



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

Press Release

COMBINE WILL REPORTS 3Q 2018 NET PROFIT OF HK\$90.8 MILLION ON HIGHER REVENUE AND COMPLETION OF THE VEKEN TRANSACTIONS

- **Strong orders from core customers across all regions**
- **New manufacturing facilities in Cangwu poised to commence pilot production in 4Q 2018**
- **Completion of the Veken transactions as previously announced**
- **Healthy cash position with HK\$205.2 million at 30 September 2018**

FINANCIAL HIGHLIGHTS

HK\$ 'mil	3Q2018	3Q2017	%Change	9M2018	9M2017	%Change
Revenue	424.2	332.5	27.6	1,220.9	960.2	27.2
Gross Profit	36.1	24.0	50.6	91.2	70.7	29.1
Gross Margin (%)	8.5	7.2	18.1	7.5	7.4	1.4
Profit/(loss) from Operations	95.9	6.1	1,467.5	115.8	15.2	663.7
Profit/(loss) Before Tax	91.3	2.7	3,310.8	104.3	5.7	1,742.9
Profit/(loss) After Tax	90.8	2.2	3,968.2	101.1	4.7	2,032.4
Basic EPS (cents)	281.0	3.2		310.5	8.9	

Singapore, November 8, 2018 – Singapore Exchange MainBoard-listed Combine Will International Limited (“Combine Will” or “the Group”), a leading Original Design Manufacturer (“ODM”)/Original Equipment Manufacturer (“OEM”) of corporate premium, toys and consumer products in the People’s Republic of China (“PRC”) and Indonesia delivered a sterling performance for the third quarter ended 30 September 2018 (“3Q 2018”). The Group reported a



substantially higher net profit of HK\$90.8 million (compared to HK\$2.2 million the corresponding quarter in 2017), on a 27.6% increase in revenue to HK\$424.2 million.

The jump in net profit included a HK\$139.9 million gain booked in 3Q 2018, upon the completion of the disposal of the Group's interests in Dongguan Lian Zhi Business Management Co., Ltd and Dongguan Zhong Xin Business Management Co., Ltd to Veken Technical Company Limited as previously announced.

Mr. Simon Chiu, Executive Director of Combine Will, said:

"We are delighted to be able to deliver continuing improved financial results, a clear signal that our multi-pronged strategies to enhance shareholder value is paying off. When our new plant in Indonesia and Cangwu County ramp-up production in 2019, the Group will enjoy greater cost efficiencies, giving us a stronger competitive edge in the market.."

During the quarter under review, the Group continued to enjoy strong ODM/OEM orders from core customers from all regions, jumping 37.8% to HK\$100.8 million, with highest increases from Europe and the US. Moulds and Toolings recorded a 57.3% to HK\$6.4 million due to more shipments. Machine sales, however, declined 28.3% to HK\$15.5 million, as a result of customer prudence.

Continuing productivity enhancements enabled Combine Will to record a 50.6% improvement in gross profit to HK\$36.1 million in 3Q 2018, generating gross profit margin of 8.5% compared to 7.2% in the corresponding period the previous year. The Group's core ODM/OEM segment reported the highest improvement of 100.6% in gross profit to HK\$13.2 million.

Production at the Group's new factory in Sragen, Central Java, Indonesia, which was officially inaugurated in September 2018, is ramping up on schedule and on track to operate at full capacity in 2019.



Construction of the Group's new manufacturing facilities in Cangwu County Industrial Park, Guangxi Province, PRC has been completed, and these new manufacturing plant is ready to commence pilot production before the end of the year. Cangwu is a lower-cost county, when coupled with ample labour supply and attractive municipal government incentives and subsidies, it will further improve the Group's cost efficiencies and enhance its competitive advantage.

About Combine Will International Holdings Limited (www.combinewill.com)

Combine Will International Holdings Limited ("Combine Will") is a leading Original Design Manufacturers ("ODM") and Original Equipment Manufacturers ("OEM") supplier of corporate premiums, toys and consumer products in the People's Republic of China ("PRC") and Hong Kong. The Group is also a supplier of plastic injection and die-casting moulds, 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, the Group has since grown and expanded its capabilities to become a vertically integrated supplier of a wide variety of plastic and die-cast products. With its in-house research and development ("R&D") team, expertise in manufacturing, moulds and tooling, and machine sales, the Group is well-positioned to meet the unique needs of its customers by offering highly customized, comprehensive business solutions including idea generation, product design, mould making and manufacturing. Combine Will's customers are from Asia, Europe and North/South 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, the Group has a total staff strength of approximately 10,000, operating in seven manufacturing facilities in Dongguan, Heyuan and Wuzhou as well as its latest plant in Sragen, Indonesia.



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