



**Combine Will International Holdings Limited**

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**Media Release – For immediate release**

## **Combine Will posts excellent interim result with approximately 246% increase in net profit**

- **Revenue increased 91.3% to HK\$814.8 million in 1H2010**
- **Maintained gross margin of 16.6%**
- **Remains optimistic of Group’s prospects for FY2010**

Hong Kong and Singapore, 13 August 2010 – **Combine Will International Holdings Limited** (“Combine Will” or the “Group”), one of the leading one-stop ODM/OEM providers for premiums and consumer products in PRC, reported its unaudited financial results for the six months ended 30 June 2010 (“1H2010”).

### Financial Highlights

HK\$'000	1H2010	1H2009	%		Achieved % of FY2009
			Change	FY2009	
<b>Revenue</b>	814,754	425,927	91%	1,058,172	77%
<b>Gross profit</b>	135,070	69,667	94%	165,920	81%
<b>Gross profit margin</b>	16.6%	16.4%	-	15.7%	-
<b>Profit from operations</b>	72,447	20,347	256%	71,351	102%
<b>Profit for the period</b>	53,494	12,460	329%	45,785	117%
<b>Net profit attributable to shareholders</b>	50,706	14,657-	246%-	45,199	112%-
<b>Cash generated from operations</b>	28,495	(29,890)	NM	(34,108)	NM

NM: Not meaningful

### Financial Review

With the successful introduction of new products, the Group’s overall revenue increased by 95% in 2Q2010 compared to the previous corresponding period. Combined with the steady business of provide premiums to world famous customers,

the ODM/OEM revenue increased by HK\$185 million or 127.1% y-o-y. On the other hand, its Moulds and Toolings revenue decreased by HK\$1.7 million or 2.9% while Machine Sales revenue increased by HK\$29.6 million or 164.3%.

Due to the large business increase from the ODM/OEM business, all Asia, North America and Europe markets have reported significant increase in terms of sales. This is especially for North America. The increases are HK\$78.4 million or 553.6% increase in North America, HK\$114.4 million or 69.6% increase in Asia and HK\$20.1 million or 44.2% in Europe respectively.

The increase in other income is mainly due to an increase in mould engineering income by ODM/OEM business segment. The Group's administrative expenses increased by HK\$29.4 million or 35.5% primary due to the Korean IPO professional fees paid in the period.

Finance costs increased by 101.7% to HK\$4.6 million due to higher utilization of banking facilities in response to the additional financing requirements for the increase in turnover in the ODM/OEM segment.

As a result of the above mentioned, net profit for 1H2010 was HK\$53.5 million, a 246% increase y-o-y.

### **Looking Forward**

According to Paris-based OECD in its Economic Outlook report, China's gross domestic product would exceed 11 percent this year before slowing to just under 10 percent in 2011. The organization forecast China's speedy growth to continue in early 2010 and attributed the smaller growth rate in 2011 to a phasing out of the stimulus package.

The positive sentiment surrounding China is shared by Research and Markets in their China Sourcing Report: Craft, Gifts & Novelties 2010. They pointed out that China's crafts, gifts and novelties industry is well on the road to recovery. On the back of improving US and Europe economies, many suppliers in the country project overseas revenue to increase more than 20 percent in the next 12 months

However, recent issues regarding RMB appreciation and increasing labour wage costs have raised concerns on the sustainability of this recovery. The group has been effectively responding to the challenges by production process re-engineering including investments on process automation and additional production facilities for achieving economy of scale.

**“Having built a strong revenue base in our premiums division, the Group has successfully expanded its list of customers to include world-leading brands. The customers have already placed substantial orders and have given indications that they expect to ramp up orders in 2010.**

**We have received positive feedback on our Korean IPO. We are on track and shall make announcements on the latest developments as soon as the opportunities arise”**

**Mr. Simon Chiu, Executive Director  
Combine Will International Holdings Limited**

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Combine Will International Holdings Ltd. was listed on SGX since June 2008. The Group was established in 1992 as an ODM/OEM manufacturer of plastic and die-cast products that include boutique giftware and household products. The group then vertically expanded its business operations to include the manufacture of molds and tooling as well as the sale of machines used for mold making and processing of metal parts. Combine Will operates five production plants located in Guangdong Province in PRC with a total workforce in excess of 10,000.

The company is in the process of preparing for the dual listing. In conjunction with the dual listing, the company is presently proposing to allot and issue up to 11,000,000 new consolidated shares (the "New Consolidated Shares") through an offering in Korea (the "Offering").

For more information, please visit [www.combinewill.com](http://www.combinewill.com)

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**Issued for and on behalf of Combine Will International Holdings Limited.**

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