

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

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2011**

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

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

	The Group							
	3 months ended 31 December				12 months ended 31 December			
	2011	2010	Change	%	2011	2010	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>Revenue</b>	<b>444,375</b>	<b>431,054</b>	<b>13,321</b>	<b>3.09</b>	<b>1,778,188</b>	<b>1,596,996</b>	<b>181,192</b>	<b>11.35</b>
Cost of sales	(395,766)	(352,270)	43,496	12.35	(1,558,335)	(1,322,304)	236,031	17.85
<b>Gross Profit</b>	<b>48,609</b>	<b>78,784</b>	<b>(30,175)</b>	<b>(38.30)</b>	<b>219,853</b>	<b>274,692</b>	<b>(54,839)</b>	<b>(19.96)</b>
Other income	14,334	6,305	8,029	127.34	35,762	16,020	19,742	123.23
Selling and distribution expenses	(2,037)	(6,671)	(4,634)	(69.46)	(28,403)	(24,739)	3,664	14.81
Administrative expenses	(46,287)	(26,425)	19,862	75.16	(132,225)	(113,548)	18,677	16.45
<b>Profit From Operations</b>	<b>14,619</b>	<b>51,993</b>	<b>(37,374)</b>	<b>(71.88)</b>	<b>94,987</b>	<b>152,425</b>	<b>(57,438)</b>	<b>(37.68)</b>
Finance costs	(6,706)	(5,881)	825	14.03	(26,043)	(16,866)	9,177	54.41
<b>Profit Before Tax</b>	<b>7,913</b>	<b>46,112</b>	<b>(38,199)</b>	<b>(82.84)</b>	<b>68,944</b>	<b>135,559</b>	<b>(66,615)</b>	<b>(49.14)</b>
Income tax expenses	(5,884)	(8,569)	(2,685)	(31.33)	(18,862)	(25,886)	(7,024)	(27.13)
<b>Profit for the period/year</b>	<b>2,029</b>	<b>37,543</b>	<b>(35,514)</b>	<b>(94.60)</b>	<b>50,082</b>	<b>109,673</b>	<b>(59,591)</b>	<b>(54.34)</b>
<b>Attributable to:</b>								
Owners of the Company	741	34,893	(34,152)	(97.88)	40,561	103,815	(63,254)	(60.93)
Non-controlling interests	1,288	2,650	(1,362)	(51.40)	9,521	5,858	3,663	62.53

**1(a)(ii) Statement of Comprehensive Income for the quarter ended 31 December 2011**

	The Group							
	3 months ended 31 December				12 months ended 31 December			
	2011	2010	Change	%	2011	2010	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>Profit for the period/year</b>	<b>2,029</b>	<b>37,543</b>	<b>(35,514)</b>	<b>(94.60)</b>	<b>50,082</b>	<b>109,673</b>	<b>(59,591)</b>	<b>(54.34)</b>
<b>Other comprehensive income</b>								
Exchange difference on translating foreign operations	4,643	3,415	1,228	35.96	17,461	6,015	11,446	190.29
<b>Other comprehensive income for the period/year, net of tax</b>	<b>4,643</b>	<b>3,415</b>	<b>1,228</b>	<b>35.96</b>	<b>17,461</b>	<b>6,015</b>	<b>11,446</b>	<b>190.29</b>

<b>Total comprehensive income for the period/year</b>	6,672	40,958	(34,286)	(83.71)	67,543	115,688	(48,145)	(41.62)
<b>Attributable to:</b>								
Owners of the Company	4,682	38,239	(33,557)	(87.76)	57,320	109,761	(52,441)	(47.78)
Non-controlling interests	1,990	2,719	(729)	(26.81)	10,223	5,927	4,296	72.48

**Note:**

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

	3 months ended 31 December		12 months ended 31 December	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	14,205	13,203	53,315	52,172
Loss on disposals of property, plant and equipment	206	539	206	846
Deposits paid written off (note)	11,245	-	11,245	-
Interest income	(2,209)	(456)	(9,162)	(523)
Interest on bank loans and overdrafts	6,706	5,881	26,043	16,865
Exchange difference, net	2,919	(3,003)	(2,296)	1,613

Note: Deposits paid to professionals and various expenses incurred for proposed dual listing of the Company on the Korean Exchange, written off.

