

**Combine Will International Holdings Limited**

(Incorporated in Cayman Islands)

(Co. Reg. No: MC-196613)

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND THREE MONTHS ENDED 30 JUNE 2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) A statement of Profit or Loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1(a)(i) Statement of profit or loss for the quarter ended 30 June 2016**

	The Group							
	3 months ended 30 June				6 months ended 30 June			
	2016	2015	Change	%	2016	2015	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>Revenue</b>	<b>240,860</b>	<b>566,338</b>	<b>(325,478)</b>	<b>(57.47)</b>	<b>617,076</b>	<b>1,087,021</b>	<b>(469,945)</b>	<b>(43.23)</b>
Cost of sales	(228,671)	(515,045)	286,374	(55.60)	(572,950)	(994,066)	(421,116)	(42.36)
<b>Gross Profit</b>	<b>12,189</b>	<b>51,293</b>	<b>(39,104)</b>	<b>(76.24)</b>	<b>44,126</b>	<b>92,955</b>	<b>(48,829)</b>	<b>(52.53)</b>
Other income	6,317	7,998	(1,681)	(21.02)	12,300	15,348	(3,048)	(19.86)
Selling and distribution expenses	(3,627)	(7,233)	(3,606)	(49.85)	(7,845)	(11,710)	(3,865)	(33.01)
Administrative expenses	(19,900)	(39,833)	(19,933)	(50.04)	(44,092)	(71,892)	(27,800)	(38.67)
<b>(Loss)/Profit From Operations</b>	<b>(5,021)</b>	<b>12,225</b>	<b>(17,246)</b>	<b>(141.07)</b>	<b>4,489</b>	<b>24,701</b>	<b>(20,212)</b>	<b>(81.83)</b>
Finance costs	(3,118)	(5,450)	(2,332)	(42.79)	(8,909)	(10,786)	1,877	(17.40)
<b>(Loss)/Profit Before Tax</b>	<b>(8,139)</b>	<b>6,775</b>	<b>(14,914)</b>	<b>(220.13)</b>	<b>(4,420)</b>	<b>13,915</b>	<b>(18,335)</b>	<b>(131.76)</b>
Income tax expenses	(151)	(351)	(200)	(56.98)	(707)	(542)	165	30.44
<b>(Loss)/Profit for the period</b>	<b>(8,290)</b>	<b>6,424</b>	<b>(14,714)</b>	<b>(229.05)</b>	<b>(5,127)</b>	<b>13,373</b>	<b>(18,500)</b>	<b>(138.34)</b>
<b>Attributable to:</b>								
Owners of the Company	(7,009)	5,221	(12,230)	(234.25)	(4,110)	11,957	(16,067)	(134.37)
Non-controlling interests	(1,281)	1,203	(2,484)	(206.48)	(1,017)	1,416	(2,433)	(171.82)

**1(a)(ii) Statement of Profit or Loss and other Comprehensive Income for the quarter ended 30 June 2016**

	The Group							
	3 months ended 30 June				6 months ended 30 June			
	2016	2015	Change	%	2016	2015	Change	%
	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
<b>(Loss)/Profit for the period</b>	(8,290)	6,424	(14,714)	(229.05)	(5,127)	13,373	(18,500)	(138.34)
<b>Other comprehensive income</b>								
Exchange difference on translating foreign operations	(11,215)	5,849	(17,064)	(291.74)	(20,288)	(7,216)	(13,072)	181.15
<b>Other comprehensive income for the period, net of tax</b>	(11,215)	5,849	(17,064)	(291.74)	(20,288)	(7,216)	(13,072)	181.15
<b>Total comprehensive income for the period</b>	(19,505)	12,273	(31,778)	(162.92)	(25,415)	6,157	(31,572)	(512.78)
<b>Attributable to:</b>								
Owners of the Company	(18,224)	11,070	(29,294)	(264.63)	(24,398)	4,741	(29,139)	(614.62)
Non-controlling interests	(1,281)	1,203	(2,484)	(206.48)	(1,017)	1,416	(2,433)	(171.82)

**Note:**

The Group's (Loss)/Profit before tax is arrived at after charging / (crediting):

