

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

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

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

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

	The Group		
	FY2007	FY2006	Change
	HK\$'000	HK\$'000	%
Revenue	1,214,735	986,370	23.2%
Cost of Sales	(1,007,097)	(831,132)	21.2%
Gross Profit	207,638	155,238	33.8%
Other income	26,178	17,033	53.7%
Selling and distribution costs	(34,290)	(30,004)	14.3%
Administrative expenses	(96,045)	(92,795)	3.5%
Profit From Operations	100,616	85,734	109.2%
Finance costs	(10,471)	(9,405)	11.3%
Gain on disposals of subsidiaries	8,069	2,659	203.5%
Gain on acquisition of minority interests	17,779	-	N/A
Profit Before Tax	118,858	42,726	178.2%
Income tax expense	(13,973)	(5,900)	136.8%
Profit for the year	104,885	36,826	184.8%
Attributable to:			
Equity holders of the Company	99,215	42,726	132.2%
Minority interests	5,670	(5,900)	(3.9%)

Note:

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

	FY2007	FY2006
	HK\$'000	HK\$'000
Depreciation	42,612	40,904
Amortisation of prepaid land lease payments	303	303
Gain on disposals of property, plant and equipment	(505)	(9)
(Reversal)/allowance of slow moving/obsolete inventories	(5,643)	252
Bad debts written off	1,892	1,844
Reversal of doubtful debts	-	(171)
Interest income	(758)	(468)
Interest on bank loans and overdrafts	10,449	9,405
Finance lease charges	22	-
Exchange difference, net	962	6,043

1(b)(i) A balance sheet (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 31.12.2007	At 31.12.2006	At 31.12.2007
	HK\$'000	HK\$'000	HK\$'000
Non-current assets			
Prepaid land lease payments and land use rights	12,992	13,012	-
Property, plant and equipment	203,539	214,842	-
Goodwill	2,417	-	-
Available-for-sale financial assets	3,779	3,779	-
	222,727	231,633	-
Current assets			
Inventories	268,976	185,174	-
Trade and bills receivables	189,532	153,995	-
Prepayments, deposits and other receivables	85,548	48,828	-
Bank and cash balances	73,717	53,100	-
	617,773	441,097	-
Total assets	840,500	672,730	-
Current liabilities			
Trade and bills payables	149,698	124,719	-
Accruals and other payables	180,209	157,004	-
Short-term borrowings	197,777	117,496	-
Current portion of long-term borrowings	11,482	15,250	-
Finance lease payables	102	-	-
Current tax liabilities	13,814	6,398	-
	263,506	235,164	-
Non-current liabilities			
Long-term borrowings	-	11,482	-
Finance lease payables	167	-	-
Deferred tax liabilities	3,050	3,050	-
Total liabilities	556,299	435,399	-
	284,201	237,331	-
Equity attributable to shareholders of the Company			
Share capital	1	1	-
Reserves	273,913	203,319	-
	273,914	203,320	-

Minority interests	10,287	34,011	-
Total equity	284,201	237,331	-

The Group's consolidated financial statements for the FY2007 were prepared based on the group structure after the restructuring exercise as disclosed in pages 55 to 57 of the Company's prospectus issued on 11 June 2008 with the inclusion of Combine Will Holdings Limited and its subsidiaries using pooling-of-interests method. Such manner of presentation reflects the economic substance of the combining companies, which were under common control through out FY2007 and FY2006, as a single economic enterprise, although the legal parent-subsidiary relationships were not established. Accordingly, the consolidated income statement and consolidated cash flow statement include the results of operations and cash flows of the Company and its subsidiaries as if the current structure of the Group had been in existence throughout the FY2007 and FY2006. The consolidated balance sheet as at 31 December 2006 and 2007 has been prepared to present the financial position of the Group as if the current Group structure had been in existence as at those dates.

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

There are no comparative figures for the Company as this is the first set of financial statements of the Company since its incorporation on 24 October 2007.

