

**NEWS RELEASE****Combine Will Reports Improved Results for 1H FY2024, Poised for Sustained Long-Term Growth**

- **4.1% Increase in 1H FY2024 Net Profit to HK\$21.4 million**
- **Commencement of New Plush Toy Operation in Indonesia**
- **GP Margin Improves to 11.3%**
- **Strategic Initiatives Poised to Deliver Positive Growth**

FINANCIAL HIGHLIGHTS

HK\$'000	1H FY2024	1H FY2023	Change	%
Revenue	664,515	511,068	153,447	30.0
Gross Profit	74,969	55,639	19,330	34.7
Gross Profit Margin	11.3%	10.9%	0.4ppt*	n.a.
Profit from Operations	40,075	36,568	3,507	9.6
Profit After Tax	21,363	20,514	849	4.1
Basic EPS (HK cents)	66.08	63.46	2.62	4.1

*ppt denotes percentage points

Singapore, 14 August 2024 – Singapore Exchange Main Board-listed Combine Will International Holdings Limited (“Combine Will” or “the Group”), a distinguished Original Design Manufacturer (“ODM”)/Original Equipment Manufacturer (“OEM”) specializing in corporate premiums, toys, and consumer products across Hong Kong, the People’s Republic of China (“PRC”), and Indonesia, reported strong financial performance for the first half-year ended June 30, 2024 (“1H FY2024”). This is the result of the Group’s strategic foresight in diversifying and expanding its manufacturing operations in Indonesia as well as early adoption of green manufacturing.



Revenue increased substantially by 30.0%, as a result of the commencement of its new plush toy operation in January 2024. With higher gross profit margin exceeding that of traditional products, plush toys sales have resulted in Company recording improved overall gross profit margin of 11.3% in 1H FY2024, from 10.9% in 1H FY2023. Correspondingly, profit from operations increased by a noteworthy 9.6% to HK\$40.1 million. The Group's strategic foresight and steadfast commitment to operational excellence are underscored by its ability to deliver a solid bottom-line performance of HK\$21.4 million during this period. This achievement translates to an improved earnings per share of HK\$0.66.

Despite the challenging global business environment amidst a lacklustre economic outlook, coupled with high interest rates, Combine Will has proactively pursued its diversification focus in Indonesia, continuing to acquire new land to expand its manufacturing facilities. In the first half of 2024, the Group achieved significant revenue growth while maintaining a comfortable cash balance of HK\$112.1 million. In addition, the Group secured a HK\$40 million banking facility in Singapore to support future business development. The strategic pivot positions Singapore as Combine Will's regional business hub in Southeast Asia, enhancing its ability to serve customers efficiently and capitalize on potential new growth opportunities.

"As we continue to expand our customer base and diversify our product offerings, Combine Will remains steadfast in advancing our growth strategies and commitment to sustainability. Our significant investment in plush toy production capabilities in Indonesia and acquisition of land for production facilities to produce existing as well as new products, underscores our dedication to creating enduring value for our shareholders," said Mr. Simon Chiu, Chief Executive Officer.

"We continue to invest strategically in production automation and factory digitalization to stay aligned with market trends and bolster long-term business sustainability. By integrating advanced technologies into our manufacturing

processes, we aim to enhance operational efficiency, reduce costs, and improve product quality. These initiatives not only ensure that we remain competitive in an evolving industry landscape but also reinforce our commitment to sustainable growth by optimizing resource utilization and minimizing environmental impact,” he added.

Operational Highlights

Combine Will has made significant strides in enhancing its operational capabilities, most notably with the launch of plush toy production lines in Sragen, Indonesia, in the fourth quarter of 2023, with the first shipment in the first quarter of 2024. This marks its inaugural foray into plush toy operations, and the Group had already progressed on its Phase 2 construction of new production facilities which is targeted to be operational by Q1 2025. This will almost double its plush toy production capacity.

With the Group's strategic vision to bolster operations and diversify its product range, Combine Will continued to acquire leasehold land in Indonesia. It plans to introduce die-casting production at its Indonesia plant, with operations targeted to commence in the first half of 2025. Once that milestone is achieved, the Group's Indonesia manufacturing facilities will encompass the full spectrum of Combine Will's operational segments, including plastic, green plastic, paper, plush, and die-casting, thereby significantly enhancing its manufacturing capabilities and core competitiveness in the region.

With a broad range of production capabilities, Combine Will is strategically positioned to target new clients across various sectors and regions, with the aim of expanding and diversifying its customer base by leveraging on its expertise in different materials and manufacturing processes.

Combine Will is dedicated to advancing its green initiatives, with a strong focus on sustainability by innovating and adapting materials in partnership with external technological institutes and industry leaders. The Group is also investing in environmentally-friendly



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infrastructure, including the installation of solar energy power panels within its manufacturing sites.

The Group has broadened its customer base in China by partnering with one of the largest premium goods solution providers, focusing on both Chinese and international IP related products. It is also in active discussions with globally renowned brands in the toy and theme park sectors, which will further support its market expansion efforts.

In 2023 and 2024, the Group's efforts in sustainability and excellence have been recognised with several awards received including HR Asia's "Best Company to Work For" and the "DE&I Award" in Hong Kong, the "ESG Exemplary Enterprise Award" at the International Green Zero Carbon Festival in China, "Pioneering Award for ESG Disclosure Contribution" from the Hong Kong Quality Assurance Agency (HKQAA), and "ESG Business Award 2023" in Singapore.

Outlook

Combine Will is committed to achieving its carbon neutrality goals and enhancing manufacturing safety standards. In its Heyuan, China plant, the Group has started its solar energy project in June 2024, scheduled to be completed by the end of 2024. To strengthen its competitive advantage, the Group is committed to work with its customers and suppliers to ensure supply chain resilience as well as to mitigate potential production risks caused by macroeconomic and geopolitical challenges.

With a strong focus on diversification, strategic leadership, and accelerated efforts towards transformative practices, Combine Will is poised to significantly enhance both revenue streams and profit margins. The Group's unwavering commitment to delivering long-term value to shareholders and stakeholders remains a cornerstone of its strategy. Barring unforeseen circumstances, Combine Will remains optimistic about delivering a successful fiscal year in 2024, driven by prudent financial management, strategic expansion, and a relentless pursuit of operational excellence, coupled with targeted market diversification and new customer acquisition.



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About Combine Will International Holdings Limited (CWIH SP, N0Z)

Combine Will International Holdings Limited is a leading OEM and ODM supplier of corporate premiums, toys, and consumer products in the People's Republic of China, Hong Kong, and Indonesia. Combine Will aspires to be a world-class corporate in sustainable manufacturing, setting the industry standard for green products across ranges of production in plastic, paper, plush, die-casting and electronics 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, die-cast, paper and plush products. With its in-house research and development ("R&D") team, and expertise in manufacturing, 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, and manufacturing.

The Group serves a diverse range of customers from Asia, Europe and North America, including renowned multinational corporations across various industries such as consumer products, toys, and international fast-food chains. With offices in Hong Kong, Shenzhen, Dongguan, and Singapore, we have five manufacturing facilities in Dongguan, Heyuan, and Cangwu, as well as Sragen, Indonesia, and employ over 13,000 employees.

For more information, please visit www.combinewill.com, or

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