioning, and fitted energy-saving devices in a series of injection molding machines. In addition, we also replace diesel heaters in the workers dormitories with more effective heat pump water heaters to reduce daily energy consumption.

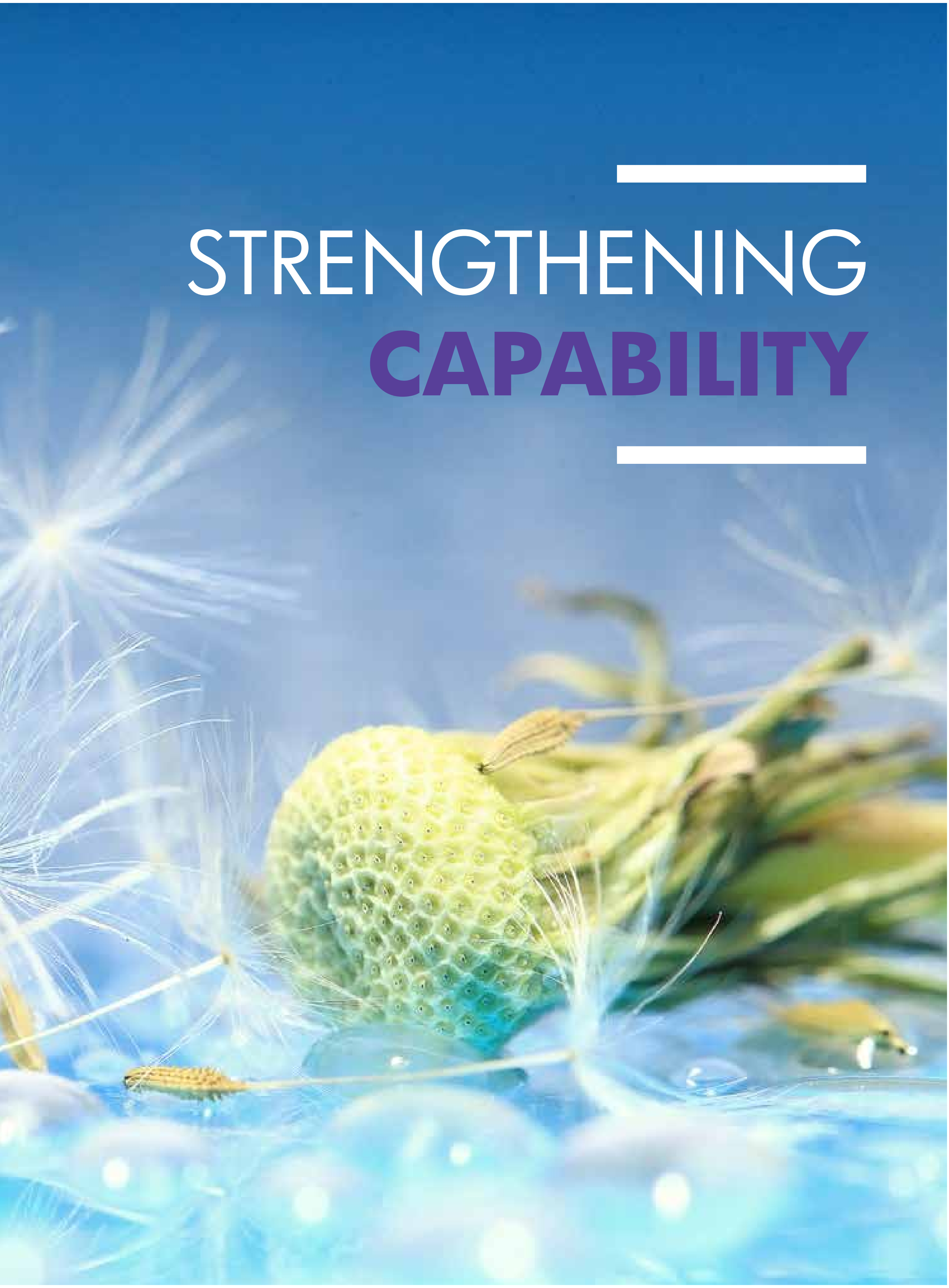
Further, as evidence of our conviction to be a responsible corporate citizen, we have embarked on different avenues to assist, as well as support our employees to reach out to, the disabled and disadvantaged members of society. A total of 151 of our employees participated in 468 hours volunteer activities trips to visit nursing homes, and handicapped children, etc.

To realize our vision of sustainable development, we, once again, participated in the "Outward Bound Corporate Challenge 2015" charity fund-raising games, not only to support social welfare programs, but also to provide an opportunity for our employees to demonstrate group strength in competing in a competition which test both strength and wits. The fact that we won "The Best Banner Team" and "Toy Elite Cup champion awards" made our participation in the event all the more meaningful.

The following awards and honors obtained in 2015 are in recognition and affirmation of Combine Will Group's commitment and contributions to corporate social responsibility:

Award	Awarding Organization
Learning Enterprise Award	The Professional Validation Council of Hong Kong Industries
Heyuan city Model Enterprise of Innovative Labor Relations Management and Harmonious Labor Relations	Ministry of Human Resources and Social Security of Heyuan city Heyuan city Federation of Trade Unions Heyuan city Federation of Industry and Commerce

STRENGTHENING **CAPABILITY**



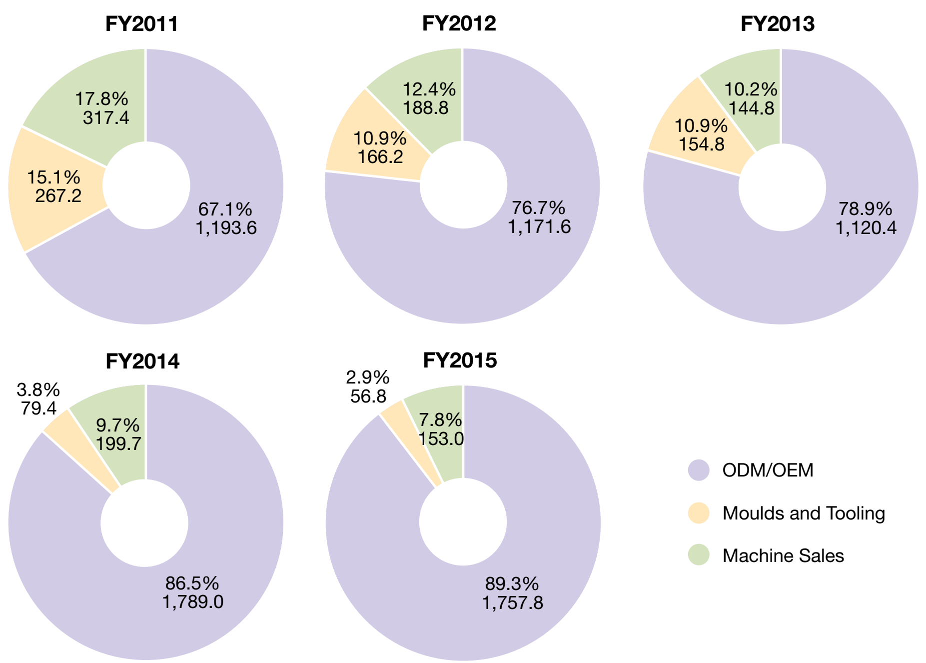
FINANCIAL **HIGHLIGHTS**

For the year (HK$'mil)	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue	1,778.2	1,526.6	1,420.0	2,068.1	1,967.6
Gross Profit	219.9	179.6	78.9	167.8	170.2
Profit before tax	68.9	53.2	5.5	22.7	21.2
Profit attributable to shareholders	40.6	37.1	7.3	18.6	17.5
Basic EPS (HK cents)	123.7[1]	113.1	22.2	56.8	53.5

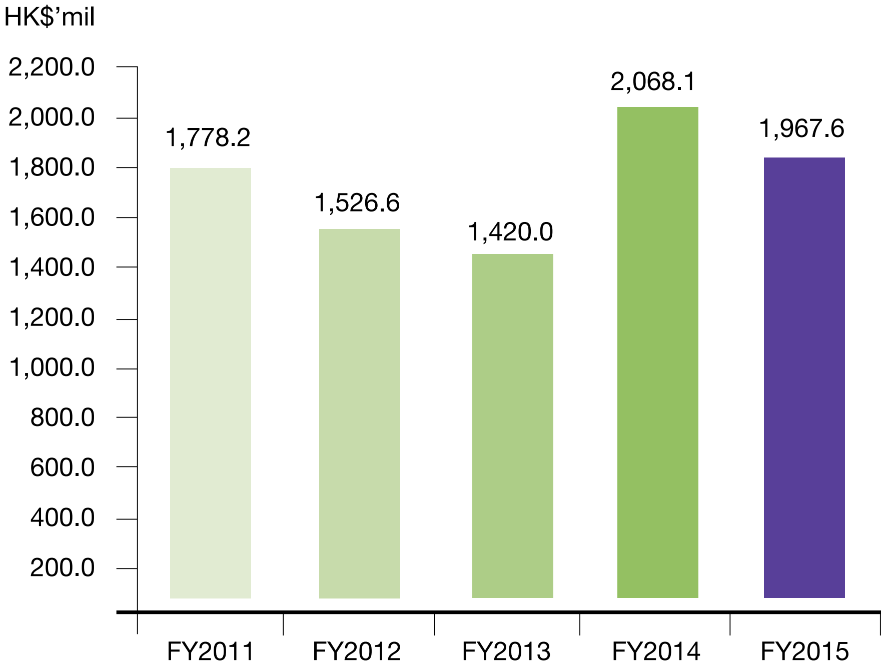
[1] Adjusted for the share consolidation exercise completion in April 2011, pursuant to which every 10 existing shares were consolidated into one share

As at 31 December (HK$'mil)	FY2011	FY2012	FY2013	FY2014	FY2015
Total Assets	1,765.9	1,365.1	2,178.2	1,782.4	1,760.8
Total Liabilities	1,155.8	715.1	1,515.7	1,106.4	1,101.0
Total Equity	610.1	650.0	662.6	675.9	659.8
Net cash generated from/ (used in) operating activities	67.6	(16.3)	20.4	116.3	35.7
Cash and cash equivalents	106.8	54.8	67.5	53.9	54.9

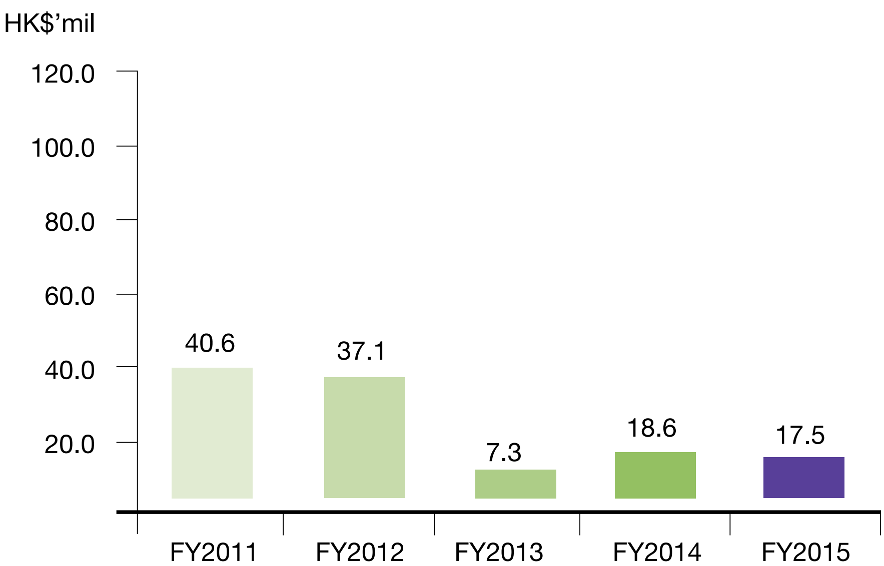
REVENUE BY SEGMENTS (HK$'MIL)



REVENUE



PROFIT ATTRIBUTABLE TO SHAREHOLDERS



STRENGTHENING **COMPETENCE**

BOARD OF **DIRECTORS**

MR TAM JO TAK, DOMINIC, 61

Role: Executive Chairman and Chief Executive Officer

Date of first appointment as director: 27 December 2007

Date of last re-election as a director: 29 April 2014

Length of service as a director (as at 31 December 2015): Approximately 8 years

Board committee(s) served on: Nil

Academic & Professional Qualification(s): Honorary Bachelor of Science Degree in Production Engineering and Management, Loughborough University, United Kingdom

Present Directorships (as at 31 December 2015):

Listed Companies: Nil

Others: DJKS Holdings Limited

Major Appointments (other than Directorships): Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Nil

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, 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 an Honours Bachelor of Science degree in Production Engineering and Management from the Loughborough University in the UK in 1980.