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 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
209,361	Nil	132,746	nil

Amount repayable after one year

As at 31 December 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
167	nil	11,482	nil

Details of any collateral

The Group's banking facilities are secured by;

- i) cross corporate guarantees executed by the group companies and personal guarantees from two directors of the Company; and
- ii) certain of the Group's buildings and prepaid land lease payments

We have started negotiation with our bankers to discharge the personal guarantees provided by these directors.

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

	The Group	
	FY2007	FY2006
	HK\$'000	HK\$'000
Cash flows from operating activities		
Profit before tax	118,858	42,726
Adjustments for :		
Gain on disposal of available-for-sale financial assets	-	(745)
Loss on disposal of financial assets at fair value through profit or loss	-	9
Depreciation and amortization	42,915	41,207
Gain on disposals of property, plant and equipment	(505)	(9)
Gain on disposals of subsidiaries	(8,069)	(2,659)
Gain on acquisition of minority interests	(17,779)	-
Interest income	(758)	(468)
Finance costs	10,471	9,405
Operating profit before working capital changes	145,133	89,466
Increase in inventories	(83,889)	(5,871)
Increase in trade and bills receivables	(35,568)	(2,658)
(Increase)/decrease in prepayments, deposits and other receivables	(36,211)	17,498
Increase in trade and bills payables	24,984	2,074
Increase/(decrease) in accruals and other payables	10,406	(34,031)
Cash generated from operations	24,855	66,478
Income tax paid	(10,449)	(9,405)
Interest paid	(10,003)	(4,484)
Net cash generated from operating activities	4,403	52,589
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,522)	(41,988)
Proceeds from disposal of property, plant and equipment	1,795	203
Proceeds from disposal of financial assets at fair value through profit or loss	-	621
Proceeds from disposal of available-for-sale financial assets	-	8,545
Disposal of a subsidiary	(206)	(4,370)
Advance to an associate	-	(106)
Loan to a third party	-	(1,000)
Interest received	758	468
Net cash used in investing activities	(27,175)	(37,627)
Cash flows from financing activities		
Inception of new short-term bank loans	3,000	7,000
Repayment of short-term bank loans	(3,000)	(7,000)
Repayment of long-term borrowings	(15,250)	(15,833)
Net advance of trust receipt and import loans	80,519	10,577
Repayment to equity holders of the Company	(26,382)	(18,278)
Advance from related parties	2,209	-
Interest on finance lease payables	(22)	-
Net repayment of finance lease payables	(195)	-

Dividends paid to equity holders	(4,036)	(6,282)
Dividends paid to minorities	(880)	(1,895)
Net cash (used in) / generated from financing activities	35,963	(31,711)
Net increase / (decrease) in cash and cash equivalents	13,191	(16,749)
Cash and cash equivalents at beginning of the period	7,664	6,036
Net effect of exchange rate changes in consolidating subsidiaries	48,339	59,052
Cash and cash equivalents at end of the period	69,194	48,339

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 shareholders of the Company						
	Share capital	Statutory reserve (note 1)	Translation reserve	Retained earnings	Subtotal	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2006	1	1,677	536	170,262	172,476	42,232	214,708
Currency translation differences	-	-	7,254	-	7,254	525	7,779
Net profit for the year	-	-	-	30,908	30,908	5,918	36,826
Increase in equity holding of a subsidiary	-	-	-	-	-	(5,262)	(5,262)
Disposal of partial equity holding of a subsidiary	-	-	-	-	-	2,631	2,631
Disposal of a subsidiary	-	-	-	-	-	(10,142)	(10,142)
Transfer to statutory reserves	-	148	-	(148)	-	-	-
Dividends paid	-	-	-	(7,318)	(7,318)	-	(7,318)
Dividends paid to minorities	-	-	-	-	-	(1,891)	(1,891)
At 31 December 2006	1	1,825	7,790	193,704	203,320	34,011	237,331
Balance at 1 January 2007	1	1,825	7,790	193,704	203,320	34,011	237,331
Currency translation differences	-	-	10,415	-	10,415	330	10,745
Net profit for the year	-	-	-	99,215	99,215	5,670	104,885