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

	The Group		The Company	
	At 31.12.2011	At 31.12.2010	At 31.12.2011	At 31.12.2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	303,626	294,966	-	-
Investments In Subsidiaries	-	-	310,205	310,205
Goodwill	2,417	2,417	-	-
	306,043	297,383	310,205	310,205
<b>Current assets</b>				
Inventories	442,813	412,479	-	-
Trade and bills receivables	378,132	317,251	-	-
Prepayments, deposits and other receivables	180,251	173,290	-	-
Current tax assets	20,336	2,208	-	-
Due from Subsidiaries	-	-	151,513	152,834
Pledged bank deposits	329,639	228,826	-	-
Bank and cash balances	108,726	160,016	109	109
	1,459,897	1,294,070	151,622	152,943
<b>Total assets</b>	<b>1,765,940</b>	<b>1,591,453</b>	<b>461,827</b>	<b>463,148</b>

<b>Current liabilities</b>				
Trade and bills payables	196,570	172,223	-	-
Accruals and other payables	192,720	135,632	455	455
Term loans	326,531	225,505	-	-
Short-term borrowings	214,943	340,252	-	-
Long-term borrowings	53,393	34,980	-	-
Current tax liabilities	27,260	19,269	-	-
	1,011,417	927,861	455	455
<b>Non-current liabilities</b>				
Long-term borrowings	141,276	94,458	-	-
Deferred tax liabilities	3,140	3,140	-	-
	144,416	97,598	-	-
<b>Total liabilities</b>	<b>1,155,833</b>	<b>1,025,459</b>	<b>455</b>	<b>455</b>
	<b>610,107</b>	<b>565,994</b>	<b>461,372</b>	<b>462,693</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	246,000	246,000	246,000	246,000
Reserves	339,996	303,697	215,372	216,693
	585,996	549,697	461,372	462,693
Non-controlling interests	24,111	16,297	-	-
<b>Total equity</b>	<b>610,107</b>	<b>565,994</b>	<b>461,372</b>	<b>462,693</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31 December 2011	As at 31 December 2010
Secured	Secured
HK\$'000	HK\$'000
594,867	600,737

**Amount repayable after one year**

As at 31 December 2011	As at 31 December 2010
Secured	Secured
HK\$'000	HK\$'000
141,276	94,458

**Details of collaterals**

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

Government, the Group's land and buildings with a carrying amount of HK\$10.8 million as at 31 December 2011 and the Group's pledged bank deposits of HK\$329.6 million.

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

	The Group			
	3 months ended 31 December		12 months ended 31 December	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	7,913	46,112	68,944	135,559
Adjustments for :				
Depreciation	14,205	13,203	53,315	52,172
Loss on disposals of property, plant and equipment	206	539	206	846
Bad debts written off	142	-	142	-
Interest income	(2,209)	(456)	(9,162)	(523)
Finance costs	6,706	5,881	26,043	16,866
<b>Operating profit before working capital changes</b>	<b>26,963</b>	<b>65,279</b>	<b>139,488</b>	<b>204,920</b>
Decrease/(Increase) in inventories	49,998	(47,383)	(30,334)	(136,452)
Decrease/(Increase) in trade and bills receivables	33,570	(24,568)	(61,023)	(60,972)
Decrease/(Increase) in prepayments, deposits and other receivables	3,235	(19,788)	(6,961)	(92,536)
Increase in trade and bills payables	6,007	19,996	24,347	46,630
(Decrease)/Increase in accruals and other payables	(3,539)	23,911	57,088	35,550
<b>Cash generated from/(used in) operations</b>	<b>116,234</b>	<b>17,447</b>	<b>122,605</b>	<b>(2,860)</b>
Interest paid	(6,706)	(5,881)	(26,043)	(16,865)
Income tax paid	(22,168)	(6,861)	(28,999)	(15,128)
<b>Net cash generated from/(used in) operating activities</b>	<b>87,360</b>	<b>4,705</b>	<b>67,563</b>	<b>(34,853)</b>
<b>Cash flows from investing activities</b>				
Decrease/(Increase) in pledged bank deposits	229,258	(228,826)	(100,813)	(228,826)
Purchase of property, plant and equipment	(11,570)	(3,322)	(51,725)	(104,206)
Proceeds from disposal of property, plant and equipment	89	402	89	771
Interest received	2,209	456	9,162	523
<b>Net cash generated from/(used in) investing activities</b>	<b>219,986</b>	<b>(231,290)</b>	<b>(143,287)</b>	<b>(331,738)</b>
<b>Cash flows from financing activities</b>				
Inception of new short-term bank loans	-	14,727	15,000	74,790
Inception of new long-term bank loans	50,211	-	100,211	110,000
Inception of new term loans	-	225,505	326,531	225,505
Repayment of short-term bank loans	(30,889)	-	(45,889)	(118,342)
Repayment of term loans	(225,505)	-	(225,505)	-
Repayment of long-term borrowings	(2,280)	(8,626)	(34,980)	(25,566)
Net (repayment)/advance of trust receipt and import loans	(130,332)	57,337	(96,309)	96,663
Interest on finance lease payables	-	-	-	(1)
Repayment of finance lease payables	-	(5)	-	(67)
Dividends paid to equity holders	-	-	(21,021)	(18,529)
Dividends paid to non-controlling interests	(2,409)	-	(2,409)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(341,204)</b>	<b>288,938</b>	<b>15,629</b>	<b>344,453</b>

