



**Combine Will International Holdings Limited**

(Incorporated in the Cayman Islands on 8 October 2007)

(Co. Reg. No.: MC-196613)

**Press Release**

**Combine Will posts HK\$12 million in 3Q profit**

- **Plans to launch new products and introduce new technology to drive ODM/OEM business**
- **Remains proactive in marketing efforts and after-sales services to maintain customer relationships and broaden customer base**

**FINANCIAL HIGHLIGHTS**

HK\$'mil	3Q2012	3Q2011	Change	2Q2012	Change
Revenue	428.0	412.9	3.7%	379.6	12.8 %
Gross Profit	42.8	46.4	(7.7%)	39.2	9.2%
Gross Margin (%)	10.0	11.2	(1.2%)	10.3	(0.3%)
Profit from Operations	16.9	20.7	(18.2%)	17.8	(5.1%)
Net Profit Attributable to Shareholders	11.9	10.0	18.8%	10.4	14.4%
Basic EPS (cents)	36.27	30.53	18.8%	31.65	14.6%

**Singapore, 14 November 2012** – SGX Mainboard listed **Combine Will International Limited** (“**Combine Will**” or “**the Group**”) today announced revenue of HK\$428.0 million and net profit attributable to shareholders of HK\$11.9 million for the third quarter (“**3Q2012**”) ended 30 September 2012. On a year-on-year (“**yoy**”) basis, this represents an increase of 3.7% and 18.8% respectively over the same period ended 30 September 2011, largely attributable to an improvement in sales from the ODM/OEM segment. Earnings per share (basic) for the nine-month period was 36.27 cents.

Despite achieving higher gross profit and gross margin for the ODM/OEM segment, the Group’s overall gross profit decreased 7.7% to HK\$42.8 million yoy with a lower gross margin of 10.0% due to a



combination of price pressures and reduced customer orders for both the Moulds and Tooling and Machine Sales segments.

Administration expenses decreased by 11.0% yoy to HK\$24.8 million as a result of the Group's effort in consolidating and streamlining its less profitable business units in the Moulds and Tooling segment. The Group's prudent cash flow management has also achieved positive results in lowering its finance costs.

**“Despite the challenging macroeconomic environment impacting demand for our products, our healthy financials and strong customer support and relationships have enabled us to remain competitive. Apart from introducing new technology to enhance the functional capability of our ODM/OEM products, the Group is also looking at launching new products. We are confident that our investment in R&D and improvement in our engineering capability will help us to maintain existing customer relationships and secure new orders,”** said Mr Simon Chiu, Executive Director of the Group.

## **BUSINESS OUTLOOK**

While market condition will remain challenging over the rest of 2012, the Group expects to see continuous improvement in sales from the ODM/OEM segment. The Group will continue to invest in R&D, automation and infrastructure improvement to help stabilize production costs.

Faced with rising price pressure and declining new orders, the Group expects lacklustre results for the Moulds and Tooling segment business. As such, the Group will continue to focus on consolidating and streamlining this segment to phase out less profitable business units.

The Group expects business prospects for the Machine Sales segment to remain subdued and will continue to face margin pressure. The Group will, therefore, focus on increasing marketing efforts to maintain existing relationships and broaden its customer base.

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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 including consumer hygiene products, toys and 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, with sales and marketing presence in Asia and Europe to serve its global clientele.

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