Capital injection from minorities in a subsidiary	-	-	-	-	-	1	1
Disposal of partial equity holding in subsidiaries to minorities	-	-	-	-	-	717	717
Increase in equity holding of subsidiaries	-	-	-	-	-	(29,562)	(29,562)
Transfer to statutory reserves	-	232	-	(232)	-	-	-
Dividends declared	-	-	-	(39,036)	(39,036)	-	(39,036)
Dividends paid to minorities	-	-	-	-	-	(880)	(880)
At 31 December 2007	1	2,057	18,205	253,651	273,914	10,287	284,201

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 year ended 31 December 2007, the Company issued 1 ordinary share of HK\$0.01 each upon incorporation.

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.

Not applicable

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 combined financial statements for the year ended 31 December 2006.

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 periods beginning on or after 1 January 2007. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies.

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	
	FY2007	FY2006
	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	41.34	12.88
(b) On a fully diluted basis	N/A	N/A

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company of approximately HK\$99,215,000 (2006: HK\$30,908,000) by the weighted average number of ordinary shares in issue of 240,000,000 (2006: 240,000,000) during the FY2007.

No diluted earnings per share had been presented as the Group did not have any dilutive potential shares for the FY2007 and FY2006 respectively.

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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	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:	118.4	98.89	-	N/A

Net asset value per share as at 31 December 2007 was computed based on issued share capital of 240,000,000 (2006: 240,000,000) ordinary shares of HK\$0.1 each as at 31 December 2007.

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.**

Revenue

Revenue increased by HK\$228.4 million or 22.1%, from HK\$986.4 million in FY2006 to HK\$1,214.7 million in FY2007 due mainly to an increased revenue of HK\$189.7 million, HK\$13.2 million and HK\$25.5 million derived from ODM/OEM, Moulds and Toolings and Machine Sales business segments respectively. The increased revenue derived from ODM/OEM business segment was due to the significant increase in sales order from one of our major customers, as mentioned in (a) below.

- (a) Revenue from the ODM/OEM business segment increased by HK\$189.7 million or 33.2%, from HK\$572.2 million in FY2006 to HK\$761.9 million in FY2007. This increase was due to a significant increase in sales order from one of our major customers, whom we had provided technical design assistance to enable it to grow its business. Consequently, we benefited from our customer's business expansion.
- (b) Revenue from the Moulds and Tooling business segment increased by HK\$13.2 million or 5.5%, from HK\$266.1 million in FY2006 to HK\$279.2 million in FY2007 due to our continued scaleback from the toy moulds business which offset by the increase of sales from the industrial moulds business.
- (c) Revenue from the Machine Sales business segment increased by HK\$12.1 million or 7.5%, from HK\$148.1 million in FY2006 to HK\$173.6 million in FY2007 due to new orders secured by our new representative office in Shanghai.

Revenue from Asia increased by HK\$186.7 million or approximately 29.3% from HK\$637.7 million to HK\$824.4 million from FY2006 to FY2007, due mainly to the increase in revenue from the ODM/OEM business segment. Revenue from Europe increased by HK\$28.4 million or 13.7% from HK\$206.8 million in FY2006 to HK\$235.1 million in FY2007, due to the continued growth of our ODM/OEM and industrial mould business. The revenue from North America increased by HK\$13.3 million or 9.4% from HK\$141.2 million in FY2006 to HK\$155.2 million in FY2007 due to the increase in revenue from the ODM/OEM business segment which offset against by the decrease in Moulds and Tooling business segment.

Gross profit and gross profit margin

The gross profit increased by HK\$52.4 million or 33.8%, from HK\$155.2 million in FY2006 to HK\$207.6 million in FY2007 as the increase in our revenue was proportionately higher than our cost of sales. Correspondingly, the gross profit margin increased from 15.7% in FY2006 to 17.0% in FY2007.