Net (decrease)/increase in cash and cash equivalents	(33,858)	62,353	(60,095)	(22,138)
Cash and cash equivalents at beginning of the period/year	135,598	101,151	160,009	179,058
Net effect of exchange rate changes in consolidating subsidiaries	5,090	(3,495)	6,916	3,089
Cash and cash equivalents at end of the period/year	106,830	160,009	106,830	160,009

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

The Group	Attributable to the owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital	Share premium	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2011	246,000	26,488	-	2,057	33,252	241,900	549,697	16,297	565,994
Total comprehensive income for the period	-	-	-	-	16,759	40,561	57,320	10,223	67,543
Dividends to owners	-	-	-	-	-	(21,021)	(21,021)	-	(21,021)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,409)	(2,409)
<b>At 31 December 2011</b>	<b>246,000</b>	<b>26,488</b>	<b>-</b>	<b>2,057</b>	<b>50,011</b>	<b>261,440</b>	<b>585,996</b>	<b>24,111</b>	<b>610,107</b>
At 1 January 2010	246,000	26,488	-	2,057	27,306	156,614	458,465	10,370	468,835
Total comprehensive income for the period	-	-	-	-	5,946	103,815	109,761	5,927	115,688
Dividends to owners	-	-	-	-	-	(18,529)	(18,529)	-	(18,529)
<b>At 31 December 2010</b>	<b>246,000</b>	<b>26,488</b>	<b>-</b>	<b>2,057</b>	<b>33,252</b>	<b>241,900</b>	<b>549,697</b>	<b>16,297</b>	<b>565,994</b>

The Company	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2011	246,000	26,488	130,205	60,000	462,693
Total comprehensive income for the period	-	-	-	19,700	19,700
Dividends to owners	-	-	-	(21,021)	(21,021)
<b>At 31 December 2011</b>	<b>246,000</b>	<b>26,488</b>	<b>130,205</b>	<b>58,679</b>	<b>461,372</b>
At 1 January 2010	246,000	26,488	130,205	60,000	462,693
Total comprehensive income for the period	-	-	-	18,529	18,529
Dividends to owners	-	-	-	(18,529)	(18,529)
<b>At 31 December 2010</b>	<b>246,000</b>	<b>26,488</b>	<b>130,205</b>	<b>60,000</b>	<b>462,693</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other**

issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

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

During the twelve months ended 31 December 2011, the Company did not allot nor issue any shares, nor grant any share options under the Employee Share Option Scheme.

As at 31 December 2011, there were no outstanding share options / warrants / convertible securities / treasury shares.

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

328,000,000 ordinary shares of HK\$0.75 each as at 31 December 2010.

32,800,000 ordinary shares of HK\$7.5 each as at 31 December 2011.

On 6 April 2011, a share consolidation of every ten existing ordinary shares of HK\$0.75 each consolidated into one consolidated share of HK\$7.5 each. As a result, the issued shares of the Company decreased from 328,000,000 ordinary shares of HK\$0.75 each to 32,800,000 ordinary shares of HK\$7.5 each.

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

Not applicable

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

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

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

Not applicable

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

The Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing for the audited financial statements for the year ended 31 December 2010.

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

The Group adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for accounting period beginning on 1 January 2011. The adoption of these new and revised IFRSs did not result in substantial

changes to the Group's accounting policies and amounts reported for the current period.

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

	The Group			
	3 months ended 31 December		12 months ended 31 December	
	2011	2010	2011	2010
	HK cents	HK cents	HK cents	HK cents
Earnings per ordinary share for the period based on the net profit for the period				
(a) Based on weighted average number of ordinary shares on issue; and	2.26	106.38	123.66	316.51
(b) On a fully diluted basis	N/A	N/A	N/A	N/A

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company of approximately HK\$741,000 (Q4 2010: HK\$34,893,000) by the weighted average number of ordinary shares in issue of 32,800,000 (Q4 2010: 32,800,000 (restated)) during the Q4 2011.