MR YAU HING WAH, JOHN, 60

Role: Executive Director

Date of first appointment as director: 27 December 2007

Date of last re-election as a director: 29 April 2014

Length of service as a director (as at 31 December 2015): Approximately 8 years

Board committee(s) served on: Nil

Academic & Professional Qualification(s): Higher Certificate in Production and Industrial Engineering, Hong Kong Polytechnic, Hong Kong

Present Directorships (as at 31 December 2015):

Listed Companies: Nil

Others: DJKS Holdings Limited

Major Appointments (other than Directorships): Nil.

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Nil

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 25 years of experience in the toys industry. Between 1983 and 1991, Mr Yau was a director at Wah Shing 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. Mr Yau graduated with a Higher Certificate in Production and Industrial Engineering from the Hong Kong Polytechnic, majoring in Production Engineering in 1981.

MR CHIU HAU SHUN, SIMON, 56

Role: Executive Director

Date of first appointment as director: 8 October 2007

Date of last re-election as a director: 27 April 2012

Length of service as a director (as at 31 December 2015): Approximately 8 years and 2 months

Board committee(s) served on: Nil.

Academic & Professional Qualification(s): School of Business, Indiana University, USA

Present Directorships (as at 31 December 2015):

Listed Companies: Nil

Others: Simon Chiu and Associates Limited, DJKS Holdings Limited

Major Appointments (other than Directorships): Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Nil

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 our 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.

MR CHEUNG HOK FUNG, ALEXANDER, 51

Role: Non-Executive and Lead Independent Director

Date of first appointment as director: 28 March 2008

Date of last re-election as a director: 29 April 2014

Length of service as a director (as at 31 December 2015): Approximately 7 years and 9 months

Board committee(s) served on: Audit Committee (Chairman), Nominating Committee (Member), Remuneration Committee (Member)

Academic & Professional Qualification(s): Certified Public Accountant, Hong Kong, Chartered Accountant, Australia and New Zealand, Professional Diploma in Company Secretaryship and Administration, Hong Kong Polytechnic, Hong Kong, Master Degree of Laws, University of New England, Australia, Bachelor Degree of Laws, University of New England, Australia

Present Directorships (as at 31 December 2015):

Listed Companies: Titan Petrochemicals Group Limited

Others: Nil.

Major Appointments (other than Directorships): Barrister (High Court of Hong Kong), Accredited General Mediator (HKIAC)

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Daqing Dairy Holdings Limited

Mr Cheung Hok Fung, Alexander is our Independent Non-Executive Director and was appointed to our Board on 28 March 2008. Mr Cheung is currently practising law as a barrister in Hong Kong. He has over 20 years of experience in corporate governance, accounting and auditing, tax planning and compliance as well as dispute resolution. He received his accountancy training in the tax departments of Ernst & Young, Hong Kong and Coopers & Lybrand, Singapore from 1989 to 1992. He then joined M. C. Packaging (Hong Kong) Limited working in its corporate development and Hong Kong listing rules compliance function. He started his public accounting and financial advisory practice in 1994. He switched to law in 2006.

BOARD OF **DIRECTORS**

MR CHIA SENG HEE, JACK, 55

Role: Non-Executive and Independent Director

Date of first appointment as director: 28 March 2008

Date of last re-election as director: 26 April 2013

Length of service as a director (as of 31 December 2015): Approximately 7 years and 9 months

Board committee(s) served on: Audit Committee (Member), Nominating Committee (Chairman), Remuneration Committee (Chairman)

Academic and professional qualification(s):
Fellow Chartered Accountant of Singapore
Degree in Accountancy, the National University of Singapore
Masters of Arts degree in International Relations, the International University of Japan
General Manager Program, Harvard Business School

Present directorships (as of 31 December 2015):

Listed companies:
China Hongcheng International Holdings Limited, Shanghai Turbo Enterprises Limited, Dukang Distillers Holdings Limited, Debao Property Development Limited, mm2 Asia Limited

Others: Jack Capital Solutions Pte Ltd, Legami Pte Ltd

Major Appointments (other than Directorships): Nil.

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Sunray Holdings Limited (Chairman, Nominating Committee), Singapore Capital Partners Pte Ltd, Wealth Partners Singapore Pte Ltd, Ricesse Management Inc

Mr Chia Seng Hee, Jack is our Independent Non-Executive Director and was appointed to our Board on 28 March 2008. Mr Chia currently runs his own investment advisory firm Jack Capital Solutions Pte Ltd, which he set up in June 2005, after spending twenty years in both the private and public sectors, substantially in Japan and China. Mr Chia was Senior Director, International Enterprise Singapore (the former Trade Development Board) covering China operations from Shanghai. He was also with Singapore Technologies, Government of Singapore Investment Corporation as well as Arthur Andersen in marketing, asset management and consulting capacities respectively. Mr Chia 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 Fellow Chartered Accountant of Singapore. He also completed the General Manager Program at Harvard Business School.

MR NING LI, 52

Role: Non-Executive and Independent Director

Date of first appointment as director: 8 May 2009

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2015): Approximately 6 years and 8 months

Board committee(s) served on: Audit Committee (Member), Nominating Committee (Member), Remuneration Committee (Member)

Academic & Professional Qualification(s): Bachelor of Law Degree, University of Political Science and Law, PRC, Master of Law, University of International Business and Economics, PRC

Present Directorships (as at 31 December 2015):

Listed Companies: Nil

Others: Jade Group (China) Ltd., Vanguard Express Co., Ltd, Beijing Liantuo Environment and Energy Resources Investment Co., Ltd, China Art International Travel Agency

Major Appointments (other than Directorships): Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2013 to 31 December 2015): Nil

Mr Ning Li is our Independent Non-Executive Director and was appointed to our Board on 8 May 2009. Mr Ning started out his career as a lawyer in Beijing Chaoyang Law Firm from 1985 to 1993, before moving on to establish his own practice, Beijing Tianda Law Firm in 1993. His main areas of practice encompassed restructuring, mergers and acquisitions of private limited companies, initial public offerings as well as real estate, and he has represented listed companies such as Hubei Qianjiang Pharmaceutical Co., Ltd., Songliao Automobile Co., Ltd., Cangzhou Chemistry Industry., Ltd. and over 50 real estate projects in Beijing. Since 2002, Mr Ning is engaged in various businesses based in the PRC and is currently the Chairman of several Boards, namely, Jade Group (China) Ltd. which primarily provides immigration services; Vanguard Express Co., Ltd, a company that provides finance services; and Beijing Liantuo Environment and Energy Resources Investment Co., Ltd, which invests in the environment and energy resources field. In addition, he is also an Executive Director of China Art International Travel Agency. He graduated with a Bachelor of Law degree from the University of Political Science and Law, PRC, and a Master of Law from the University of International Business and Economics, PRC.

EXECUTIVE **MANAGEMENT**

ZHENG NAIQIAO, KOULMAN
Director, Head of Moulds and Tooling Business Unit

Mr Zheng Naiqiao, Koulman is our Director, Head of Moulds and Tooling Business Unit and is responsible for the market and technological development, operations and quality control of our Moulds and Tooling Business Unit.

Prior to joining our Group in 1999, Mr Zheng was a manager of the overseas vendor operations of Liberty Classics Inc for approximately seven years. Prior to that, he was a production and operations manager at Dyna Mechtronics Inc. and was responsible for the production of the CNC machining centres and manufacturing systems of the company. From 1978 to 1982, he was an engineer at the factory of Specialised Production Equipment in Guangzhou, PRC.

Mr Zheng graduated with a Master of Science in Mechanical Engineering from the Northeastern University in Boston Massachusetts, USA.

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 our 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 working 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.

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.

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 of Engineering (Manufacturing) with first class honours and a Master of Arts degree in Quantitive Analysis for business from the City University of Hong Kong in 1992 and 1996, respectively

SU CHENG, DAVID
Acting Chief Financial Officer

Mr Su Cheng, David has been the Acting Chief Financial Officer of our Group since August 2014 and is responsible for the accounting and financial operations of the group.

Prior to joining our Group, Mr Su had worked at Shenzhen Dong Rung Tax Advisory Company from 2006 to 2009 as a senior manager and was responsible for the financial consulting and tax planning and also the review of the tax audit reports. He was also a senior project manager at China Resources Vanguard Company Limited from 2003 to 2006.

Mr Su graduated with an Accounting degree from the Shenzhen University, China in 1998 and is a certified public accountant of the Chinese Institute of Certified Public Accountants and a certified Internal Auditor.

MIU KA KEUNG, KEVIN
Chief Supervisory Officer

Mr Miu Ka Keung, Kevin has been the Chief Supervisory Officer of our Group since October 2010 and is responsible for supervising and overseeing the group compliance matters.

Mr. Miu is also a director of Vinco Financial Group Limited and is mainly responsible for corporate and business development for our Group and also overseeing our Group's compliance matters. Mr Miu is registered with the Securities and Futures Commission (SFC) of Hong Kong as a Responsible Officer to supervise the regulated activities of Type 1 (Dealing in securities) and Type 6 (Advising on corporate finance).

Mr Miu entered the financial services industry in the early 1990s and has gained extensive experience and knowledge in corporate finance, equity capital market, private equity investment, debt and structured finance, listed company compliance and internal control. He is currently a non-executive director of LED International Holdings Limited, a company listed on the Alternative Investment Market of the London Stock Exchange, and he is also the Chairman of its audit committee and a member its remuneration committee.

Mr Miu holds a Bachelor's degree in Accounting awarded by The Hong Kong Polytechnic University and a Master in Business Administration awarded jointly by the University of Wales and the University of Manchester.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Tam Jo Tak, Dominic
Executive Chairman and
Chief Executive Officer
Yau Hing Wah, John
Executive Director
Chiu Hau Shun, Simon
Executive Director
Cheung Hok Fung, Alexander
Lead Independent
Non-Executive Director
Chia Seng Hee, Jack
Independent Non-Executive Director
Ning Li
Independent Non-Executive Director

AUDIT COMMITTEE

Cheung Hok Fung, Alexander (Chairman)
Chia Seng Hee, Jack
Ning Li

NOMINATING COMMITTEE

Chia Seng Hee, Jack (Chairman)
Cheung Hok Fung, Alexander
Ning Li

REMUNERATION COMMITTEE

Chia Seng Hee, Jack (Chairman)
Cheung Hok Fung, Alexander
Ning Li

COMPANY SECRETARY

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.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

RSM Hong Kong
Certified Public Accountants,
Hong Kong
29/F, Lee Garden Two
28 Yun Ping Road
Hong Kong

Partner-in-charge:
Mr Wong Poh Weng, FCPA
(With effect from FY2011)

JOINT AUDITORS

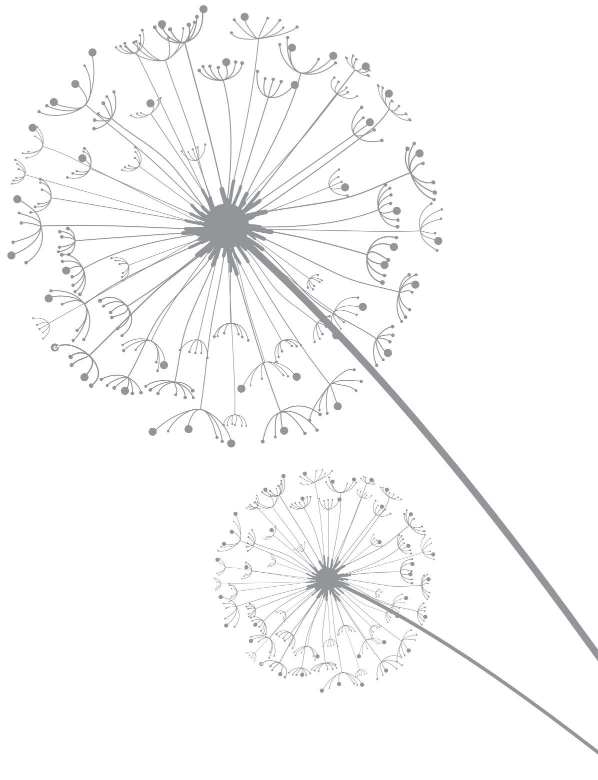
RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge:
Mr Ng Thiam Soon
(With effect from FY2012)

PRINCIPAL BANKERS

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai
Banking Corporation Limited
10/F, HSBC Main Building
1 Queen's Road, Central
Hong Kong



CORPORATE GOVERNANCE **REPORT**

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 2012 (the "**Code**") issued by the Singapore Corporate Governance Committee and the relevant sections of the Listing Manual (the "**Listing Manual**") issued by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The corporate governance practices of the Company for the financial year ended 31 December 2015 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
VI Material Contracts
VII Risk Management
VIII Interested Person Transactions
IX Use of Proceeds Raised from the Initial Public Offering of the Company

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 supervising the management and affairs of the Company. In providing stewardship for the Company, the Board also endeavours to enhance and protect long-term returns and value for its shareholders. 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 strategies 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 its operations are 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 "**AC**"), 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.