Gross profit for ODM/OEM business segment increased by HK\$58.2 million, from HK\$65.1 million in FY2006 to HK\$123.4 million in FY2007. Gross profit margin for this business segment increased from 11.4% in FY2006 to 16.2% in FY2007. The increase in gross profit margin for our ODM/OEM business was due mainly to the higher utilisation rate arising from the increased sales and business activity in FY2007 relative to the fix cost incurred for this business segment and implementation of cost saving measures. Prices for our ODM/OEM products were also adjusted upwards to take into account the continued rise in raw material prices, in particular zinc alloy.

Gross profit for the Moulds and Tooling business segment decreased by HK\$3.5 million, from HK\$56.8 million in FY2006 to HK\$53.3 million in HY2007 while gross profit margin for

this business segment decreased from 20.9% in FY2006 to 18.6% in FY2007 due mainly to a result of the continue scale-back from the toy mould business amidst decreased profit margins for the toy mould industry. The related resources are then utilized to produce more profitable mould, such as industrial mould.

Gross profit for the Machine Sales business segment increased by HK\$0.4 million from HK\$30.5 million in FY2006 to HK\$30.9 million in FY2007. Gross profit margins for this business segment remained stable at 18.9% in FY2006 and 17.8% in FY2007.

Other income

Other income increased by HK\$8.7 million or 49.5%, from HK\$17.5 million in FY2006 to HK\$26.2 million in FY2007 due mainly to an increase of interest income of HK\$0.3 million, an increase of HK\$3.1 million in mould engineering income received, an increase of sponsor income of HK\$2.5 million from the supplier of machine sales segment in support of the exhibition and promotion expenses incurred by the Group, an increase of HK\$2.8 million of miscellaneous receipts, such as sale of raw materials to sub-contractors and increase of HK\$1.0 million in rental income which were partially offset by the decrease in gains on disposal of available-for-sale financial assets of HK\$0.7 million.

Selling and distribution costs

Selling and distribution expenses increased by HK\$4.3 million or 14.3%, from HK\$30.0 million in FY2006 to HK\$34.3 million in FY2007. This is mainly due to the increase in transportation and import and export fees of HK\$5.6 million which offset against by a decrease of sales commission paid of HK\$0.3 million and insurance of HK\$0.7 million.

Administrative expenses

Administrative expenses increased by HK\$3.3 million or 3.5%, from HK\$92.8 million in FY2006 to HK\$96.1 million in FY2007 mainly due to the increase in consultancy and legal fees of HK\$2.6 million.

Finance Costs

Finance costs increased by HK\$1.1 million or 11.3%, from HK\$9.4 million in FY2006 to HK\$10.5 million in FY2007. The increase in finance costs was mainly due to more trust receipts and import loans utilised during the year to purchase the raw materials, consumables and etc.

Gain on disposals of subsidiaries

There was a gain of HK\$8.1 million in FY2007 due to the disposal of subsidiaries according to the restructuring exercise of the Company to prepare for listing the shares of the Company on the SGX-ST.

Gain on acquisition of minority interests

There was a gain on acquisition of minority interests of HK\$17.8 million in FY2007 due to the Group acquired further equity interest of the subsidiaries from the minority interests according to the restructuring exercise of the Company to prepare for listing the shares of the Company on the SGX-ST.

Income tax expense

Income tax expense increased by HK\$8.1 million or 136.8%, from HK\$5.9 million in FY2006 to HK\$14.0 million in FY2007 is in line with the increase in profit before tax of HK\$118.9 million in FY2007 compared to HK\$42.7 million in FY2006, which is mainly due to the increase in profit for the year.

Financial position

The Group's non-current assets, comprising property, plant and equipment, prepaid land lease payments, goodwill and available-for-sale financial assets, amounted to HK\$203.5 million, HK\$13.0 million, HK\$2.4 million and HK\$3.8 million respectively. Property, plant and equipment comprised buildings, plant and machinery, toolings, furniture, fixtures and equipment and motor vehicles. Prepaid land lease payments refer to the land use rights payment made upfront for land. Goodwill refer to the excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities. Available-for-sale financial assets refer to non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories.

