



Combine Will International Holdings Limited

(Incorporated in the Cayman Islands on 8 October 2007)

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

Press Release

Combine Will posts 23% dip in 1Q2013 revenue to HK\$270.5 million on continued weakness in macro environment

- **The Group remains focused on improving productivity and maintaining strong value-adding customer relationships**
- **Prudent on capital expenditure**

FINANCIAL HIGHLIGHTS

HK\$'mil	1Q2013	1Q2012	% Change	4Q2012	% Change
Revenue	270.5	352.6	(23.3)	366.3	(26.2)
Gross Profit	14.8	54.9	(73.1)	42.6	(65.3)
Gross Margin (%)	5.5	15.6	(10.1)	11.6	(6.2)
(Loss) / Profit From Operations	(5.5)	19.3	(128.3)	18.0	(130.4)
(Loss) / Profit Before Tax	(9.3)	14.1	(166.1)	10.9	(185.7)
(Loss) / Profit After Tax	(10.5)	11.3	(193.3)	2.8	(473.6)
Basic EPS (cents)	(21.57)	30.60	(170.5)	14.61	(247.6)

Singapore, 14 May 2013 – SGX Main Board listed **Combine Will International Limited** (“**Combine Will**” or “**Group**”), a leading Original Design Manufacturers (“**ODM**”) / Original Equipment Manufacturers (“**OEM**”) of corporate premiums, toys and consumer products in the People’s Republic of China (“**PRC**”) and Hong Kong, announced today results for the three months ended 31 March 2013 (“**1Q2013**”).

Revenue contracted 23.3% to HK\$270.5 million mainly due to the continued weakness in the general macro environment which affected customers’ orders negatively. Gross profit decreased 73.1% year-on-year (“**yoy**”) to HK\$14.8 million in 1Q2013, while gross profit margin declined from 15.6% to 5.5%. The



deferred shipment of products and the increase in operating costs contributed to the lower gross profit and margins. Compared to first quarter 2012, the Group registered a net loss of HK\$10.5 million compared to a net profit of HK\$11.3 million.

Group Executive Director, Mr Simon Chiu said, **“We are experiencing softer customer demand in general. Against this backdrop, we are cautious of our prospects for FY2013 and will be prudent in our capital expenditure. We will continue to pursue new customers and business opportunities while maintaining our capacity to be in line with the current and anticipated market demand.”**

BUSINESS OUTLOOK

The Group expects the operating environment will continue to be challenging, stemming from higher business costs and weakness in customer demand. Nonetheless, the Group remains resilient and is confident that its efforts in maintaining its strong value-adding customer relationships, improving productivity and investing in automation as well as its adoption of new technology to enhance the functional capability of its products will enable the Group to steer through this difficult period.

Going forward, the Group will continue to be prudent in its capital expenditure and cash flow management. While the Company is not in a position to provide definitive guidance in terms of the Group’s financial performance in the next 12 months, the Company would like to caution that, due to the reasons stated above (in particular, the weak macro environment resulting in lower revenue), the Group is expected to report weaker financial performance especially in the next two or three quarters (compared to the corresponding periods in the last financial year).

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About Combine Will International Holdings Limited (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 People’s Republic of China (“PRC”) and Hong Kong. We are 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, we have since grown and expanded our capabilities to become a vertically integrated supplier of a wide variety of plastic and die-cast products. With our in-house research and design team, expertise in manufacturing, moulds and tooling, and machine sales, we are able to help to meet the unique needs of our customers by offering highly customised, comprehensive business solutions including idea generation, product design, mould making and manufacturing. Our customers are from Asia, Europe and North America, including many well-known multinational companies covering a broad spectrum of industries from toys and consumer products to international fast-food chains.

Based in Dongguan, Guangdong Province, the PRC, we have a total staff strength of approximately 10,000, operating in six manufacturing facilities in Dongguan and Heyuan, Guangdong Province as well as our latest plant in Guangxi Province.

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