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company of approximately HK\$40,561,000 (4Q 2010: HK\$103,815,000) by the weighted average number of ordinary shares in issue of 32,800,000 (4Q 2010: 32,800,000(restated)) during the 4Q 2011.

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share consolidation on 6 April 2011 and the comparative figure has been restated accordingly.

No diluted earnings per share had been presented as the Group did not have any dilutive potential shares for the Q4 2011 and Q4 2010.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	The Group		The Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital at the end of the year:	1,786.57	167.59	1,406.62	141.06
Number of ordinary shares in issue	32,800,000	328,000,000	32,800,000	328,000,000

Net asset value per share as at 31 December 2011 was computed based on issued share capital of 32,800,000 ordinary shares of HK\$7.5 each (At 31 December 2010: 328,000,000 ordinary shares of HK\$0.75 each).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### 8.1 Revenue

In Q4 2011, the Group's overall revenue increased by HK\$ 13.3 million or 3.1%, from HK\$ 431.1 million in Q4 2010 to HK\$ 444.4 million in Q4 2011. The breakdown in the performance by the Group's 3 business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	+4.6m	+1.6	The increase in revenue was due to a combination of a variation in the timing of the delivery schedule to a major customer and a moderate increase of customer orders.
Moulds and Tooling	-17.5m	-19.6	The decreased revenue experienced was due to a slow-down of customer orders arising from an uncertain world economy which resulted in a decrease in demand for our products.
Machine Sales	+26.2m	+48.5	The increased revenue was due to the positive results from the Company's continuous marketing activities and our continued focus on providing value added services.

#### *Change in revenue by geographical segments for Q4 2011*

Region	(+/-) in HK\$	%	Comments
Asia	+70.6m	+25.0	The increase in revenue from Asia was primarily due to a change in a major customer's point of purchase from North America and Europe to Singapore.
North America	-61.1m	-75.0	In line with the explanation above, the decrease in revenue from North America was primarily due to the major customer's change of its point of purchase from North America and Europe to Singapore.
Europe	+3.8m	+5.8	Despite a decrease in orders arising from the abovementioned change in point of orders, there was an overall increase in revenue from Europe mainly due to increased orders from another major customer.



## 8.2 Gross profit and gross profit margin

Despite higher revenue in Q4 2011, the Group's gross profit decreased by HK\$ 30.2 million or 38.3%, from HK\$ 78.8 million in Q4 2010 to HK\$ 48.6 million in Q4 2011 due mainly to increases in labour costs and a strengthening of the RMB against the US\$. As a result, gross profit margin for Q4 2011 was lower at 10.9% compared to 18.3% in Q4 2010. The breakdown of gross profit contribution by business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	-8.9m	-22.0	The decrease in gross profit was primarily due to higher direct labour cost expenses incurred as a result of an increase of standard labour rate in the PRC and an appreciation of the RMB against the US\$. The Company was not able to offset these increases in costs by productivity gains nor was these costs recoverable from customers.
Moulds and Tooling	-13.9m	-58.6	The decrease in gross profit was primarily due to price pressures experienced as a result of the slowdown in the U.S and Europe economy which led to a shrinkage of demand and increased competition for orders from customers.
Machine Sales	-7.4m	-50.0	The decrease in gross margin was primarily due to price concessions made on a significant order to a major customer.

## 8.3 Other Income

The Group's other income increased by HK\$ 8.0 million or 127.3%, from HK\$ 6.3 million in Q4 2010 to HK\$ 14.3 million in Q4 2011 primarily due to:

- an increase in interest income of HK\$ 2 million from time deposits;
- a one-off government subsidy of HK\$ 5 million granted in respect of one of the Company's QC laboratories; and
- HK\$ 1 million received as volume discount from suppliers.

## 8.4 Selling and distribution expenses

The Group's selling and distribution expenses decreased by HK\$ 4.6 million or 69.5%, from HK\$ 6.7 million in Q4 2010 to HK\$ 2.0 million in Q4 2011, due to variations on the terms of the sales orders with more customers orders on ex-factory (for ODM/OEM business segment) and FOB port of origin (for Machine Sales business segment) as compared to CIF.