The Company has put in place a set of guidelines and clear directions to Management on matters reserved for the Board's decision and approval, and such matters are set out as follows

- matters involving a conflict of interest for a substantial shareholder or a director;
- annual capital expenditure budget or any unbudgeted capital expenditure exceeding S$2,000,000;
- corporate governance policies;
- new or additional investments exceeding S$2,000,000;
- disposal of assets or investments with net book value or fair value exceeding S$ 2,000,000;
- pledging of assets or investments with a net book value exceeding S$ 2,000,000 for financing purposes;
- increase or decrease in any subsidiary's capital of more than S$5,000,000; and
- provision of corporate guarantees or letters of comfort.

I. BOARD MATTERS (con'd)

Board Composition and Guidance

Presently, the Board consists of six members, comprising three independent non-executive Directors and three executive Directors. The Nominating Committee (the "**NC**") assesses the independence of each Director, taking into account the guidance in the Code for assessing independence. On this basis, Mr. Cheung Hok Fung, Alexander, Mr. Chia Seng Hee, Jack and Mr. Ning Li are independent Directors. A brief profile of each Director is presented in the Profile of Board of Directors section of this Annual Report and their shareholdings in the Company and its subsidiaries as at 31 December 2015 are disclosed in the Directors' Report for the financial year ended 31 December 2015.

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 six directors to be adequate for effective decision-making.

The Board has used its best efforts to ensure that the Directors appointed to the Board have the appropriate mix of expertise and diversity in experience, such that each of them possesses the background 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 in-depth understanding of the industry and customer base, familiarity with regulatory requirements, as well as 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 AC, the NC and the RC. 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 on a quarterly basis at least and ad-hoc meetings are convened as and when circumstances require. The Company's Articles of Association provide 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 for 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 of Board and Board Committee meetings are minuted and signed by the respective Chairmen of the meetings.

CORPORATE GOVERNANCE **REPORT** (cont'd)

I. BOARD MATTERS (con'd)

During the financial year ended 31 December 2015, 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	4	4	-	-	-	-	-	-
Yau Hing Wah, John	4	4	-	-	-	-	-	-
Chiu Hau Shun, Simon	4	4	4(a)	4(a)	1(a)	1(a)	1(a)	1(a)
Cheung Hok Fung, Alexander	4	4	4	4	1	1	1	1
Chia Seng Hee, Jack	4	4	4	4	1	1	1	1
Ning Li	4	4	4	4	1	1	1	1

(a) 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 out business directions and goals, exploring new business opportunities and maintaining overall customer relationships of the Group. Mr. Tam has more than 25 years of experience of toy product development and in the manufacturing industry.

Mr. Tam is also responsible for heading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in the Board's decision-making process. 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. In compliance with the Code, the independent non-executive directors comprise half of the Board, and they bring to bear objective and independent judgment to the decision-making processes of the Board and provide an adequate check and balance for the executive directors.

I. BOARD MATTERS (con'd)

The Code 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. Cheung Hok Fung, Alexander has been appointed as the Lead Independent Director.

Led by Mr. Cheung, the independent non-executive directors meet periodically without the presence of the other directors to discuss matters in relation to the Group. Subsequent to each such meeting, Mr. Cheung, in his capacity as the Lead Independent Director, provides feedback to Mr. Tam, the Executive Chairman and Chief Executive Officer of the Company.

Board Membership

The NC comprises entirely of Independent Non-Executive Directors, namely:

Mr. Chia Seng Hee, Jack (Chairman)
Mr. Cheung Hok Fung, Alexander
Mr. Ning Li

The principal functions of the NC are set out below:

- recommending to the Board on all board appointments and re-appointments;
- deliberating on the re-nomination of Directors and succession planning, particularly the Executive Chairman and Chief Executive Officer, having regard to the Director's contribution and performance (e.g. attendance at meetings, preparedness, participation and candour). 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, and in accordance with such amendments made thereto from time to time;
- making recommendations to the Board on the development of a process for evaluation of the performance of the Board, its board committees and directors, and proposing objective performance criteria that address how the Board has enhanced long-term shareholder value;
- assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board; and
- recommending to the Board on the review of training and professional development programs for 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.

The NC notes the requirement under the Code for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report. Details of such directorships and other principal commitments of our Directors may be found on pages 18 to 20. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings and their attendance at such meetings, in addition to each of their principal commitments.

I. BOARD MATTERS (con'd)

The Board through the NC ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director appropriately. The NC first establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors. When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the NC will review the spectrum of expertise, skills and attributes of the Board based on its existing composition. Subsequently, the NC will identify the Company's needs and prepare a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NC may seek advice from external search consultants.

A newly appointed director will be briefed on the Group's business and governance practices and will attend formal courses conducted by the Institute of Directors to familiarise himself with the regulatory environment in Singapore and the roles and responsibilities as a director of a listed company.

From time to time, the Directors will also continue to undergo relevant training programmes where necessary with regard to any new developments, particularly on relevant new laws, regulations and changing commercial risks. During the financial year ended 31 December 2015, the Directors underwent a training session conducted by legal counsel on the requirements of the Code as well as the Listing Manual.

Board Performance

The NC reviews the criteria for evaluating the Board's performance as a whole and the contributions by each Director. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board and its Directors. The Board, led by the Lead Independent Director, also assesses the effectiveness of the Executive Chairman.

The performance criteria for the Board, Board Committees and individual Directors will include 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, corporate integrity, managing the Company's performance, strategic review, Board Committee effectiveness, the Chief Executive Officer's performance and succession planning, Director development and management, risk management and standard of conduct of the Directors. The NC also takes factors such as attendance, preparedness, participation and candour at Board meetings into consideration.

In addition, an annual performance evaluation will be conducted during each financial year to assess effectiveness of the Board and contribution of each Director. The purpose of the evaluation is to increase the overall effectiveness of the Board. As part of the annual performance evaluation, the NC conducted a peer appraisal process whereby Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board Committees, as well as each individual Director's contributions to the Board and Board Committees. The results of the appraisal exercise would be considered by the NC, which would then make recommendations to the Board, thus helping the Board to discharge its duties more effectively.

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.

I. BOARD MATTERS (con'd)

The Directors have separate and independent access to Management. Prior to each Board meeting, Directors are provided with timely and complete information from Management to enable them to fulfill their responsibilities. The Directors also have separate and independent access to the Company Secretaries. All Board and committee meetings are to be conducted in the presence of the Company Secretaries 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:

Mr. Chia Seng Hee, Jack (Chairman)
Mr. Cheung Hok Fung, Alexander
Mr. Ning Li

The RC is for responsible for the following:

- recommending to the Board a framework of remuneration for the Directors and key executives, and determining 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; and
- reviewing and administering the Company's compensation schemes such as the 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 schemes implemented by 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 shareholders.

Level and Mix of Remuneration

The RC reviews and recommends a general framework of remuneration for the Board and key management personnel, with specific packages for each. The RC's recommendations would be submitted for endorsement by the entire Board.

In fine-tuning remuneration packages, the RC takes into consideration pay and employment conditions within the industry and in comparable companies. In addition, for executive Directors and key executives (who are not Directors), the Company's relative performance and individual performance are factored into each remuneration package. The RC ensures that such performance-related remuneration is aligned with the interests of shareholders, promotes the long-term success of the company, takes account of the risk policies of the company, is symmetric with risk outcomes and is sensitive to the time horizon of risks.

II REMUNERATION MATTERS (cont'd)

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.

Remuneration Components

Remuneration benefits for both executive Directors and key executives (who are not Directors) comprise a fixed component and a variable component.

The fixed component comprises the base salary. The variable component includes a performance bonus, which shall be determined based on the Company's relative performance and individual performance. To comply with the Code, the Company will be incorporating appropriate "claw-back mechanisms" to allow it to reclaim the variable incentive-based component of remuneration from directors and key management personnel in the exceptional circumstances of (i) misstatement of financial results; or (ii) misconduct resulting in financial loss to the Company.

Disclosure of Remuneration

The remuneration of the Directors for the financial year ended 31 December 2015 is disclosed below:

Name	Salary / Directors' fees (%)	Bonus (%)	Benefits in kind (%)	Share options (%)	Share -based incentives (%)	Other long-term incentives (%)	Total compensation (S$'000)
Executive Directors							
Tam Jo Tak, Dominic	100.0	-	-	-	-	-	345
Yau Hing Wah, John	100.0	-	-	-	-	-	345
Chiu Hau Shun, Simon	100.0	-	-	-	-	-	310
Non-executive Directors							
Cheung Hok Fung, Alexander	100.0	-	-	-	-	-	70
Chia Seng Hee, Jack	100.0	-	-	-	-	-	70
Ning Li	100.0	-	-	-	-	-	60

The remuneration of the key executives (who are not Directors) for the financial year ended 31 December 2015 is disclosed below:

Name	Salary (%)	Bonus (%)	Benefits in kind (%)	Stock options (%)	Share -based incentives (%)	Other long-term incentives (%)	Total Compensation (S$'000)
Key executives (who are not Directors)							
Zheng Naqiao Koulman	100.0	-	-	-	-	-	341
Qiu Guo Lian, David	75.0	25.0	-	-	-	-	282
Li Hin Lun, Alan	76.5	23.5	-	-	-	-	244
Hung Kam Tim, Samuel	100.0	-	-	-	-	-	286
Su Cheng, David	82.8	17.2	-	-	-	-	116

The total remuneration paid to the top five key executives (who are not Directors) is S$1,269,000.

II REMUNERATION MATTERS (cont'd)

The aggregate amount of termination, retirement and post-employment benefits that may be granted to the Directors, the Chief Executive Officer and the top five key executives (who are not Directors) is S$2,469,000.

The Combine Will Employee Share Option Scheme

The Company has on 18 April 2008 adopted the Scheme for eligible employees who have contributed significantly to the growth and performance of the Group. The Scheme is designed as a share incentive plan which recognises the contributions of such employees who are important to the success and continued well-being of the Group. The Scheme complies with the relevant rules as set out in Chapter 8 of the Listing Manual, and is administered by the RC.

Except for controlling shareholders or their associates, confirmed group employees (including executive directors), employees of associated companies (except if the Company has control over the associated company) and non-executive directors (including independent directors) of the Group shall be eligible to participate in the Scheme.

The aggregate number of shares over which the RC may grant options on any date, when aggregated with the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company (excluding treasury shares) on the day preceding the date of the relevant grant.

