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$37.1 million net profit for FY2012

- **The Group is positive on ODM/OEM growth, expects to increase market share**
- **Improved business sentiments, cautiously optimistic of the Group's performance in FY2013**

FINANCIAL HIGHLIGHTS

HK$'mil	FY12	FY11	Change	4Q12	4Q11	Change
Revenue	1,526.6	1,778.2	(14.2%)	366.3	444.4	(17.6 %)
Gross Profit	179.6	219.9	(18.3%)	42.6	48.6	(12.4%)
Gross Margin (%)	11.8	12.4	(0.6%)	11.6	10.9	0.7%
Profit from Operations	72.0	95.0	(24.2%)	18.0	14.6	23.0%
Net Profit Attributable to Shareholders	37.1	40.6	(8.5%)	4.8	0.74	546.7%
Basic EPS (cents)	113.13	123.66	(8.5%)	14.61	2.26	546.5%

Singapore, 27 February 2013 – SGX Main Board listed **Combine Will International Limited** ("**Combine Will**" or "**the Group**") today announced a 14.2% year-on-year ("**yoy**") dip in revenue to HK$1,526.6 million and a 8.5% yoy decline in net profit attributable to shareholders to HK$37.1 million for the financial year ended 31 December 2012 ("**FY2012**"). The decrease in revenue was a result of lower sales in all three business segments due largely to weak consumer spending amidst the uncertain economic conditions in Europe, the United States' sluggish recovery and a slowdown in China's economy.

Group gross profit declined by 18.3% yoy to HK$179.6 million, and this was on the back of a more competitive pricing environment as well as higher labour and material costs. In spite of this, the Group was able to achieve gross margin of 11.8%, close to 12.4% recorded in the preceding year.

The Group continues to maintain a healthy balance sheet and cash position. As at 31 December 2012, the Group's cash and cash equivalents stood at HK$54.8 million, compared to HK$106.8 million in the preceding year. The net decrease in cash and cash equivalents was attributable to a net cash of HK$16.3 million used in operating activities, due to higher utilisation of working capital to meet customers' delivery schedule, especially with an increase in year-end inventory level.

Commenting on the Group's performance, Mr Simon Chiu, Executive Director of Combine Will, said, "**FY2012 was a difficult year for the manufacturing industry, and as our business hinges on consumer confidence and spending, factors such as fiscal tightening, unemployment and prolonged economic depression had impacted our operating environment. Despite the challenging conditions, we were able to keep our customers and continue to secure new orders."**

BUSINESS OUTLOOK

Against a macroeconomic backdrop of uncertain economic conditions in Europe, the United States' sluggish recovery and a slowdown in China's economy, 2012 was a challenging year for businesses. While market outlook remains cloudy in 2013, business sentiments have improved. Based on the latest world economic update from the International Monetary Fund ("**IMF**") released on 23 January 2013[1], global growth is expected to strengthen gradually throughout 2013.

However, global recovery is still fragile with patchy improvements in the Europe area and uncertainty in the recovery of the United States' economy. In China, the economy is growing, albeit at a slower pace with increasing wages, rising inflation and a strong currency, factors which may weigh down on its competitiveness.

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[1] The above information was extracted from the World Economic Outlook Update entitled "Gradual Upturn in Global Growth During 2013" issued by IMF and published on IMF's website (http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf)

COMBINE WILL

Despite the challenges, the Group is cautiously optimistic of the ongoing performance of the ODM/OEM segment with the expected launch of new products from its existing customers as well as a consolidation in the industry, which gives the Group the opportunity to strengthen its market position and increase market share.

ODM/OEM

The Group expects its existing customers to broaden their product range as well as to continue their business relationship with major customers in FY2013. The Group is optimistic that with its effort in improving productivity and reducing reliance on labour through automation, adoption of new technology to enhance the functional capability of its products and its strong customer relationship, the Group will be able to achieve moderate growth for its ODM/OEM segment.

Moulds and Tooling

Demand for the Group's Moulds and Tooling products is expected to remain subdued in FY2013. The Group will continue to seek ways to minimise costs, including consolidating, streamlining and restructuring operations within this segment to phase out less profitable business units.

Machine Sales

Despite economic forecast of a gradual upturn in global growth during 2013, the Group expects orders for its Machine Sales segment to remain slow in the coming financial year as price and margin pressures continue to overshadow this segment. The Group will focus on increasing its marketing efforts to maintain existing relationships and broaden its customer base.

Commenting on the Group's prospects, Mr Chiu said, "**We will continue to take steps to reduce costs and enhance our competiveness. The new factory in Guangxi is being expanded to mitigate the current cost of labour. Barring any unforeseen circumstances, the Group remains confident that there are opportunities on which the Group can leverage for growth and improve its business performance in FY2013.**"

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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 major 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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