## 8.5 Administrative expenses

The Group's administrative expenses increased by HK\$ 19.8 million or 75.2%, from HK\$ 26.4 million in Q4 2010 to HK\$ 46.3 million in Q4 2011 due mainly to:

- a write off of HK\$ 11 million of legal, professional and related cost incurred on the Korean Dual Listing which the Board has decided to put "on hold" with no foreseeable prospects of resuming; and

- HK\$ 4 million of business development cost incurred on expansion of Moulds and Tooling business in Eastern China. The proposed expansion project is placed on hold due to the current economic situation.

## 8.6 Finance Costs

Finance costs increased by HK\$ 0.8 million or 14.0%, from HK\$ 5.9 million in Q4 2010 to HK\$ 6.7 million in Q4 2011 mainly due to the higher interest expense incurred of HK\$ 1.4 million from increased use of financing facilities. Correspondingly, we have also recorded HK\$ 2 million of interest income from time deposit pledged for such financing facilities.

## 8.7 Income Tax Expenses

Income tax expense decreased by HK\$ 2.7 million or 31.3%, from HK\$ 8.6 million in Q4 2010 to HK\$ 5.9 million in Q4 2011 due to lower net earnings. The Group's effective tax rate was higher at 74.4% for Q4 2011 as compared to 18.6% in Q4 2010 due mainly to (i) a write off of HK\$ 11 million of Korean Dual Listing expense which was not tax deductible; and (ii) a higher incidence of tax expense in respect of our PRC operations.

## Financial position

### 8.8 Non-current assets

The Group's non-current assets increased by 2.9%, or HK\$8.7 million, to HK\$ 306.0 million as at 31 December 2011 due to the addition of HK\$ 52 million of machinery and equipment for better automation. This was offset by HK\$ 53 million of depreciation expense.

### 8.9 Current assets

As at 31 December 2011, the Group's current assets increased by 12.8%, or HK\$ 165.8 million, to HK\$ 1,459.9 million mainly due to:

- an increase in inventories of HK\$ 30.3 million due to a ramp up of our production activity to meet customers' orders for January 2012 delivery schedule on Chinese New Year;
- an increase in trade and bills receivables of HK\$ 60.9 million mainly due to a general increase in revenue as well as the timing of customer delivery schedule;
- a minor increase in prepayments, deposits and other receivables of HK\$ 6.9 million due to increase in purchase deposits paid to suppliers;
- an increase in current tax assets of HK\$ 18.1 million mainly due to tax refundable as a result of the lower profit for 2011 in respect of certain subsidiaries;
- an increase in pledged bank deposits of HK\$ 100.8 million required to be placed as part of increased RMB hedging transactions due to the corresponding increase in short term loans of the same amount (please refer to section 8.10 "Current Liabilities" for more details); and
- a decrease in bank and cash balances of HK\$ 51.3 million mainly due to reduced operational cash requirements.

### 8.10 Current liabilities

As at 31 December 2011, the Group's current liabilities increased by 9.0%, or HK\$ 83.6 million, to HK\$ 1,011.4 million mainly due to:

- an increase in trade and bills payables of approximately HK\$ 24.3 million in line with the increase in the level of inventory;

- an increase in accruals and other payables of HK\$ 57.1 million primarily due to customer deposits received as a result of changes in sales terms in the Machine Sales Business Segment, from straight letters of credit to a combination of installment payments and letter of credit from its major customers;
- an increase in term loans of HK\$ 101 million due to RMB hedging transactions entered into by the Group;
- an increase in current portion of long-term borrowings of HK\$ 18.4 million due to an increased amount of term loans drawn to finance the purchase of machinery and equipment;
- an increase in current tax payable of HK\$ 8.0 million due to accruals for current year's tax liabilities; and
- a decrease in short-term borrowings of approximately HK\$ 125.3 million mainly due to our efforts at cash and treasury management aimed at reducing cash balance by repaying bank borrowing to reduce interest expense as well as to improve working capital position.

### 8.11 Non-current liabilities

The increase in long-term borrowings is to finance capital expenditure.

### 8.12 Statement of Cash Flows

As at 31 December 2011, the Group's bank and cash balances of HK\$ 108.7 million is considered adequate for its current operational needs. The net decrease in cash and cash equivalents of HK\$ 51.3 million held by the Group for the 12 months ended 31 December 2011 is due mainly to:

- Net cash generated from operating activities of HK\$ 67.6 million, due to better trade cycle management.
- Net cash used in investing activities of HK\$ 143.3 million, primarily due to increase in capital expenditure and more RMB hedging transactions, and

Net cash generated from financing activities of HK\$ 15.6 million, primarily due to increase in utilization of banking facilities and additional of bank loans for RMB hedging transactions.