The options that are granted under the Scheme may have exercise prices that are set (i) at a price (the "**Market Price**") equal to the average of the last dealt prices for the shares on the Official List of the SGX-ST for the three (3) consecutive market days immediately preceding the relevant date of grant of the relevant option of a Share; or (ii) at a discount to the Market Price, subject to a maximum discount of 20% (or such other percentage or amount as may be prescribed or permitted for the time being by the SGX-ST) to be approved by shareholders at a general meeting in a separate resolution. Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date of grant of the option. The option period for options granted to employees (including executive directors who are not controlling shareholders) is 10 years from the relevant date of grant. The option period for options granted to non-executive directors is 5 years from the relevant date of grant.

As at 31 December 2015, there have been no options granted under the Scheme.

III ACCOUNTABILITY AND AUDIT

(Principles 10, 11, 12 and 13)

Audit Committee

The AC comprises three Independent Non-Executive Directors:

Mr. Cheung Hok Fung, Alexander (Chairman)
Mr. Chia Seng Hee, Jack
Mr. Ning Li

The principal responsibility of the AC is to assist the Board in maintaining a high standard of corporate governance, with a focus 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. The AC also has full access to, and the co-operation of, Management, as well as full discretion to invite any Director to attend its meetings. The AC is equipped with reasonable resources to enable it to discharge its functions.

III ACCOUNTABILITY AND AUDIT (cont'd)

The duties and responsibilities of the AC include:

- reviewing, 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;
- ensuring co-ordination where more than one audit firm is involved;
- reviewing the quarterly and annual financial statements of the Company before submission to the Board for approval;
- reviewing the financial statements of the Company, the consolidated statement of changes in equity and consolidated statement of comprehensive income, before approval by the Board;
- discussing problems and concerns, if any, arising from the quarterly and final audits, in consultation with the external auditors and the internal auditors where necessary;
- meeting with the external auditors and the internal auditors at least annually, without attendance of Management, to discuss any problems and concerns the auditors may have;
- reviewing the assistance provided by Management to the external auditors;
- reviewing 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, reviewing 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;
- reviewing 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 projects where relevant, as well as ensuring that such procedures are adequate) and to ensure co-ordination between the internal and external auditors and Management;
- reviewing the scope and results of the internal audit procedures;
- reviewing and assessing the adequacy of the Company's internal financial controls, operational and compliance controls as well as risk management policies and systems;
- reviewing and discussing 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 such an occurrence;
- reviewing 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 (the "**Whistle-blowing Policy**");
- investigating any matter within its terms of reference, with full access to and co-operation from 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;
- reviewing interested person transactions (IPTs) falling within the scope of the SGX-ST Listing Manual and potential conflicts of interest, if any;
- undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- undertaking such other functions and duties as may be required by relevant legislation or the Listing Manual, and by such amendments made thereto from time to time;
- considering the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors; and
- advising the Board on the company's overall risk tolerance and strategy.

III ACCOUNTABILITY AND AUDIT (cont'd)

To ensure compliance with the revised Code, the AC intends to:

- work with the Board to establish written policies to ensure compliance with legislative and regulatory requirements where appropriate;
- work with the Board to draft a risk matrix to document risk impact, risk response, and follow-up;
- implement measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements;
- constantly review the Management's and internal auditors' assessment of fraud risk and hold discussions with the external auditors to obtain reasonable assurance that adequate measures were put in place to mitigate fraud risk exposure in the Group; and
- periodically review the adequacy of the Whistle-blowing Policy instituted by the Group.

The AC met four times during the financial year. At these meetings, Mr. Chiu Hau Shun, Simon, an Executive Director, and the Acting Chief Financial Officer, Mr. David Su Cheng, were also in attendance. During the financial year, the AC reviewed the quarterly financial statements prior to approving or recommending to the Board of their release, as applicable. It reviewed the results of audits performed by the internal auditors based on the approved audit plan. The AC also met with the internal and external auditors, without the presence of Management, during the financial year.

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 which carries out (among others) reviews and internal control advisory activities aligned to the key risks in the Group's business, and reports directly to the Chairman of the AC on audit matters. This provides independent assurance to the AC on the adequacy and effectiveness of the risk management, financial reporting processes, and internal control and compliance systems. The internal auditors' scope of work will be reviewed by the AC, and the resulting report issued by the internal auditors will be reviewed in detail by the AC in conjunction with Management.

For the purposes of compliance with the Code, the Board would obtain assurance from the Chief Executive Officer and Chief Financial Officer that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances, and an effective risk management and internal controls system has been put in place.

Based on the existing framework of financial, operational and compliance controls established and the reviews conducted by Management and the internal and external auditors, the Board opines, with the concurrence of the AC, that there were adequate internal controls and risk management processes in place within the Group addressing material financial, operational and compliance risks to meet the needs of the Group, taking into account the nature and scope of its operations.

The system of internal control and risk management established by Management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

III ACCOUNTABILITY AND AUDIT (cont'd)

During the year under review, the aggregate amount of fees paid to:

(a) RSM Hong Kong amounted to HK$1,255,000, with the fees paid for its provision of audit and non-audit services amounting to HK$1,080,000 and HK$175,000 respectively; and

(b) RSM Chio Lim LLP amounted to S$88,000, with the fees paid for its provision of audit and non-audit services amounting to S$88,000and S$ Nil respectively.

The AC has undertaken a review of all non-audit services provided by RSM Hong Kong and RSM Chio Lim LLP and they would not, in the AC's opinion, affect the independence of either RSM Hong Kong or RSM Chio Lim LLP.

The Board of Directors and the Audit Committee, having reviewed the adequacy of the resources and experience of RSM Hong Kong and RSM Chio Lim LLP, the audit engagement partners assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 716 of the Listing Manual.

Whistle-Blowing Policy

The Group is committed to a high standard of compliance with the relevant statutory and regulatory requirements relating to, inter alia, accounting and financial reporting, internal controls, disclosure controls and procedures and corporate governance. The AC has reviewed the adequacy of the Whistle-Blowing Policy adopted and implemented by the Group which provides employees and external parties with official and accessible channels to promote responsible and secure whistle-blowing without fear of adverse consequences. All whistle-blower complaints shall at first instance be reviewed by the internal audit committee (the "**IAC**") of the Company, which will then decide on the cases to be escalated to the AC. The AC shall review all whistle-blower complaints directed from the IAC at its quarterly meetings to ensure independent and thorough investigation and adequate follow-up. The AC shall then present the matters under their purview and recommendations to the Board for its review and further action.

IV. COMMUNICATION WITH SHAREHOLDERS

(Principle 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. Pursuant to this, a comprehensive investor relations policy will be put in place to ensure the Company's shareholders have ready access to pertinent information and are notified of any significant developments concerning the Group.

The Company makes timely disclosures on any new material information to the SGX-ST, and 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. These filings and notices are also posted on the Investor Relations ("**IR**") section of the Company's website immediately, so investors are made aware of business and strategic developments on a timely and consistent basis. The IR section is the key resource of information for the investment community. In addition to the quarterly financial results materials, it contains additional investor related information, including annual reports, research reports, factsheets and contact details for investor queries.

IV. COMMUNICATION WITH SHAREHOLDERS (cont'd)

The Company encourages attendance, participation and voting by shareholders at the Company's annual general meetings and special general meetings, at which they are allowed to vote in person or in abstentia. Shareholders will be afforded adequate opportunities to communicate their views on matters relating to the Company. All members of the Board, including the chairpersons of the AC, NC and RC and the external auditors will be available during 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(19) 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.

VI. MATERIAL CONTRACTS

There were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the Chief Executive Officer, directors or controlling shareholders which subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

VII. RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. Management also reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

To supplement the Group's risk management capabilities, the Group has implemented and adopted a risk matrix to identify and document the impact of particular risks and the Group's responses. All risk assessment and control issues documented in the risk matrix will be communicated to Management and Group employees.

VIII. INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and established procedures for the review and approval of such transactions.

All interested person transactions will be properly documented and submitted to the AC for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

There were no significant interested person transactions during the financial year ended 31 December 2015.

FINANCIAL STATEMENTS

STATEMENT BY **DIRECTORS**

FOR THE YEAR ENDED 31 DECEMBER 2015

In the opinion of the Directors,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon as set out on pages 38 to 73, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) 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.

(c) Subsequent developments
There are no significant developments subsequent to the release of the Group and the Company's preliminary financial statements, as announced on 23 February 2016, which would materially affect the Group and the Company's operating and financial performance as of the date of this report.

On behalf of the Directors

Tam Jo Tak, Dominic
Executive Chairman and
Chief Executive Officer

Chiu Hau Shun, Simon
Executive Director

5 April 2016

INDEPENDENT AUDITORS' **REPORT**

TO THE SHAREHOLDERS OF COMBINE WILL INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Combine Will International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 73, which comprise the statements of financial position of the Group and the Company as at 31 December 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

5 April 2016

RSM Hong Kong
Certified Public Accountants
Hong Kong

5 April 2016

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	8	**1,967,649**	2,068,137
Cost of sales		**(1,797,440)**	(1,900,339)
Gross profit		**170,209**	167,798
Other income	9	**42,334**	43,822
Selling and distribution expenses		**(25,920)**	(25,123)
Administrative expenses		**(144,509)**	(144,883)
Profit from operations		**42,114**	41,614
Finance costs	10	**(20,916)**	(18,964)
Profit before tax		**21,198**	22,650
Income tax expense	11	**(4,199)**	(4,040)
Profit for the year, net of tax	12	**16,999**	18,610
Profit for the year attributable to:			
Owners of the Company		**17,539**	18,642
Non-controlling interests		**(540)**	(32)
		16,999	18,610
Basic earnings per share (HK cents)	15	**53.47**	56.84

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 HK$'000	2014 HK$'000
Profit for the year, net of tax	**16,999**	18,610
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(33,015)**	(5,241)
Other comprehensive income for the year, net of tax	**(33,015)**	(5,241)
Total comprehensive income for the year	**(16,016)**	13,369
Total comprehensive income for the year attributable to:		
Owners of the Company	**(15,476)**	13,401
Non-controlling interests	**(540)**	(32)
	(16,016)	13,369

STATEMENTS OF **FINANCIAL POSITION**

AT 31 DECEMBER 2015

	Note	Group		Company	
		2015	2014	**2015**	2014
		HK$'000	HK$'000	**HK$'000**	HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment	16	**217,491**	246,865	**-**	-
Investments in subsidiaries	17	**-**	-	**461,263**	461,263
Goodwill	18	**2,417**	2,417	**-**	-
Available-for-sale financial assets	19	**-**	-	**-**	-
Total non-current assets		**219,908**	249,282	**461,263**	461,263
Current assets					
Current tax assets		**4,560**	4,429	**-**	-
Inventories	20	**513,217**	557,146	**-**	-
Trade and bills receivables	21	**357,355**	408,293	**-**	-
Prepayments, deposits and other receivables	22	**179,500**	205,758	**-**	-
Pledged bank deposits	23	**431,321**	303,601	**-**	-
Bank and cash balances	23,33	**54,943**	53,860	**109**	109
Total current assets		**1,540,896**	1,533,087	**109**	109
Total assets		**1,760,804**	1,782,369	**461,372**	461,372
LIABILITIES AND EQUITY					
Non-current liabilities					
Long-term borrowings	24	**-**	18,367	**-**	-
Deferred tax liabilities	25	**3,140**	3,140	**-**	-
Total non-current liabilities		**3,140**	21,507	**-**	-
Current liabilities					
Current tax liabilities		**15,350**	11,683	**-**	-
Trade and bills payables	26	**205,268**	335,990	**-**	-
Accruals and other payables	27	**133,736**	155,723	**-**	-
Term loans	28	**448,500**	297,500	**-**	-
Short-term borrowings	29	**276,591**	254,590	**-**	-
Current portion of Long-term borrowings	24	**18,397**	29,443	**-**	-
Total current liabilities		**1,097,842**	1,084,929	**-**	-
Total liabilities		**1,100,982**	1,106,436	**-**	-
Equity attributable to owners of the Company					
Share capital	30	**246,000**	246,000	**246,000**	246,000
Reserves	31	**402,009**	417,485	**215,372**	215,372
		648,009	663,485	**461,372**	461,372
Non-controlling interests		**11,813**	12,448	**-**	-
Total equity		**659,822**	675,933	**461,372**	461,372
Total liabilities and equity		**1,760,804**	1,782,369	**461,372**	461,372

