



**Combine Will International Holdings Limited**  
 (Incorporated in the Cayman Islands on 8 October 2007)  
 (Co. Reg. No.: MC-196613)

**Press Release**

## **Combine Will Records Revenue of HK\$353 Million Amidst Challenging 1Q2012**

- **The Group remains optimistic on its prospects for FY2012 with planned capacity expansion, continued focus on its strong fundamentals and expected increased contribution from ODM/OEM segment**

**FINANCIAL HIGHLIGHTS**

HK\$'mil	1Q12	1Q11	Change	4Q11	Change
Revenue	352.6	453.6	(22.3%)	444.4	(20.7 %)
Gross Profit	54.9	68.0	(19.2%)	48.6	13.0%
Gross Margin (%)	15.6	15.0	60bp	10.9	470bp
Profit from Operations	19.3	29.6	(34.7%)	14.6	32.2%
Net Profit Attributable to Shareholders	10.0	15.5	(35.2%)	0.74	1,251.4%
Basic EPS (cents)	30.60	47.25	(35.2%)	2.26	1,254.0%

**Singapore, 11 May 2012** – SGX Main Board listed **Combine Will International Limited** (“Combine Will” or “the Group”) announced today results for the financial quarter ended 31 March 2012 (“1Q2012”), that reflected the challenging operating environment expected for the first half of FY2012 (“1H2012”). However, with its strong fundamentals and expected increased contribution from ODM/OEM segment, the Group expects to see gradual improvement in operating performance for the rest of FY2012.

**“Our 1Q2012 results are in-line with our expectations as the industry is entering a period of slower growth after a very strong recovery in the first half of 2011 as we have observed. Looking at the start of 2012, the operating environment for the manufacturing industry has become more challenging with rising business costs and inflation. Nonetheless, we managed to achieve higher profitability**



quarter-on-quarter as compared with 4Q2011 due to better cost control and operational efficiency,” said Mr Simon Chiu, Executive Director of the Group.

## **BUSINESS**

The Group’s sales for 1Q2012 declined 22.3% year-on-year (“yoy”) to HK\$352.6 million from HK\$453.6 million in 1Q2011 due to slowdown of customers’ orders across all business segments. Group gross profit declined by 19.2% yoy to HK\$54.9 million mainly due to an increase in business costs and further appreciation of Chinese Renminbi (“RMB”) against US Dollars (“USD”) in 1Q2012. Despite lower gross profit, group gross profit margin was higher at 15.6% compared to 15.0% in 1Q2011 due to higher productivity achieved through automation, better production planning and efficient technical design.

## **BUSINESS OUTLOOK**

“The ODM/OEM segment is expected to improve and offer a better performance for the rest of the year as we are confident of higher order allocation from our customers and will be gradually expanding our production capacity and capabilities to cope with the higher demand and larger product portfolio.

However, the industry will continue to face cost pressures. To mitigate the increasing business costs as well as to take advantage of any potential cost savings, tax incentives and government subsidies, the Group is accelerating its evaluation in the setting up of a new production facility,” said Mr Chiu.

The Group expects to see improvement in sales from the ODM/OEM segment in the course of 2012. In view of this, the Group will continue to improve the management of its trade cycle and will conserve cash for capital expenditure necessary for capacity expansion in respect of the ODM/OEM segment.

For the Moulds and Tooling segment, the Group will continue to focus on consolidating and streamlining its business, which may include phasing out less profitable business.



Sales from the Machine Sales segment are expected to be moderated due to subdued demand from its customers who are mainly manufacturers in the PRC.

Going forward, barring unforeseen circumstances, the Group remains confident of its future prospects and expects to continue to remain profitable for the year.

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**About Combine Will International Holdings Limited ([www.combinewill.com](http://www.combinewill.com))**

Combine Will International Holdings Limited is one of the leading Original Design Manufacturers (“ODM”) / Original Equipment Manufacturers (“OEM”) of corporate premiums, toys and consumer products in the PRC and Hong Kong. The Group is also one of the leading suppliers of plastic injection and die-casting moulds in Southern China, as well as a distributor of technologically-advanced machines and precision tools used for the manufacture of moulds, die-cast and automobile products.

Established in 1992 and listed on the Main Board of the Singapore Exchange Securities Trading Limited in 2008, Combine Will has since grown and expanded its capabilities to become a vertically integrated supplier of a wide variety of plastic and die-cast products. Its customers include many well-known multinational companies covering a broad spectrum of industries from automobile to international fast-food chains.

Based in Dongguan, Guangdong Province, the PRC, the Group has a total staff strength of approximately 12,000, and has five manufacturing facilities in Dongguan and Heyuan, Guangdong Province, and several sales and marketing offices in North America, Asia and Europe to serve its global clientele.

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