	3 months ended 30 June		6 months ended 30 June	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	10,938	11,982	21,724	24,168
Gain on disposals of property, plant and equipment	-	-	-	(29)
Interest income	(368)	(3,796)	(1,875)	(7,359)
Interest on bank loans and overdrafts	3,151	5,450	8,942	10,786
Exchange difference, net	(1,063)	(4,847)	1,799	3,723

**1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	At 30.06.2016	At 31.12.2015	At 30.06.2016	At 31.12.2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	217,896	217,491	-	-
Investments In subsidiaries	-	-	458,251	461,263
Goodwill	2,417	2,417	-	-
	220,313	219,908	458,251	461,263
<b>Current assets</b>				
Inventories	536,754	513,217	-	-
Trade and bills receivables	227,500	357,355	-	-
Prepayments, deposits and other receivables	140,757	179,500	-	-
Current tax assets	6,478	4,560	-	-
Pledged bank deposits	-	431,321	-	-
Bank and cash balances	67,215	54,943	1,242	109
	978,704	1,540,896	1,242	109
<b>Total assets</b>	<b>1,199,017</b>	<b>1,760,804</b>	<b>459,493</b>	<b>461,372</b>
<b>Current liabilities</b>				
Trade and bills payables	112,249	205,268	-	-
Accruals and other payables	116,066	133,736	-	-
Term loans	-	448,500	-	-
Short-term borrowings	308,576	276,591	-	-
Long-term borrowings	11,645	18,397	-	-
Current tax liabilities	14,813	15,350	-	-
	563,349	1,097,842	-	-
<b>Non-current liabilities</b>				
Deferred tax liabilities	3,140	3,140	-	-
	3,140	3,140	-	-
<b>Total liabilities</b>	<b>566,489</b>	<b>1,100,982</b>	<b>-</b>	<b>-</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	242,456	246,000	242,456	246,000
Reserves	379,276	402,009	217,037	215,372
	621,732	648,009	459,493	461,372
Non-controlling interests	10,796	11,813	-	-
<b>Total equity</b>	<b>632,528</b>	<b>659,822</b>	<b>459,493</b>	<b>461,372</b>
<b>Total liabilities and equity</b>	<b>1,199,017</b>	<b>1,760,804</b>	<b>459,493</b>	<b>461,372</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30 June 2016	As at 31 December 2015
Secured	Secured
HK\$'000	HK\$'000
320,221	743,488