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Statutory reserves (note)**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2014	246,000	26,488	2,033	69,726	305,837	650,084	12,480	662,564
Total comprehensive income for the year	-	-	-	(5,241)	18,642	13,401	(32)	13,369
Changes in equity for the year	-	-	-	(5,241)	18,642	13,401	(32)	13,369
At 31 December 2014 and 1 January 2015	246,000	26,488	2,033	64,485	324,479	663,485	12,448	675,933
Total comprehensive income for the year	-	-	-	(33,015)	17,539	(15,476)	(540)	(16,016)
Disposal of a subsidiary	-	-	-	-	-	-	(95)	(95)
Changes in equity for the year	-	-	-	(33,015)	17,539	(15,476)	(635)	(16,111)
At 31 December 2015	246,000	26,488	2,033	31,470	342,018	648,009	11,813	659,822

Note:
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 until the reserve balance reaches 50% of the registered capital. 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 STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**21,198**	22,650
Adjustments for:			
Depreciation		**55,783**	59,050
(Gain)/loss on disposals of property, plant and equipment		**(60)**	10,490
Interest income		**(14,859)**	(10,294)
Impairment on property, plant and equipment		**5,698**	-
Finance costs		**20,916**	18,964
Operating profit before working capital changes		**88,676**	100,860
Decrease/(increase) in inventories		**43,929**	(46,356)
Decrease/(increase) in trade and bills receivables		**50,938**	(42,521)
Decrease/(increase) in prepayments, deposits and other receivables		**26,435**	(6,302)
(Decrease)/increase in trade and bills payables		**(130,722)**	101,758
(Decrease)/increase in accruals and other payables		**(21,987)**	34,691
Cash generated from operations		**57,269**	142,130
Interest paid		**(20,916)**	(18,964)
Income taxes paid		**(663)**	(6,857)
Net cash generated from operating activities		**35,690**	116,309
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in pledged bank deposits		**(148,290)**	459,592
Net cash outflow from disposal of a subsidiary	32	**(272)**	-
Purchases of property, plant and equipment		**(46,538)**	(58,061)
Proceeds from disposal of property, plant and equipment		**208**	4,506
Interest received		**14,859**	10,294
Net cash (used in)/generated from investing activities		**(180,033)**	416,331
CASH FLOWS FROM FINANCING ACTIVITIES			
Inception of terms loans		**250,000**	-
Repayment of long-term borrowings		**(29,413)**	(46,040)
Repayment of term loans		**(99,000)**	(450,000)
Net advance/(repayment) of trust receipt and import loans		**22,001**	(42,828)
Net cash generated from/(used in) financing activities		**143,588**	(538,868)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(755)**	(6,228)
Net effect of exchange rate changes on cash and cash equivalents held		**1,838**	(7,370)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**53,860**	67,458
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	33	**54,943**	53,860

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

Combine Will International Holdings Limited (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 address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 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 financial statements of the Company and of the Group for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

In the opinion of management of the Company, as at 31 December 2015, DJKS Holdings Limited, a company incorporated in the British Virgin Islands, is the ultimate parent of the Company.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which include all applicable International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and the Interpretations. The Group adopted all of the new and revised standards and interpretations issued by the Intetnational Accounting Standards Board that were relevant and effective for its accounting year beginning on 1 January 2015.

(a) Application of new and revised IFRSs

The following standards have been adopted by the Group for the first time for the financial year beginning 1 January 2015:

Amendment to IAS 16 and IAS 38 (Annual Improvements to IFRSs 2010–2012 Cycle)

The amendment clarifies how the gross carrying amount and the accumulated depreciation / amortisation are treated where an entity uses the revaluation model. As the Group does not use the revaluation model, there was no effect on its consolidated financial statements.

Amendments to IAS 19, Defined Benefit Plans: Employee Contributions

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In particular, contributions that are independent of the number of years of service can be recognised as a reduction in the service cost in the period in which the related service is rendered (instead of attributing them to the periods of service). As the Group has no post-employment benefit plans requiring employees or third parties to meet some of the cost of the plan, the amendments had no effect on the Group's consolidated financial statements.

Amendment to IAS 24 (Annual Improvements to IFRSs 2010-2012 Cycle)

The amendment clarifies how payments to entities providing key management personnel services are to be disclosed. This amendment had no effect on the Group's consolidated financial statements.

Amendment to IAS 40 (Annual Improvements to IFRSs 2011–2013 Cycle)

The amendment clarifies the application of IFRS 3 and IAS 40 in respect of acquisitions of investment property. IAS 40 assists preparers to distinguish between investment property and owner-occupied property, then IFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendment had no effect on the Group's consolidated financial statements.

Amendment to IFRS 3 (Annual Improvements to IFRSs 2011-2013 Cycle)

The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of any joint arrangement in the financial statements of the joint arrangement itself. This had no effect on the Group's consolidated financial statements.

Amendment to IFRS 8 (Annual Improvements to IFRSs 2010-2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on the Group's consolidated financial statements.

2. STATEMENT OF COMPLIANCE (CONT'D)

(a) Application of new and revised IFRSs (cont'd)

Amendment to IFRS 13 (Annual Improvements to IFRSs 2011-2013 Cycle)

The amendment clarifies that the portfolio exception in IFRS 13 - allowing an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis - applies to all contracts (including non-financial) within the scope of IAS 39 / IFRS 9. This had no effect on the Group's consolidated financial statements.

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied the new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2015. Management anticipates that the new and revised IFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

List of New and revised IFRSs in issue but not yet effective (up to 11 May 2015):

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IAS 1	Disclosure Initiative[3]
Amendments to IFRS 7	Statement of Cash Flows[4]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IAS 27	Equity Method in Separate Financial Statements[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[3]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15 has been applied.
[3] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of these financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Group's accounting policies. The areas where assumptions and estimates are significant to these financial statements are disclosed in note 4 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. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are 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 that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Consolidation (cont'd)

Intragroup transactions, balances and unrealised profits 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.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Separately from the equity of the owners of the Company. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(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 Company's functional and the presentation currency.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

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

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (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 other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities and of borrowings are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain 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, including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods and services, or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over the estimated useful lives. The principal useful lives are as follows:

NOTES TO THE **FINANCIAL STATEMENTS** (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

Land and buildings	10 - 50 years
Plant and machinery	10 years
Toolings	4 years
Furniture, fixtures and equipment	5 years
Motor vehicles	4 - 5 years

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 profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charges for the current and future periods are adjusted.

(e) Leases

Operating leases - as lessee

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Operating leases - as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(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, subcontracting 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 consolidated statement of financial position 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 the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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 profit or loss.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investments (cont'd)

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and 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 in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Investments in equity instruments that do not have an active market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss 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, classified under loan and 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 impairment. An 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 impairment 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 impairment is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss 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 statement of cash flows, 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.

(l) 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 reporting period.

(m) Trade and other payables

Trade and other payables are recognised 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Equity instruments

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

(o) 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.

Revenue from the sales of goods is 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.

(p) 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 end of the reporting period.

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 employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(q) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

(s) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Taxation (cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. 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 the end of each reporting period 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 end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

(t) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset / CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(u) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets are impaired, based on objective evidence that as a result of one or more events that occured after the initial recognition. the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Impairment of financial assets (cont'd)

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

(v) Segment reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(w) Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value at the end of reporting period.

The resulting gain or loss is recognised in profit or loss immediately.

(x) 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.

(y) Events after the reporting period

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTIES

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (CONT'D)

(a) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2015 was HK$217,491,000 (2014: HK$246,865,000).

(b) *Impairment of property, plant and equipment*

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of CGUs if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is HK$14,744,000 (2014: HK$28,302,000).

(c) *Impairment loss for bad and doubtful debts*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

As at 31 December 2015, accumulated impairment loss for bad and doubtful debts amounted to HK$6,154,000 (2014: HK$3,699,000).

(d) *Determination of functional currency*

In determining the functional currencies of the reporting entity judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. The functional currencies of each reporting entity is measured based on management's assessment of the economic environment in which the reporting entity operates and the reporting entity's process of determining sales price.

(e) *Deferred tax estimation*

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Group making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

5. 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 monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2015, if the HK$ had weakened 1 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been HK$541,000 lower (2014: HK$1,403,000 higher), arising mainly as a result of the net foreign exchange loss (2014: gain) on pledged bank deposits, bank and cash balances, mould and trade deposits received, trade and bills payables and accruals and other payables denominated in RMB. If the HK$ had strengthened 1 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been HK$541,000 higher (2014: HK$1,403,000 lower), arising mainly as a result of the net foreign exchange gain (2014: loss) on pledged bank deposits, bank and cash balances, mould and trade deposits received, trade and bills payables and accruals and other payables denominated in RMB.

(b) Interest rate risk

The Group's pledged bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's cash flow interest rate risk primarily relates to variable-rate bank loans. It is the Group's policy to convert a proportion of its variable-rate debt to fixed-rate debt. 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.

At 31 December 2015, 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$3,024,000 (2014: HK$2,301,000) 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$3,024,000 (2014: HK$2,301,000) lower, arising mainly as a result of higher interest expense on bank loans.

(c) Credit risk

The carrying amount of the the pledged bank deposits, bank and cash balances, and trade and other receivables included in the statement of financial position 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 acceptable 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 based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2015					
Trade and bills payables	-	**205,268**	-	-	-
Accruals and other payables	-	**133,736**	-	-	-
Term loans	-	**453,507**	-	-	-
Short-term borrowings	**278,250**	-	-	-	-
Long-term borrowings	-	**18,626**	-	-	-
At 31 December 2014					
Trade and bills payables	-	335,990	-	-	-
Accruals and other payables	-	155,723	-	-	-
Term loans	-	300,934	-	-	-
Short-term borrowings	256,580	-	-	-	-
Long-term borrowings	-	30,818	18,778	-	-

e) Categories of financial instruments at 31 December 2015

	2015	2014
	HK$'000	HK$'000
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**971,594**	898,168
Financial liabilities:		
Financial liabilities at amortised cost	**1,075,655**	1,068,966

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. SEGMENT 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.

Principal activities are as follows:

(i) ODM / 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.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment profits or losses do not include corporate income or expenses. Segment assets do not include bank and cash balances, pledged bank deposit, goodwill and corporate assets. Segment liabilities do not include borrowings, current tax liabilities, deferred tax liabilities and corporate liabilities. Segment non-current assets do not include corporate assets.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

6. SEGMENT INFORMATION (CONT'D)

Information about reportable segment profit or loss, assets and liabilities:

	ODM/OEM	Moulds and Tooling	Trading	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2015				
Revenue from external customers	1,757,788	56,774	153,087	1,967,649
Intersegment revenue	-	4,992	1	4,993
Segment profit/(loss)	78,114	(29,950)	(473)	47,691
Interest revenue	14,833	5	21	14,859
Interest expense	18,669	1,242	1,005	20,916
Depreciation	38,853	16,579	351	55,783
Income tax expense/(credit)	6,261	(2,856)	794	4,199
Additions to segment non-current assets	37,767	8,646	125	46,538
As at 31 December 2015				
Segment assets	1,161,595	53,803	46,292	1,261,690
Segment liabilities	274,700	33,204	29,256	337,160
Year ended 31 December 2014				
Revenue from external customers	1,788,994	79,378	199,765	2,068,137
Intersegment revenue	-	7,587	1	7,588
Segment profit/(loss)	96,991	(52,993)	3,477	47,475
Interest revenue	10,263	7	24	10,294
Interest expense	15,573	1,921	1,470	18,964
Depreciation	34,312	24,444	294	59,050
Income tax expense	3,386	6	648	4,040
Additions to segment non-current assets	44,175	12,687	1,199	58,061
As at 31 December 2014				
Segment assets	1,220,902	105,527	66,854	1,393,283
Segment liabilities	396,505	22,868	31,191	450,564

6. SEGMENT INFORMATION (CONT'D)

Reconciliations of reportable segment revenue and profit or loss:

	2015 HK$'000	2014 HK$'000
Revenue		
Total revenue of reportable segments	**1,972,642**	2,075,725
Elimination of intersegment revenue	**(4,993)**	(7,588)
Consolidated revenue	**1,967,649**	2,068,137
Profit or loss		
Total profit or loss of reportable segments	**47,691**	47,475
Staff costs	**(1,609)**	(1,609)
Interest expense	**(20,916)**	(18,964)
Other profit or loss	**(8,167)**	(8,292)
Consolidated profit for the year	**16,999**	18,610

Reconcilations of segment assets and liabilities

	2015 HK$'000	2014 HK$'000
Assets		
Total assets of reportable segments	**1,261,690**	1,393,283
Other assets	**499,114**	389,086
Consolidated total assets	**1,760,804**	1,782,369
Liabilities		
Total liabilities of reportable segments	**337,160**	450,564
Other liabilities	**763,822**	655,872
Consolidated total liabilities	**1,100,982**	1,106,436
Other material items		
Depreciation	**55,783**	59,050
Interest expense	**20,916**	18,964
Additions of property, plant and equipment	**46,538**	58,061

6. SEGMENT INFORMATION (CONT'D)

Geographical information:

The Group's revenue from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Asia				
Greater China (including PRC, Hong Kong, Macau and Taiwan)	**858,217**	939,398	**219,908**	249,282
Singapore	**744,939**	628,541	-	-
Other countries	**1,050**	21,884	-	-
	1,604,206	1,589,823	**219,908**	249,282
America				
United States	**14,162**	21,045	-	-
Other countries	**-**	5,587	-	-
	14,162	26,632	-	-
Europe				
Germany	**142,502**	139,218	-	-
Other countries	**206,779**	312,464	-	-
	349,281	451,682	-	-
Consolidated total	**1,967,649**	2,068,137	**219,908**	249,282

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers:

	2015	2014
	HK$'000	HK$'000
ODM/OEM		
Customer a	**744,939**	494,968
Customer b	**545,284**	628,541
Customer c	-	286,646

7. 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.

