

COMBINE WILL INTERNATIONAL HOLDINGS LIMITED

聯志國際控股有限公司

(Incorporated in the Cayman Islands on 8 October 2007)

Company Registration No. MC-196613

CANGWU COUNTY INDUSTRIAL PARK COMBINE WILL PRODUCTION PROJECT

The board (the **"Board"**) of directors (the **"Directors"**) of Combine Will International Holdings Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) wishes to announce that the Company and Lian Zhi Toys Gift (Dongguan) Co., Ltd. (聯志玩具禮品(東莞)有限公司) (**"LZTG"**), a wholly-owned subsidiary within the Group, have entered into an investment agreement dated 27 October 2017 (the **"Investment Agreement"**) with the Cangwu County People's Government (the **"Cangwu Government"**) of the People's Republic of China (the **"PRC"**).

Pursuant to the Investment Agreement, the Group and the Cangwu Government will jointly invest in the construction of a production facility for the manufacture of products including toys, plastic gifts, plastic hardware products and computer accessories with an approximate gross floor area of 59,000 square metres in Cangwu County Industrial Park, Guangxi, the PRC (the **"Project"**). The Project is estimated to cost approximately RMB 200 million, and the Cangwu Government will bear the cost of the construction of the production facility while the Group will invest in renovation, installation and production equipment.

Construction is expected to be completed by September 2018 and upon the handover of the premises, LZTG shall enter into a ten-year tenancy agreement (the **"Tenancy Agreement"**) with Cangwu County Town Construction Investment Co., Ltd. (蒼梧縣城鎮建設投資有限公司), a city investment corporation under the purview of the Cangwu Government. From the first to third year of the lease, the lease shall be rent free. Thereafter, the monthly rent for the fourth to sixth year of the lease shall be RMB 6 per square metre, and the monthly rent for the seventh to tenth year of the lease shall be RMB 6.6 per square metre. Upon the expiry of the Tenancy Agreement, the Group has the option to renew the lease term on terms and conditions to be discussed between the parties.

Under the terms of the Investment Agreement, production shall commence within three months from the date of the handover and LZTG has committed to an annual output value of RMB 200 million and an annual tax contribution of RMB 12 million in the first year of operation, and an annual output value of RMB 250 million and an annual tax contribution of at least RMB 13.8 million in and from the second year of operation. LZTG is also entitled to subsidies from the Cangwu Government in relation to the social security support policy, the poverty alleviation support policy and the enterprise employment support policy.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Project, save for their shareholdings in the Company.

The Company will make further announcements in relation to the Project as and when there are material developments.

BY ORDER OF THE BOARD

Simon Chiu

Executive Director

30 October 2017