The Group's non-current assets decreased by HK\$8.9 million or 3.8%, from HK\$231.6 million as at 31 December 2006 to HK\$203.5 million as at 31 December 2007. This is due mainly to the decrease in property, plant and equipment of HK\$11.3 million as the depreciation expense charged for the year greater than the additions to property, plant and equipment during the year which partly offset against by the goodwill arose for the year due to the acquisition of further equity interest in the subsidiary from the minority.

The Group's current assets, comprising inventories, trade and bills receivables, prepayments, deposits and other receivables and bank and cash balances, amounted to HK\$617.8 million as at 31 December 2007. Inventories consist of raw materials, consumables and supplies, work in progress and finished goods. Prepayments, deposits and other receivables consist mainly of deposits paid in advance to suppliers of raw materials and other miscellaneous fees and expenses paid in advance.

Current assets increased by HK\$176.7 million or 40.1%, from HK\$441.1 million as at 31 December 2006 to HK\$617.8 million as at 31 December 2007 due mainly to an increase in inventories of HK\$83.8 million, an increase in trade and bills receivables of HK\$35.5 million, an increase in prepayments, deposits and other receivables of HK\$36.7 million and an increase in bank and cash balances of HK\$20.6 million. The increase in inventories was in line with the increased sales of ODM/OEM products for the year and buffered the inventories for delivery in the 1Q of FY2008. The increase in trade and bills receivables is due to our increased sales to the customers in all business segments. The increase in prepayments, deposits and other receivables was mainly due to the Group prepaid professional expenses related to the preparation of the listing of the Company's shares on the SGX-ST, deposits and advances to the suppliers of raw materials to secure the raw materials ordered and receivables from the disposed subsidiaries during the year.

The Group's non-current liabilities, comprising long term borrowings, finance lease payables and deferred tax liabilities amounted to HK\$3.2 million as at 31 December 2007. Long-term borrowings are bank loans secured by the Group mainly to finance the payment of plant and machinery. Finance lease payables refers to present value of finance lease liabilities of the motor vehicles leased by the Group. Deferred tax liabilities relate to the taxable temporary differences between the tax bases of the liabilities and their carrying amounts. The decrease of the non-current liabilities is due to repayment of the long-term borrowings.

The Group's current liabilities, comprising trade and bills payables, accruals and other payables, short-term borrowings, current portion of long-term borrowings, finance lease payables and current tax liabilities, amounted to HK\$553.1 million as at 31 December 2007. Trade and bills payable includes outstanding amounts owing to our suppliers and bills payables related to our use of bank trade financing instruments. Accruals and other payables include mould and trade deposits received, amounts due to equity holders of the Company and various expenses owing and accrued for. Short-term borrowing includes short-term bank loans, trade financing and bank overdrafts. Finance lease payables refer to the present value of the finance lease liabilities of the assets leased by the Group such as motor vehicles.

Current liabilities increased by HK\$132.2 million or 31.4%, from HK\$420.9 million as at 31 December 2006 to HK\$553.1 million as at 31 December 2007 mainly due to an increase of trade and bills payable of HK\$25.0 million, increase of accruals and other payables of HK\$23.2 million, an increase in short-term borrowings of HK\$80.3 million and an increase in current tax payable of HK\$7.4 million which were offset by a decrease of current portion of long term borrowings of HK\$3.8 million. The increase in trade and bills payables was due mainly to the purchase of raw materials, consumables and etc. for the ODM/OEM business segments and machines and tools acquired for the machine sales segments to cope with the increase of the sales of these segments. The increase in accruals and other payables was due mainly to the increase of dividend payable to the equity holders of the Company amounted to HK\$31.1 million, an increase in moulds and trade deposits received of HK\$9.1 million which offset against by the repayment of HK\$27.1 million to the equity holders of the Company. The increase in short-term borrowings was due to the Group utilised more trade finance for purchase of raw materials, consumables and etc. for the ODM/OEM business segment and moulds and toolings segments to cope with the increase of sales. The increase of current tax payable is in line with the increase of the income tax expense for the year.