Key management compensation

	2015 HK$'000	2014 HK$'000
Salaries and other short-term employee benefits	**13,257**	11,608

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

	2015 HK$'000	2014 HK$'000
Remunerations of directors of the Company	**5,490**	4,448
Fees to directors of the Company	**1,172**	1,356

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.

8. REVENUE

	2015 HK$'000	2014 HK$'000
Sales of goods	**1,967,649**	2,068,137

9. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Interest income on bank deposits	**14,859**	10,294
Government grants (note)	**49**	-
Miscellaneous receipts	**7,459**	13,081
Mould engineering income, net	**12,639**	8,761
Rebate from suppliers	**6,081**	8,806
Rental income	**420**	1,359
Sales of scrap materials	**767**	1,521
Gain on disposals of property, plant and equipment	**60**	-
	42,334	43,822

Note: Government grants mainly related to the subsidy received from the local government authority for the achievements of the Group's laboratory.

10. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on bank loans and overdrafts wholly repayable within five years	**20,916**	18,964

11. INCOME TAX EXPENSE

	2015	2014
	HK$'000	HK$'000
Current tax expenses		
- Hong Kong	**-**	144
- The PRC	**3,935**	3,664
	3,935	3,808
Under-provision in prior years	**264**	232
	4,199	4,040

Hong Kong Profits Tax has been provided at a rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year ended 31 December 2015 less allowable losses brought forward.

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.

For the years ended 31 December 2015 and 2014, the applicable PRC enterprise income tax rates is 25%.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is HK$5,764,000 (2014: HK$5,146,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The income tax expense varied from the amount of income tax expense determined by applying the Hong Kong Profits Tax rate of 16.5% (2014: 16.5%) to profit before tax as a result of the following differences:

	2015	2014
	HK$'000	HK$'000
Profit before tax	**21,198**	22,650
Income tax expense at Hong Kong Profits Tax rate	**3,498**	3,737
Tax effect of income that is not taxable	**(7,122)**	(10,944)
Tax effect of expenses that are not deductible	**491**	785
Tax effect of temporary differences not recognised	**(21)**	(184)
Tax effect of utilisation of tax losses not previously recognised	**(139)**	(141)
Tax effect of tax losses not recognised	**8,189**	13,680
Effect of different tax rates of subsidiaries	**(961)**	(3,122)
Under-provision in prior years	**264**	232
Under-provision for the year	**-**	(3)
Income tax expense	**4,199**	4,040

12. PROFIT FOR THE YEAR

The Group's profit for the year is stated after (crediting)/charging the following:

	2015	2014
	HK$'000	HK$'000
Bad debts written off	**2,877**	3,626
Depreciation expenses	**55,783**	59,050
(Gain)/loss on disposals of property, plant and equipment	**(60)**	10,490
Exchange loss	**29,555**	26,395
Operating lease expenses	**22,142**	21,613
Impairment loss on property, plant and equipment	**5,698**	-

13. EMPLOYEE BENEFITS EXPENSES

	2015	2014
	HK$'000	HK$'000
Employee benefits expenses including directors	**549,910**	505,540
Contributions to defined contribution scheme	**39,345**	28,294
Employee benefits expenses	**589,255**	533,834

14. DIVIDENDS

Subsequent to the end of the reporting period final dividend in respect of the year ended 31 December 2015 of SGD0.045 per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming general meeting.

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company of approximately HK$17,539,000 (2014: HK$18,642,000) by the weighted average number of ordinary shares of 32,800,000 (2014: 32,800,000) in issue during the year.

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2015 and 2014.

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings	**Plant and machinery**	**Toolings**	**Furniture, fixtures and equipment**	**Motor vehicles**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost						
At 1 January 2014	86,082	552,563	58,207	69,392	15,340	781,584
Additions	-	48,006	7,799	2,041	215	58,061
Disposals	-	(34,769)	(14)	(15)	(157)	(34,955)
Exchange differences	(464)	(4,405)	(1,348)	(170)	(44)	(6,431)
At 31 December 2014 and 1 January 2015	85,618	561,395	64,644	71,248	15,354	798,259
Additions	-	41,481	2,733	700	1,624	46,538
Disposals	-	(931)	(14)	(1,036)	(934)	(2,915)
Disposal of a subsidiary	-	(1,407)	-	(398)	-	(1,805)
Exchange differences	(1,635)	(13,240)	(26,941)	(19,909)	(221)	(61,946)
At 31 December 2015	83,983	587,298	40,422	50,605	15,823	778,131

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings	Plant and machinery	Toolings	Furniture, fixtures and equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Accumulated depreciation and impairment						
At 1 January 2014	77,929	325,272	47,323	58,259	12,080	520,863
Charge for the year	524	49,243	3,072	4,596	1,615	59,050
Disposals	-	(19,780)	(14)	(8)	(239)	(20,041)
Exchange differences	(397)	(8,350)	260	166	(157)	(8,478)
At 31 December 2014 and 1 January 2015	78,056	346,385	50,641	63,013	13,299	551,394
Charge for the year	221	49,163	2,380	3,013	1,006	55,783
Impairment losses	-	5,698	-	-	-	5,698
Disposals	-	(817)	(9)	(1,036)	(905)	(2,767)
Disposal of a subsidiary	-	(747)	-	(335)	-	(1,082)
Exchange differences	(438)	(5,360)	(21,972)	(20,354)	(262)	(48,386)
At 31 December 2015	77,839	394,322	31,040	44,301	13,138	560,640
Carrying amount						
At 31 December 2015	6,144	192,976	9,382	6,304	2,685	217,491
At 31 December 2014	7,562	215,010	14,003	8,235	2,055	246,865

The depreciation expense is charged as follows:

	Cost of sales	Administrative expenses	Total
	HK$'000	**HK$'000**	**HK$'000**
Financial year ended 31 December 2015	43,040	12,743	55,783
Financial year ended 31 December 2014	54,256	4,794	59,050

During the year, the Group assessed no recoverable for certain plant and machinery of Moulds and Tooling segment which are idled and no longer use by the Group and as a result recognised impairment losses of HK$5,698,000 (2014: HK$ Nil).

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	HK$'000	HK$'000
Unlisted investments, at cost	**310,205**	310,205
Loans to subsidiaries	**151,058**	151,058
	461,263	461,263

The loans to subsidiaries are non-interest bearing and not expected to be repaid in the foreseeable future. The loans are therefore deemed to form part of the Company's interest in the subsidiaries.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Particulars of the subsidiaries as at 31 December 2015 are as follows:

Name	Date and place of incorporation / establishment	Principal activities	Issued and paid-up / registered capital 2015	Issued and paid-up / registered capital 2014	Effective interests held by the Group 2015 %	Effective interests held by the Group 2014 %
Directly held						
Combine Will Holdings Limited *	19 September 2000 Cayman Islands	Investment holding	**HK$1,000**	HK$1,000	**100**	100
APT International Holdings Limited *	4 August 2009 Cayman Islands	Investment holding	**USD2,100,000**	USD2,100,000	**100**	100
Faith and Hope Holdings Limited *	4 August 2009 Cayman Islands	Investment holding	**USD1**	USD1	**100**	100
Indirectly held						
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**	HK$14,000,000	**100**	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$94,893,520**	HK$94,893,520	**100**	100
Triple Wise Co., Ltd. *	3 August 2000 British Virgin Islands	Investment holding	**USD1**	USD1	**100**	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**	HK$100,000	**100**	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**	HK$14,500,000	**100**	100
Legacy Giftware Limited **	6 August 1996 Hong Kong	Inactive/Dormant	**HK$3,100,000**	HK$3,100,000	100	100
Combine Will Industrial (Overseas) Company Limited *	25 October 2000 British Virgin Islands	Investment holding	**USD2**	USD2	**100**	100
Million Favour Inc. *	8 August 2000 Samoa	Investment holding and trading of electronics parts for the toys	**USD100**	USD100	**70**	70
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$25,361,000**	HK$25,361,000	**70**	70

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Particulars of the subsidiaries as at 31 December 2015 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	
			2015	2014	**2015**	2014
Indirectly held (cont'd)					%	%
Sunstone Company Limited **	3 February 1994 Hong Kong	Trading of premium items	**HK$100,000**	HK$100,000	**100**	100
Altrust Precision Tooling Company Limited **	12 November 1996 Hong Kong	Investment holding	**HK$10,100,000**	HK$10,100,000	**100**	100
Kam Hing Product Design and Development Company Limited **	12 February 1997 Hong Kong	Trading of models and moulds	**HK$10,100,000**	HK$10,100,000	**100**	100
Altrust Precision Tooling Company Limited *	29 June 1999 Samoa	Investment holding and trading of moulds	**USD1**	USD1	**100**	100
Headonway Industrial Company Limited **	4 January 2007 Hong Kong	Manufacturing of models and moulds	**-**	HK$1,000	**-**	60
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**	HK$89,196,920	**100**	100
Unifaith Machine Tools Company Limited **	22 March 2000 Hong Kong	Trading of machinery and tools	**HK$1,000,000**	HK$1,000,000	**60**	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**	HK$4,000,000	**60**	60
Hopewell Precision Machine Tools Company Limited **	8 October 2001 Hong Kong	Trading of machinery	**HK$1,000,000**	HK$1,000,000	**60**	60
明望精机贸易 (深圳) 有限公司 (Hopewell Precision Trading (Shenzhen) Company Limited ***	23 January 2014 Shenzhen, Guangdong, PRC	Trading of machinery	**HK$500,000**	HK$500,000	**60**	60
河源联弘玩具礼品有限公司 (Heyuan Loong Run Toys Company Limited) ****	28 December 2009 Heyuan, Guangdong, PRC	Manufacturing and trading of plastic toys	**HK$55,000,000**	HK$55,000,000	**100**	100
Luke Medical Company Limited **	4 August 2011 Hong Kong	Investment holding	**HK$10,000**	HK$10,000	**100**	100
联志电子玩具制品(梧州) 有限公司 ***** (Combine Will Electronics Toys (Wuzhou) Co., Ltd.)	19 July 2012 Wuzhou, Guangxi, PRC	Manufacturing and trading of plastic toys	**HK$10,000,000**	HK$10,000,000	**100**	100
东莞联健医疗器材有限公司 (Dongguan Luke Medical Company Limited)******	6 January 2014 Dongguan, Guangdong PRC	Inactive	**HK$2,000,000**	HK$2,000,000	**100**	100

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

All the subsidiaries are audited by RSM Hong Kong for the purpose of consolidation.