**Amount repayable after one year**

As at 30 June 2016	As at 31 December 2015
Secured	Secured
HK\$'000	HK\$'000
-	-

**Details of collaterals**

The Group's banking facilities are secured by cross corporate guarantees executed by group companies.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			
	3 months ended 30 June		6 months ended 30 June	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax	(8,139)	6,775	(4,420)	13,915
Adjustments for :				
Depreciation	10,938	11,982	21,724	24,168
Gain on disposal of property, plant and equipment	-	-	-	(29)
Interest income	(368)	(3,796)	(1,875)	(7,359)
Finance costs	3,151	5,450	8,942	10,786
<b>Operating profit before working capital changes</b>	<b>5,582</b>	<b>20,411</b>	<b>24,371</b>	<b>41,481</b>
(Increase)/ Decrease in inventories	(23,983)	(27,506)	(23,537)	23,992
Decrease /(Increase) in trade and bills receivables	100,866	(64,587)	129,855	(22,848)
Decrease /(Increase) in prepayments, deposits and other receivables	30,958	(7,181)	38,743	20,262
(Decrease)/Increase in trade and bills payables	(107,866)	22,874	(93,019)	(53,652)
(Decrease)/Increase in accruals and other payables	(8,457)	6,157	(17,670)	1,306
<b>Cash (used in)/generated from operations</b>	<b>(2,900)</b>	<b>(49,832)</b>	<b>58,743</b>	<b>10,541</b>
Interest paid	(3,151)	(5,450)	(8,942)	(10,786)
Income tax refund/(paid)	49	(3,531)	(3,162)	(6,896)
<b>Net cash (used in)/generated from operating activities</b>	<b>(6,002)</b>	<b>(58,813)</b>	<b>46,639</b>	<b>(7,141)</b>
<b>Cash flows from investing activities</b>				
Decrease /(Increase) in pledged bank deposits	199,237	96,905	431,321	(153,288)
Purchase of property, plant and equipment	(12,177)	(7,436)	(22,708)	(15,774)
Proceeds from disposals of property, plant and equipment	-	-	9	-
Interest received	368	3,796	1,875	7,359
<b>Net cash generated from/(used in) investing activities</b>	<b>187,428</b>	<b>93,265</b>	<b>410,497</b>	<b>(161,703)</b>
<b>Cash flows from financing activities</b>				
(Repayment)/Inception of term loans	(198,500)	(99,000)	(448,500)	151,000
Repayment of long-term borrowings	(1,678)	(8,605)	(6,752)	(19,210)
Net advance of trust receipt and import loans	66,124	12,019	31,985	39,597
Repurchase of shares	-	-	(1,879)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(134,054)</b>	<b>(95,586)</b>	<b>(425,146)</b>	<b>171,387</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>47,372</b>	<b>(61,134)</b>	<b>31,990</b>	<b>2,543</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>32,248</b>	<b>100,997</b>	<b>54,943</b>	<b>53,860</b>
Net effect of exchange rate changes in consolidating subsidiaries	(12,405)	6,365	(19,718)	(10,175)
<b>Cash and cash equivalents at end of the period</b>	<b>67,215</b>	<b>46,228</b>	<b>67,215</b>	<b>46,228</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Group	Attributable to the owners of the Company							Non-control interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Shares repurchase HK\$'000	Statutory reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Subtotal HK\$'000		
At 1 January 2016	246,000	26,488	-	2,033	31,470	342,018	648,009	11,813	659,822
Total comprehensive income for the period		-	-	-	(20,288)	(4,110)	(24,398)	(1,017)	(25,415)
Repurchase of shares and cancelled	(3,544)	(1,423)	3,088	-	-	-	(1,879)	-	(1,879)
<b>At 30 June 2016</b>	<b>242,456</b>	<b>25,065</b>	<b>3,088</b>	<b>2,033</b>	<b>11,182</b>	<b>337,908</b>	<b>621,732</b>	<b>10,796</b>	<b>632,528</b>
At 1 January 2015	246,000	26,488		2,033	64,485	324,479	663,485	12,448	675,933
Total comprehensive income for the period	-	-		-	(7,216)	11,957	4,741	1,416	6,157
<b>At 30 June 2015</b>	<b>246,000</b>	<b>26,488</b>		<b>2,033</b>	<b>57,269</b>	<b>336,436</b>	<b>668,226</b>	<b>13,864</b>	<b>682,090</b>

The Company	Share capital HK\$'000	Share premium HK\$'000	Share Repurchase HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2016	246,000	26,488	-	130,205	58,679	461,372
Total comprehensive income for the period	-	-	-	-	-	-
Repurchase of shares	(3,544)	(1,423)	3,088	-	-	(1,879)
<b>At 30 June 2016</b>	<b>242,456</b>	<b>25,065</b>	<b>3,088</b>	<b>130,205</b>	<b>58,679</b>	<b>459,493</b>
At 1 January 2015	246,000	26,488		130,205	58,679	461,372
Total comprehensive income for the period	-	-		-	-	-
<b>At 30 June 2015</b>	<b>246,000</b>	<b>26,488</b>		<b>130,205</b>	<b>58,679</b>	<b>461,372</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

**State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the three months ended 30 June 2016, the Company did not allot or issue any shares, or grant any share options under the Employee Share Option Scheme.

By the end of 30 June 2016, the Company had made on-market purchase of 472,600 ordinary shares pursuant to the share buy-back mandate that was granted by the Shareholders, which ordinary shares had been canceled.

As at 30 June 2016, there were no outstanding share options / warrants / convertible securities / treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

32,800,000 ordinary shares of HK\$7.50 each as at 31 December 2015.

32,327,400 ordinary shares of HK\$7.50 each as at 30 June 2016.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the three months ended 30 June 2016, 472,600 ordinary shares have been cancelled.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in the audited financial statements for the year ended 31 December 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all the new and revised International Financial Reporting Standards (IFRSs)

that are relevant to its operations and effective for the accounting period beginning on 1 January 2016. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>The Group</b>			
	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	2016	2015	2016	2015
	HK cents	HK cents	HK cents	HK cents
Earnings per ordinary share for the period based on the net profit for the period				
(a) Based on weighted average number of ordinary shares on issue; and	(21.56)	15.92	(12.64)	36.45
(b) On a fully diluted basis	N/A	N/A	N/A	N/A

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company of approximately HK\$7,009,000 (Q2 2015: profit attributable to owners of the company of approximately HK\$5,221,000) by the weighted average number of ordinary shares in issue of 32,501,809 (Q2 2015: 32,800,000) during the Q2 2016 period.