Cash Flow Statement

The Group's cash position remains strong. Cash and cash equivalents held by the Group slightly increased by HK\$20.9 million from HK\$48.3 million as at 31 December 2006 to HK\$69.2 million as at 31 December 2007.

The net increase in cash inflow from operating activities and financing activities was off-set by the outflow from investing activities of purchase of property, plant and equipment.

The cash inflow from operating activities arose from the operating profit before working capital changes of HK\$145.1 million which offset against the increase of inventories, trade and bills receivables and prepayments, deposits and other receivables of HK\$83.9 million, HK\$35.6 million and HK\$36.2 million respectively due to the increase of sales for the year.

The cash outflow from financing activities arose from the net advance of trust receipt and import loans for purchase of raw materials, consumables and etc for ODM/OEM business segment and moulds and toolings segments to cope with the increase of sales which offset against the repayment of long-term borrowings according to the terms, payment of dividends and repayment the amounts due to the equity holders of the Company.

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.

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

ODM/OEM Business

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

Moulds & Tooling Business

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

Machine Sales

Along with rising demand for moulds and tooling, we see rising demand for advanced machines and precision tools used in the manufacture of moulds, die-cast products and automobile parts. Currently we represent equipment manufacturers from Japan, US, Germany, UK, Taiwan and Italy whose products are recognized for their consistency, quality and accuracy. Moving ahead, we intend to continue expand our distribution channels as well as the range of machines that we distribute and represent.

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

We see great potential and opportunity for the Group, particularly in the Moulds & Tooling Business. We intend to leverage on our core technical expertise and market information to expand the Group's businesses further. As such, we will stay focused on our proactive design and development collaboration with customers and continue our development in auto parts production.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	1 cents per ordinary share
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?

Dividend declared for the FY2006 represented interim dividend declared by a wholly-owned subsidiary, Combine Will Holdings Limited, to its then shareholders prior to the Restructuring Exercise.

(c) Date payable

To be determined.

(d) Books closure date

To be determined.

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

Not applicable

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**

	FY2007	FY2006
	HK\$'000	HK\$'000
Revenue		
ODM/OEM	761,889	572,195
Moulds and toolings	279,294	266,087
Machine trading	173,552	148,088
Total	1,214,735	986,370
Segment results		
ODM/OEM	81,085	29,640
Moulds and toolings	16,173	17,515
Machine trading	7,454	2,923

Elimination	(1,945)	(1,061)
	102,767	49,017

(b) Geographical segments

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

	FY2007	FY2006
	HK\$'000	HK\$'000
Asia	824,395	637,691
North America	155,208	141,918
Europe	235,132	206,761
	1,214,735	986,370

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.

	FY2007 HK\$'000	FY2006 HK\$'000	increase/ (decrease) %
	Group	Group	Group
(a) Sales reported for first half year	554,166	434,335	27.6%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	31,352	15,360	104.1%
(c) Sales reported for second half year	660,569	552,035	19.7%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	73,533	21,466	242.6%

Operating profit after tax before deducting minority interests reported for second half year of FY2007 included gain on disposal of subsidiaries and gain on acquisition of minority interests of HK\$8,069,000 and HK\$17,779,000 respectively.

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 (Refer to Para 16 of Appendix 7.2 for the required details)

	FY2007	FY2006
	HK\$'000	HK\$'000
Ordinary	18,696	N/A
Preference	N/A	N/A
Total:	18,696	N/A

Total Annual Dividend represented the final proposed dividend of the Company of S\$0.01 per share amounted to S\$3,280,000 (approximately HK\$18,696,000).

17. Interested Person Transactions (“IPTs”)

	Aggregate value of all interested person transaction during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	HK\$'000	HK\$'000
Yau Hing Wah	1,786	N/A
Chiu Hau Shun, Simon	1,692	N/A

18. Use of IPO Proceeds

Not applicable.

BY ORDER OF THE BOARD

Tam Jo Tak, Dominic
Executive Chairman and Chief Executive Officer
11 July 2008