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

Press Release

Combine Will's 2Q2012 performance affected by slow-down of customer orders

- **Remains confident of its prospects over rest of FY2012 with increased contribution from ODM/OEM segment**
- **Increase focus on upgrading production facility, streamlining operations, building core competitive strengths and improving productivity efficiency to cope with global economic conditions**

FINANCIAL HIGHLIGHTS

HK$'mil	2Q2012	2Q2011	Change	1Q2012	Change
Revenue	379.6	467.3	(18.77%)	352.6	7.7 %
Gross Profit	39.2	56.8	(30.96%)	54.9	(28.6%)
Gross Margin (%)	10.3	12.2	(1.9%)	15.6	(5.3%)
Profit from Operations	17.8	30.1	(40.9%)	19.3	(7.8%)
Net Profit Attributable to Shareholders	10.4	14.3	(27.44%)	10.0	4.0%
Basic EPS (cents)	31.65	43.62	(27.4%)	30.60	3.4%

Singapore, 10 August 2012 – SGX Mainboard listed **Combine Will International Limited** ("**Combine Will**" or "**the Group**") announced today its financial results for the second quarter ("**2Q2012**") and six months ended 30 June 2012. Revenue decreased 18.8% year-on-year ("**yoy**") to HK$379.6 million due to slower customer orders amidst Europe's debt crisis, concerns over China's growth and a lackluster economic recovery in the United States. Despite the weak economic climate, the Group has achieved higher turnover quarter-on- quarter as compared with the first quarter of 2012 ("**1Q2012**").

Gross profit decreased 30.96% to HK$39.2 million in 2Q2012 primarily due to price pressures as a result of the continued weakness in the United States and Europe economy which led to a shrinkage in demand and increased competition for customers' orders.

The increase in labour costs was reflected in higher administration expenses, which rose 3.6% yoy to HK$24.5 million. The Group recorded other income of HK$9.5 million in 2Q2012, an increase of 58.3% yoy which was due mainly to provision of value added services for the production of moulds for customers in the ODM/OEM segment.

While the Group's net profit of HK$10.4 for 2Q2012 was on par with 1Q2012 at HK$10.0 million, it was lower when compared to HK$14.3 million in the same period in 2011.

"The Group has delivered a commendable set of results for 2Q2012 despite the challenging business environment. Looking ahead, the Group will continue to consolidate and streamline our various business operations to strengthen the cost structure. In addition, the Group is on track with our plans to set up a new production facility in Guangxi Province to take advantage of potential cost savings and to position the Group to better service its customers," said Mr Simon Chiu, Executive Director of the Group.

BUSINESS OUTLOOK

While economic conditions remain challenging, the Group expects to see improvement in sales from ODM/OEM segment in the course of 2012 and in the future. The Group plans to expand the ODM and OEM operations with the setting up of a new production facility. In view of this, the Group has entered into an agreement on 23 May 2012 with the Cangwu County Government (苍梧县人民政府) to formalise the proposed acquisition of a parcel of land of approximately 100 acres situated in Cangwu Industrial Park, Cangwu County, Wuzhou, Guangxi Province.

For the Moulds and Tooling segment, the Group will continue to focus on consolidating and streamlining its business. In line with phasing out less profitable business, the Group has announced on 23 May 2012 the disposal of shares in Altrust Japan Corporation and the liquidation of Advanced Precision Tooling USA LLC.

Faced with subdued business prospects for the Machine Sales segment due to concerns over China's economic growth which is affecting demand from its customers who are mainly manufacturers in the PRC, the Group will focus on increasing marketing efforts to maintain existing relationships and secure new relationships.

Mr Simon Chiu added, **"Notwithstanding the uncertainties, the entire Combine Will team is working hard to rollout new programmes for our existing and new customers. As such, while the overall business environment remains challenging, we are confident of our future prospects and are cautiously optimistic that the Group will remain profitable for the 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 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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