Basic earnings per share is calculated by dividing the loss attributable to owners of the Company of approximately HK\$4,110,000 (HY 2015: profit attributable to owners of the Company of approximately HK\$11,957,000) by the weighted average number of ordinary shares in issue of 32,501,809 (HY 2015: 32,800,000) during the HY 2016 period.

No diluted earnings per share are presented as the Group did not have any dilutive potential shares for the Q2 2016 and Q2 2015 periods.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediate preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/06/2016</b>	<b>31/12/2015</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Net asset value per ordinary share based on issued share capital at the end of the year:	19.23	19.76	14.21	14.07
Number of ordinary shares in issue	32,327,400	32,800,000	32,327,400	32,800,000



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### 8.1 Revenue

In Q2 2016, the Group's overall revenue decreased by HK\$325.4 million or 57.5%, from HK\$566.3 million in Q2 2015 to HK\$240.9 million in Q2 2016. Segmental performance by the Group's 3 business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	-285.5m	-56.6	The decrease in revenue was mainly due to softening customer demand amidst prevailing uncertainties in the global economic outlook.
Moulds and Tooling	-9.6m	-70.4	The revenue decrease within this quarter was comparatively higher because of scheduled completion and higher 3rd party orders delivered in the corresponding quarter the previous year.
Machine Sales	-30.3m	-62.7	Customer prudence with regard to capital expenditure investment resulted in lower orders for our Machine Sales Segment.

*Increase/Decrease in revenue by geographical segments for Q2/2016*

Region	(+/-) in HK\$	%	Comments
Asia	-273.9m	-58.3	The decrease reflects the reduced delivery of our ODM/OEM and Machines Sales segment in this region, in line with the general decrease in overall revenue.
North America	+1.1m	+134.9	The increase in revenue from North America was mainly attributable to the establishment of a new subsidiary by one of our regular repeat customers.
Europe	-52.6m	-54.9	The decrease in revenue was mainly due to reduction in the delivery of our ODM/OEM products to customers in Europe.

## 8.2 Gross profit and gross profit margin

In Q2 2016, the Group's gross profit decreased by 76.2% or HK\$39.1 million, generating gross profit margin of 5.1% (Q2 2015: 9.1%). The breakdown according to business segments is as follows:

Business Segment	(+/-) in HK\$	%	Comments
ODM/OEM	-29.7m	-75.0	The lower gross profit was mainly due to the decreased shipment of products.
Moulds and Tooling	-1.1m	-96.7	Same as above.
Machine Sales	-8.3m	-78.4	The reduced gross profit was due to the decrease in overall sales for the quarter.

## 8.3 Other Income

The Group's other income decreased by HK\$1.7 million or 21.0%, from HK\$8.0 million in Q2 2015 to HK\$6.3 million in Q2 2016, due to lower interest income from a decrease in fixed deposits.

## 8.4 Selling and distribution expenses

The Group's selling and distribution expenses were reduced by HK\$3.6 million or 50.0%, from HK\$7.2 million in Q2 2015 to HK\$3.6 million in Q2 2016, in line with the overall decrease in sales for the quarter compared to Q2 2015.

## 8.5 Administrative expenses

The Group's administrative expenses decreased by HK\$19.9 million or 50.0%, from HK\$39.8 million in Q2 2015 to HK\$19.9 million in Q2 2016. This is mainly because the Group incurred HK\$18.6 million in Q2 2015, a one-off restructuring expense in Moulds and Tooling business segment.

## 8.6 Finance Costs

Finance costs were lower by HK\$2.3 million or 42.8%, from HK\$5.5 million in Q2 2015 to HK\$3.1 million in Q2 2016, mainly due to the decrease in term loans.

## 8.7 Income Tax Expense

Income tax expense was reduced by HK\$0.2 million or 57.0%, from HK\$0.3 million in Q2 2015 to HK\$0.1 million in Q2 2016, mainly due to lower tax provisions in line with the decrease in profit.