* Not required to be audited according to the laws of country of incorporation.

** The statutory financial statements for the year ended 31 December 2015 were audited by RSM Hong Kong.

*** The statutory financial statements for the year ended 31 December 2015 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.

**** The statutory financial statements for the year ended 31 December 2015 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 广东大川会计师事务所 (Da Chuan Certified Public Accountants) for tax filing and annual registration purposes.

***** The statutory financial statements for the year ended 31 December 2015 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 梧州市信拓会计师事务所 for tax filing and annual registration purposes.

****** The statutory financial statements for the year ended 31 December 2015 prepared in accordance with generally accepted accounting principles in the PRC, were audited by 大信会计师事务所 for tax filing and annual registration purposes.

The following table shows information of subsidiaries that have material non-controlling interests ("NCI") to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Unifaith Machine Tools Company Limited		Hopewell Precision Machine Tools Company Limited		Million Favour Inc.		Headonway Industrial Company Limited	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Principal place of business / country of incorporation	**PRC/Hong Kong**		**PRC/Hong Kong**		**PRC/Samoa**		**PRC/Hong Kong**	
% of ownership interests / voting rights held by NCI	40%/40%		40%/40%		30%/30%		40%/40%	
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At 31 December:								
Non-current assets	**772**	864	**276**	406	**4,345**	5,193	**-**	910
Current assets	**59,408**	82,651	**27,009**	23,362	**11,956**	9,157	**-**	2,377
Non-current liabilities	**-**	-	**-**	-	**-**	-	**-**	-
Current liabilities	**(21,616)**	(46,580)	**(35,239)**	(27,756)	**(17,737)**	(16,771)	**-**	(3,321)
Net assets/(liabilities)	**38,564**	36,935	**(7,954)**	(3,988)	**(1,436)**	(2,421)	**-**	(34)
Accumulated NCI	**15,425**	14,774	**(3,181)**	(1,595)	**(431)**	(726)	**-**	(13)
Year ended 31 December:								
Revenue	**103,222**	142,215	**50,109**	66,071	**56,318**	55,558	**8,758**	6,864
Profit/(loss)	**1,592**	8,084	**(3,908)**	(6,731)	**1,652**	27	**272**	(1,451)
Total comprehensive income	**1,629**	8,120	**(3,965)**	(7,031)	**983**	750	**272**	(1,451)
Profit/(loss) allocated to NCI	**652**	3,249	**(1,586)**	(2,812)	**295**	225	**109**	(581)
Dividends paid to NCI	**-**	-	**-**	-	**-**	-	**-**	-
Net cash generated from /(used in) operating activities	**7,292**	6,936	**5,847**	(1,351)	**988**	(2,318)	**139**	795
Net cash (used in)/generated from investing activities	**(138)**	(893)	**(1)**	(307)	**(327)**	(273)	**(52)**	(829)
Net cash used in financing activities	**-**	(1,623)	**-**	-	**-**	-	**-**	-
Exchange difference	**30**	(262)	**(57)**	-	**(275)**	627	**-**	-
Net increase/(decrease) in cash and cash equivalents	**7,184**	4,158	**5,789**	(1,658)	**386**	(1,964)	**87**	(34)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

As at 31 December 2015, the bank and cash balances of the Group' subsidiaries in the PRC denominated in RMB amounted to HK$16,710,000 (2014: HK$17,039,000). 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.

18. GOODWILL

	Group
	HK$'000
Cost and carrying amount	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	2,417

Goodwill acquired in a business combination is allocated, at acquisition, to the 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 ("ODM") / original equipment manufacturers services ("OEM") of HK$1,927,000 and trading of HK$490,000.

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method 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% (2014: 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% (2014: 10%).

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2015	2014
	HK$'000	HK$'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 dollar ("SGD").

20. INVENTORIES

	Group	
	2015	2014
	HK$'000	HK$'000
Raw materials, consumables and supplies	**105,926**	107,891
Work in progress	**274,616**	271,984
Finished goods	**141,350**	185,930
Less: Allowance for impairment	**(8,675)**	(8,659)
	513,217	557,146

	2015	2014
	HK$'000	HK$'000
The cost of sales includes the following:		
Changes in inventories of finished goods and work in progress (decrease)/increase	**(41,948)**	53,619
Raw materials and consumables used	**840,165**	858,553

21. TRADE AND BILLS RECEIVABLES

The average credit period generally granted to non-related trade and bills receivables customers for the year ended 31 December 2015 is about 90 days (2014: 90 days).

The movement of allowance for trade receivables is as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
At 1 January	**3,699**	3,771
Allowance for the year	**2,455**	-
Amounts written off	**-**	(72)
At 31 December	**6,154**	3,699

As of 31 December 2015, trade receivables of approximately HK$74,310,000 (2014: HK$89,352,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An ageing analysis of these trade receivables is as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Up to 3 months	**56,875**	61,865
Over 3 months	**17,435**	27,487
	74,310	89,352

21. TRADE AND BILLS RECEIVABLES (CONT'D)

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

	Group	
	2015	2014
	HK$'000	HK$'000
RMB	**6,961**	14,414
USD	**238,167**	257,533
JPY	**-**	376
Euro ("EUR")	**2,809**	3,705

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2015	2014
	HK$'000	HK$'000
Prepayments	**39,207**	37,850
Trade deposits paid	**4,115**	27,115
Utility and other deposits	**8,172**	8,379
Value added tax receivables	**44,425**	37,993
Advancement to suppliers and subcontractors	**10,133**	35,476
Interest receivables from banks	**12,328**	4,864
Other receivables	**61,120**	54,081
	179,500	205,758

23. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The Group's pledged bank deposits represented deposits pledged to banks to secure term loans as set out in note 28 to the financial statements. The deposits are in RMB and at fixed interest rate ranged from 3.19% to 3.40% per annum as at the end of reporting period.

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

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**8,102**	16,602	**-**	-
RMB	**18,758**	18,694	**-**	-
JPY	**4,848**	156	**-**	-
EUR	**516**	1,514	**-**	-
Swiss Franc ("CHF")	**76**	1,922	**-**	-
SGD	**162**	165	**109**	109

The rate of interest for the cash on interest earning balances is between 0.01% to 0.35% (2014: 0.01% to 0.5%) 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.

24. LONG-TERM BORROWINGS

The long-term borrowings are repayable as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Within 1 year	**18,397**	29,443
Later than 1 year and not later than 2 years	**-**	18,367
	18,397	47,810

The carrying amounts of the Group's long-term borrowings are denominated in the following currencies:

	Group	
	2015	2014
	HK$'000	HK$'000
HK$	**8,400**	27,800
USD	**9,997**	20,010
	18,397	47,810

The interest rate of the long-term borrowings as at 31 December 2015 ranged from 4.11% to 4.75% (2014: 2.13% to 4.75%) per annum and the Group entered contracts with the banks to use interest rate swaps to manage its exposure to interest rate movements on the long-term borrowings.

25. DEFERRED TAX LIABILITIES

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

	Excess of net book value of property, plant and equipment over tax value
	HK$'000
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	3,140

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

The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group	
	2015	2014
	HK$'000	HK$'000
Deferred tax liabilities	**3,140**	3,140

At the end of the reporting period the Group has unused tax losses of HK$25,133,000 (2014: HK$25,109,000) available for offset against future profits and no deferred tax asset has been recognised due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

26. TRADE AND BILLS PAYABLES

	Group	
	2015	2014
	HK$'000	HK$'000
Bills payables, secured (note 34)	**6,639**	36,606
Trade payables	**198,629**	299,384
	205,268	335,990

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

	Group	
	2015	2014
	HK$'000	HK$'000
USD	**29,625**	4,787
RMB	**128,777**	184,312
SGD	**4**	3
CHF	**36**	1,133
EUR	**626**	1,838

The average credit period taken to settle non-related trade payables for the year ended 31 December 2015 is about 30 to 60 days (2014: 30 to 60 days).

27. ACCRUALS AND OTHER PAYABLES

	Group	
	2015	2014
	HK$'000	HK$'000
Accruals	**81,498**	94,534
Mould and trade deposits received	**19,281**	33,939
Other payables	**32,957**	27,250
	133,736	155,723

28. TERM LOANS

During the year ended 31 December 2015, term loans were drawn down from 12 January 2015 to 9 May 2015 (2014: 29 April 2014 to 9 May 2014), secured by the pledged deposits of the Group (note 23) and repayable within one year. The interest rate of the term loans as at 31 December 2015 is from 1.32% to 1.47% (2014: 1.43%) per annum. As at 31 December 2015, the term loans were denominated in HK$ (2014: HK$). The Group entered into contracts with the banks to use interest rate swaps (note 37) to manage its exposure to interest rate movements on the term loans as at 31 December 2015 and 2014.

29. SHORT-TERM BORROWINGS

	Group	
	2015	2014
	HK$'000	HK$'000
Trust receipt and import loans, secured (note 34)	**276,591**	254,590

29. SHORT-TERM BORROWINGS (CONT'D)

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

	Group	
	2015	2014
	HK$'000	HK$'000
USD	**-**	11,227

The average interest rates at 31 December were as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Trust receipt and import loans, secured	**2.47%**	2.38%

Short-term borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

30. SHARE CAPITAL

	Company	
	Number of shares	**Amount HK$**
Authorised:		
Ordinary shares of HK$7.50 (2014: HK$7.50) each		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	100,000,000	750,000,000
Issued and fully paid:		
Ordinary shares of HK$7.50 (2014: HK$7.50) each		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	32,800,000	246,000,000

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 owners of the Company and benefits for other stakeholders, and to provide an adequate return to owners of the Company by pricing products and services commensurately with the level of risk.

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 payment of dividends, 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 less pledged bank deposits and cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained earnings and other reserves).

30. SHARE CAPITAL (CONT'D)

	Group	
	2015	2014
	HK$'000	HK$'000
Total debt	**743,488**	599,900
Less: Pledged bank deposits	**(431,321)**	(303,601)
Cash and cash equivalents (note 33)	**(54,943)**	(53,860)
Net debt	**257,224**	242,439
Total equity and adjusted capital	**659,822**	675,933
Debt-to-adjusted capital ratio	**39%**	36%

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 on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 10% limit throughout the year. As at 31 December 2015, 26.5% (2014: 26.5%) of the total issued shares were in public hands.

31. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) The Company

	Share premium	**Contributed surplus**	**Retained earnings**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
	(note 31(c)(i))	(note 31(c)(ii))		
At 1 January 2014	26,488	130,205	58,679	215,372
Profit for the year	-	-	-	-
At 31 December 2014 and 1 January 2015	26,488	130,205	58,679	215,372
Profit for the year	-	-	-	-
At 31 December 2015	26,488	130,205	58,679	215,372

(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) 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 owners, 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.

31. RESERVES (CONT'D)

(c) Nature and purpose of reserves (cont'd)

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 3(c)(iii) to the financial statements.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Disposal of a subsidiary

On 31 December 2015, the Group disposed of its subsidiary, Headonway Industrial Company Limited.

Net assets at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	**723**
Trade and other receivables	**5,059**
Bank and cash balances	**272**
Other payables	**(5,815)**
Net assets disposal of	**239**
Non-controlling interests	**(95)**
Gain on disposal of a subsidiary	**-**
Total consideration - satisfied by other receivables	**144**

Net cash outflow arising on disposal:

Cash consideration received	**-**
Cash and cash equivalents disposal of	**(272)**
	(272)

33. CASH AND CASH EQUIVALENTS

	Group	
	2015	2014
	HK$'000	HK$'000
Bank and cash balances	**54,943**	53,860

34. BANKING FACILITIES

	Group	
	2015	2014
	HK$'000	HK$'000
Total granted banking facilities, secured	**2,023,631**	1,937,616

The above banking facilities are secured by:

(i) cross corporate guarantees executed by the group companies; and

(ii) time deposits of the Group.

34. BANKING FACILITIES (CONT'D)

All of the banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants the drawn down facilities would become repayable on demand. In addition, certain of the Group's term loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the term loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 5(d) to the financial statemens. As at 31 December 2015 none (2014: none) of the covenants relating to drawn down facilities had been breached.