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

Not applicable

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

The Group expects 2012 to remain challenging. Factors such as increasing wages, rising inflation, the Renminbi exchange rate appreciation as well as the uncertainty over the perceived weakness in the United States and EU's economy will continue to place pressure on most manufacturers.

### ODM / OEM

On the positive side, faced with cost pressures, major OEMs will be looking to optimize their supplier base. This will open up opportunities for the Group to potentially gain a bigger market share. In view of this, the Group expects its ODM/OEM business to remain profitable in FY2012.

### Moulds and Tooling

As the Group's Moulds and Tooling business is closely align to the economic conditions, the Group will continue to focus on consolidating and streamlining its Moulds & Tooling segment due to the slower business outlook in FY2012.

### Machine Sales

The Group's ability to provide value-added services and turnkey solutions bode well with its customers and the increasing manpower costs in the PRC may lead to increased investment by companies to automate production processes. However, the Group expects revenue for the Machine Sales segment to be moderated in FY2012 as compared to FY2011 due to the rising inflation and costs pressures.

Faced with the challenges for 2012, the Group is evaluating the setting up of a new production facility to service the requirements of its customers as well as to take advantage of any potential cost savings and benefits from tax and government subsidies. The Group will also continue to conduct R&D into developing new product lines and invest in equipment in its existing factories to enhance existing as well as to develop new production capability. Therefore, the Group intends to conserve its cash position for the abovementioned purposes.

Going forward, barring unforeseen circumstances, the Group is optimistic about its growth prospects in 2012. The Group intends to continue its strategy of investing in automation to reduce its reliance on manpower, continue its focus on maintaining high standards of quality-control, and upgrade its capabilities to provide customers with new concepts and innovative solutions in order to gain higher order allocation from its existing customers as well as to secure new customers.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

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

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

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	1 cent per ordinary share
Tax Rate	Not applicable

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

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

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

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

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

	<b>FY2011</b>	<b>FY2010</b>	<b>Change</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
<b>Revenue</b>			
ODM/OEM	1,193,628	1,129,621	+5.7
Moulds and Tooling	267,160	268,750	-0.6
Machine Sales	317,400	198,625	+59.8
<b>Total</b>	<b>1,778,188</b>	<b>1,596,996</b>	<b>+11.3</b>
<b>Segment results</b>			
ODM/OEM	70,049	103,560	-32.4
Moulds and Tooling	15,200	40,369	-62.3
Machine Sales	28,861	19,377	+48.9
<b>Total</b>	<b>114,110</b>	<b>163,306</b>	<b>-30.1</b>

**(b) Geographical segments**

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

	<b>FY2011</b>		<b>FY2010</b>		<b>Change</b>
	<b>HK\$'000</b>		<b>HK\$'000</b>		<b>%</b>
		<b>%</b>		<b>%</b>	
Asia	1,357,928	76.3	1,017,747	63.7	+33.4
Europe	248,153	14.0	315,832	19.8	-5.8
North America	172,107	9.7	263,416	16.5	-45.5

<b>Total</b>	<b>1,778,188</b>	<b>100</b>	<b>1,596,996</b>	<b>100</b>	<b>+11.3</b>
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**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 above.

**15. A breakdown of sales.**

	<b>FY2011 HK\$'000</b>	<b>FY2010 HK\$'000</b>	<b>Change %</b>
	<b>Group</b>	<b>Group</b>	<b>Group</b>
(a) Sales reported for first half year	920,895	814,754	+13.0
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	38,038	53,494	-28.9
(c) Sales reported for second half year	857,293	782,242	+9.6
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	12,044	56,179	-78.6

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

Total Annual Dividend

	<b>FY2011 HK\$'000</b>	<b>FY2010 HK\$'000</b>
<b>Ordinary</b>	-	21,021
<b>Preference</b>	N/A	N/A
<b>Total:</b>	-	21,021

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

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

**18. Use of IPO Proceeds**

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

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

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial year ended 31 December 2011.

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

We, Tam Jo Tak, Dominic and Chiu Hau Shun, Simon, being two Directors of Combine Will International Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 12 months financial period ended 31 December 2011 to be false or misleading.

On behalf of the Board of Directors,

**Tam Jo Tak, Dominic**  
Executive Chairman

**Chiu Hau Shun, Simon**  
Executive Director

**BY ORDER OF THE BOARD**

**Tam Jo Tak, Dominic**  
Executive Chairman

29 February 2012