## Financial position

### 8.8 Non-current assets

The Group's non-current assets increased by 0.2% or HK\$0.4 million, from HK\$219.9 million as at 31 December 2015 to HK\$220.3 million as at 30 June 2016. This was mainly due to the increase in capital expenditure on property, plant and equipment of HK\$22.7 million which were, in turn, partially offset by HK\$21.7 million depreciation expense charged for the period ended 30 Jun 2016.

### 8.9 Current assets

As at 30 June 2016, the Group's current assets decreased by HK\$562.2 million or 36.5%, from HK\$1,540.9 million as at 31 December 2015 to HK\$978.7 million, mainly due to:

- an increase in inventories of HK\$23.5 million for a long term customer with deliveries scheduled between Q4 2016 to Q1 2017;
- an increase in bank and cash balances of HK\$12.3 million; and
- an increase in current tax assets of HK\$1.9 million.

which were partially offset by :

- a decrease in pledged bank deposits of HK\$431.3 million;
- a decrease in trade and bills receivables of HK\$129.9 million in line with the lower revenue; and
- a decrease in prepayments, deposits and other receivables of HK\$38.7 million mainly due to lower sales.

### 8.10 Current liabilities

As at 30 June 2016, the Group's current liabilities decreased by HK\$534.5 million or 48.7%, from HK\$1,097.8 million as at 31 December 2015 to HK\$563.3 million mainly due to:

- a decrease in term loans of HK\$448.5 million;
- a decrease in trade and bills payables of HK\$93.0 million, mainly due reduced purchases of materials in the ODM/OEM business segment;
- a decrease in accruals and other payables of HK\$17.7 million;
- a decrease in the current portion of long-term borrowings, amounting to approximately HK\$6.8 million due to loan repayments in accordance with the payment schedule; and
- a decrease in current tax liabilities of HK\$0.5 million.

which were partially offset by :

- an increase in short-term borrowings amounting to approximately HK\$32.0 million.

### 8.11 Non-current liabilities

There are no non-current long-term borrowings, due to the repayment of long-term borrowings undertaken in accordance to the payment schedule.

## 8.12 Statement of Cash Flows

As at 30 June 2016, the Group's cash resources of HK\$67.2 million are considered adequate for current operational needs. The net increase in cash and cash equivalents of HK\$12.3 million held by the Group for the 6 months ended 30 June 2016 comprised:

- Net cash generated from operating activities of HK\$46.6 million, mainly due to improvements in working capital;
- Net cash generated from investing activities of HK\$410.5 million, mainly due to a decrease in pledged bank deposits;
- Net cash used in financing activities of HK\$425.1 million, mainly due to the repayment of term loans.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In view of the slow-down in global economies and turbulent macro-economics, our customers have been conservative and cautious with placing orders and are expected to continue to do so.

Sales failed to come in as expected and pressure on managing costs for inability to benefit from economies of scale continue unabated. As such, the Company suffered its first quarterly loss since 2Q FY2013 and expects to operate at a loss for the subsequent quarters. Accordingly, the Group is expected to report a loss for FY2016.

Meanwhile, the Company had recently acquired a plot of 5.2-hectare industrial land in Sragen, Central Java, Indonesia to build a new factory in order to diversify its production base and reduce overall cost of production. When fully completed in 4Q FY2018, it will yield additional production area of 38,000 sqm. Initial production is expected to commence in 1Q FY2017.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded for the current period reported on.

**13. If the group has obtained a general mandate from shareholders of IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained for the current period reported on.

**14. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial period ended 30 June 2016.

**15. Undertakings from Directors and Executive Officers under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1).

**16. Negative Assurance Confirmation Pursuant To Rule 705(4) of the Listing Manual**

We, Tam Jo Tak, Dominic and Chiu Hau Shun, Simon, being two Directors of Combine Will International Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 6 months financial period ended 30 June 2016 to be false or misleading.

On behalf of the Board of Directors,

**Tam Jo Tak, Dominic**  
**Executive Chairman**

**Chiu Hau Shun, Simon**  
**Executive Director**

**BY ORDER OF THE BOARD**

**Tam Jo Tak, Dominic**  
**Executive Chairman**

11 August 2016