35. OPERATING LEASE PAYMENT COMMITMENTS

At the end of the reporting period, the total of future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Not later than one year	**21,841**	7,245
Later than one year and not later than five years	**7,105**	8,035
Later than five years	**1,867**	2,410
	30,813	17,690

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.

36. CAPITAL COMMITMENTS

At the end of the reporting period, the capital commitments of the Group are as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Property, plant and equipment	**1,178**	197
Contracted but not provided for	**235,840**	249,220
Authorised but not contracted for		
	237,018	249,417

37. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps:

The entity uses interest rates swaps to manage its exposure to interest rate movements on the term loans and its long term borrowings. Contracts with nominal values of HK$258.4 million and USD1.29 million have fixed interest payments at an average rate of 1.75% to 4.75% per annum for periods up until September 2016 and the floating rate in Hong Kong Interbank Offer Rate with spread from plus 1.1% to London Interbank offer Rate plus 3.5%.

At 31 December 2015, the fair value loss of the interest rate swaps has not recognised as the amount was immaterial.

STATISTICS OF **SHAREHOLDINGS**

AT 14 MARCH 2016

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
	HK$'000	HK$'000	HK$'000	HK$'000
1 - 99	1	0.25	1	0.00
100 - 1,000	163	39.85	95,200	0.29
1,001 - 10,000	173	42.30	751,799	2.29
10,001 - 1,000,000	69	16.87	4,264,100	13.00
1,000,001 AND ABOVE	3	0.73	27,688,900	84.42
TOTAL	**409**	**100.00**	**32,800,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HL BANK NOMINEES (SINGAPORE) PTE LTD	24,931,400	76.01
2	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,379,100	4.20
3	PHILLIP SECURITIES PTE LTD	1,378,400	4.20
4	OCBC SECURITIES PRIVATE LIMITED	543,600	1.66
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	425,100	1.30
6	JONATHAN VINCENT CHAN	279,400	0.85
7	GOH CHOON WEI OR GOH SOON POH	245,000	0.75
8	DBS NOMINEES (PRIVATE) LIMITED	215,300	0.66
9	RAFFLES NOMINEES (PTE) LIMITED	193,600	0.59
10	LIM KIM CHIN	174,200	0.53
11	UOB KAY HIAN PRIVATE LIMITED	171,600	0.52
12	LIEW WING ONN	150,000	0.46
13	HENG CHEW HOCK (WANG QIUFU)	99,100	0.30
14	TAN ENG HONG	93,100	0.28
15	YEO AH TOH	70,000	0.21
16	CIMB SECURITIES (SINGAPORE) PTE. LTD.	65,000	0.20
17	SIOW CHER LIANG	61,000	0.19
18	HOH FUNG LING	60,000	0.18
19	SEE SHUN SHENG	60,000	0.18
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	59,900	0.18
	TOTAL	**30,654,800**	**93.45**

Note:

As at 14 March 2016, a total of 405,100 shares were repurchased by the Company pursuant to a series of share buy-backs from open market between. The 405,100 shares are in the process of being cancelled and the statistics above reflect the position of the shareholdings in the Company before the 405,100 shares are cancelled and does not reflect the impact that the repurchase of the 405,100 shares has on the distribution of shareholdings as well as the holdings of the twenty largest shareholders listed above.

STATISTICS OF **SHAREHOLDINGS** (cont'd)

AT 14 MARCH 2016

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
DJKS Holdings Limited [1]	24,100,000	73.48	-	-
Tam Jo Tak, Dominic [2] [3]	-	-	24,100,000	73.48
Yau Hing Wah, John [2] [3]	-	-	24,100,000	73.48

Notes:

(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 hold 57.14% and 28.57% respectively of the equity interest in DJKS Holdings Limited and thus they are deemed to be interested in DJKS Holdings Limited's shareholding in the Company.*

(3) *As at 21 January 2016 (the 21st day after the end of the financial year), the direct and deemed interest of each of Mr. Tam Jo Tak, Dominic and Mr. Yau Hing Wah, John is the same as at 14 March 2016, and both Mr. Tam and Mr. Yau do not have any direct or deemed interest in convertible securities. Save as disclosed, none of the directors has any direct or deemed interest in the shares and convertible securities of the Company as at 21 January 2016.*

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF PUBLIC

Based on the information available to the Company as at 14 March 2016, 26.52% (representing 8,700,000 shares) of the issued shares of the Company is held by the public and therefore Rule 723 of the SGX Listing Manual is complied with.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 10 Collyer Quay, #27-00, Ocean Financial Centre, Singapore 049315 on 26 April 2016 at 10 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fees of S$200,000 for the financial year ending 31 December 2016 (2015: S$200,000). **[See Explanatory Note (i)]** **(Resolution 2)**

3. To re-elect Mr Chia Seng Hee, Jack, a Director retiring pursuant to Article 86 of the Company's Articles of Association. **[See Explanatory Note (ii)]** **(Resolution 3)**

4. To re-elect Mr Ning Li, a Director who retiring pursuant to Article 86 of the Company's Articles of association. **[See Explanatory Note (ii)]** **(Resolution 4)**

5. To re-appoint Messrs RSM Hong Kong and RSM Chio Lim LLP as joint Auditors, and to authorise the directors of the Company to fix their remuneration. **(Resolution 5)**

6. To declare a final dividend of S$0.045 (4.5 Singapore cents) per ordinary share for the financial year ended 31 December 2015. **(Resolution 6)**

As Special Business

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

7. To appoint Mr Li Hin Lun, Alan as a Director, pursuant to Article 85(1) of the Company's Articles of Association to hold office from the date of this Annual General Meeting. **[See Explanatory Note (iii)]** **(Resolution 7)**

8. **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 capitalization 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 of the Company 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) 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, consolidated or subdivision of shares;

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

(iv) 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 (the "**AGM**") or the date by which the next AGM of the Company is required by law to be held or the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earlier. **[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 authorized 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:

(i) 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 the 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 be authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares of par value HK$7.50 each, fully paid, in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time, up to the Maximum Price (as hereinafter defined), whether by way of:

(a) 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

(b) 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 of the Company as they may consider fit and in the interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Articles and the Listing Manual,

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

(ii) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

(a) the conclusion of the next annual general meeting of the Company ("AGM") following the passing of this resolution;

(b) the date by which such AGM is required by law or the Articles to be held;

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

(d) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in a general meeting

(the "**Relevant Period**")

In this resolution:

"**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:

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

(2) 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 the Shares over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs 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 Scheme'

"**day of 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

"**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 Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury share that may be held by the Company from time to time); and

(iii) the Directors of the Company 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. **[See Explanatory Note (vi)]** **(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
Company Secretary

Singapore, 11 April 2016

Explanatory Notes:

(i) **Resolution 2:** This is to facilitate payment of Directors' Fees during the financial year in which the fees are incurred. The aggregate amount of Directors' Fees provided in the resolution is calculated on the assumption that all the present Directors of the Company will hold office for the whole of the financial year ending 31 December 2016 ("FY 2016"). Should any Director hold office for only part of FY 2016 and not the whole of FY 2016, the Director's fee payable to him will be appropriately pro-rated.

(ii) **Resolution 3 and Resolution 4:** Pursuant to Article 86 of the Company's Articles of Association, Mr. Chia Seng Hee, Jack and Mr Ning Li will retire at the forth- coming Annual General Meeting and shall be eligible to offer himself for re-election at that meeting.

Details on Mr Chia Seng Hee, Jack are as follows:

Mr Chia Seng Hee, Jack, 55
Independent Non-Executive Director

Date of first appointment as director: 28 March 2008

Date of last re-election as director: 26 April 2013

Length of service as a director (as of 31 December 2015): Approximately 7 years and 9 months

Board committees served on: Audit Committee (Member), Nominating Committee and Remuneration Committee (Chairman)

Academic and professional qualifications:

Fellow Chartered Accountant of Singapore
Degree in Accountancy, the National University of Singapore
Masters of Arts degree in International Relations, the International University of Japan
General Manager Program, Harvard Business School

Present directorships (as of 31 December 2015):

Listed companies

China Hongcheng International Holdings Limited (Chairman, Nominating and Remuneration Committees) – delisting order issued by SGX in September 2015
Shanghai Turbo Enterprises Limited (Chairman, Audit Committee)
Dukang Distillers Holdings Limited (Chairman, Nominating and Remuneration Committees)
Debao Property Development Limited (Chairman, Remuneration Committee)
mm2 Asia Limited (Chairman, Audit Committee)

Others

Jack Capital Solutions Pte Ltd
Legami Pte Ltd

Past Directorships held over the preceding three years (from 1 January 2013 to 31 December 2015)

Sunray Holdings Limited (Chairman, Nominating Committee)
Singapore Capital Partners Pte Ltd
Wealth Partners Singapore Pte Ltd
Ricesse Management Inc

Other principal commitments, other than directorships:

Current

None

Past

Previously Senior Director, International Enterprise Singapore (the former Trade Development Board) (June 2002)
Previously Chief Marketing Officer, Industrial Parks Business, Singapore Technologies/SembCorp
Previously General Manager, Tokyo Branch, Japan Direct Investments, a unit of Government of Singapore Investment Corporation
Previously Senior Consultant, Arthur Andersen/Andersen Consulting

Relationships, including immediate family relationships, between Mr Chia Seng Hee, Jack and the Directors of the Company, the Company or its 10% shareholders: None

Shareholding in the Company and its related corporations: None

<u>Details on Mr Ning Li are as follows:</u>

Mr Ning Li, 52
Independent Non-Executive Director

Date of first appointment as director: 8 May 2009

Date of last re-election as director: 26 April 2013

Length of service as a director (as of 31 December 2015): 6 years and 8 months

Board committees served on:

Audit Committee (Member)
Nominating Committee (Member)
Remuneration Committee (Member)

Present directorships (as of 31 December 2015):

Listed companies

None

Others

Jade Group (China) Ltd.
Vanguard Express Co., Ltd
Beijing Liantuo Environment and Energy Resources Investment Co., Ltd
China Art International Travel Agency

Other principal commitments, other than directorships:

Current

None

Past

Previously a lawyer in Beijing Chaoyang Law Firm, before moving on to establish his own practice, Beijing Tianda Law Firm

Relationships, including immediate family relationships, between Mr Ning Li and the Directors of the Company, the Company or its 10% shareholders: None

Shareholding in the Company and its related corporations: None

(iii) Resolution 7: To appoint Mr Li Hin Lun, Alan, as a director of the Company pursuant to Article 85(1) of the Articles of Association of the Company, in place of Mr Yau Hing Wah, John, who has expressed his wish to retire and will be retiring as director as from the conclusion of the AGM.

Details on Mr Li Hin Lun, Alan are as follows:

Mr Li Hin Lun, Alan, 52
Executive Director

Academic and professional qualifications:

Higher diploma in Production and Industrial Engineering, Hong Kong Polytechnic

Present directorships (as of 31 December 2015):

Listed companies

Nil

Others

Nil

Past Directorships held over the preceding three years (from 1 January 2013 to 31 December 2015)

Nil

Other principal commitments, other than directorships:

Current

Nil

Past

Nil

NOTICE OF **ANNUAL GENERAL MEETING** (cont'd)

Relationships, including immediate family relationships, between Mr Li Hin Lun, Alan and the Directors of the Company, the Company or its 10% shareholders: None

Shareholding in the Company and its related corporations: None

(iv) Resolution 8: If passed, this resolution will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding in total 50% of the issued share capital of the Company (excluding treasury shares), of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company (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 the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this resolution, provide 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.

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

(vi) Resolution 10: If passed, this resolution authorizes the Directors of the Company to purchase Shares by way of Market Purchases and/or Off-Market Purchases according to prescribed rules and regulations governed by the Companies Law and/or the Listing Manual of the SGX-ST. Further details are set out in the Appendix enclosed together with the Annual Report.

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 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 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 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 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 81SF of the Securities and Futures Act (Chapter 289) 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 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, 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.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting or adjourned meeting, as certified by The Central Depository (Pte) Limited to the Company.

By Order of the Board
Ng Joo Khin
Company Secretary
Singapore, 11 April 2016

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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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)