



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

## NEWS RELEASE

### COMBINE WILL DELIVERS 4-FOLD INCREASE IN GROUP NET PROFIT OF HK\$10.3 MILLION FOR 1H FY2018

- *Proactive upstream involvement in design and development leads to revenue growth*
- *New factory in Indonesia continues to increase contributions as production ramps up*
- *In-process productivity enhancements mitigate competitive price pressures*
- *Construction of new manufacturing facilities in Cangwu County, PRC on schedule; production to commence before end 2018*
- *Strong cash position of HK\$98.7 million as at 30 June 2018*

## FINANCIAL HIGHLIGHTS

HK\$ 'mil	2Q 2018	2Q 2017	%Change	6M 2018	6M 2017	%Change
Revenue	442.4	316.4	39.8	796.7	627.7	26.9
Gross Profit	33.6	25.1	33.8	55.1	46.7	18.1
Gross Margin (%)	7.6	7.9	(0.3)	6.9	7.4	(0.5)
Profit/(loss) from Operations	11.4	5.7	99.5	19.9	9.1	120.3
Profit/(loss) Before Tax	7.1	2.4	194.7	13.0	3.0	336.3
Profit/(loss) After Tax	5.6	2.2	151.5	10.3	2.5	310.4
Basic EPS (cents)	15.5	5.0	210.0	29.5	5.7	417.5



*Singapore, August 7, 2018-* Singapore Exchange Main Board-listed Combine Will International Holdings 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”), Hong Kong and Indonesia had delivered a four-fold increase in group interim net profit, from HK\$2.5 million to HK\$10.3 million. This sterling performance was achieved on the back of an 18.1% increase in group revenue, from HK\$46.7 million to HK\$55.1 million for the first half-year ended June 30, 2018 (“1H FY2018”). In the second quarter, the Group recorded a 151.5% increase in net profit from HK\$2.2 million to HK\$5.6 million, on a 33.8% increase in top line performance from HK\$25.1 million to HK\$33.6 million.

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

*“The significant improvements in Combine Will’s financial performance attest that our investments in strengthening customer relationships with early upstream involvement at design and development stage, including proactive speculative and collaborative product designs, have contributed to continuing revenue growth. Our ongoing in-process productivity enhancements have also strengthened the Group’s competitive advantage.*

*“Barring unforeseen circumstances, we believe the Group is well-placed to deliver improved performance in FY2018, with stronger sales and in-process productivity enhancements.”*

In 2Q FY2018, all business segments registered higher revenue, with the ODM/OEM business reporting the highest increase of 42.1% by HK\$110.3 million, followed by Machine Sales with 34.9% by HK\$12.5 million and Moulds and Toolings with 17.1% by HK\$3.2 million. Asia continued to be the largest market with a 49.2% improvement by HK\$128.0 million whilst North America accounted for the largest increase of 304.0% by HK\$8.9 million. Even though sales to Europe declined 20.6%, the region recorted a modest revenue of HK\$10.9 million.



Productivity enhancements and higher sales led to a significantly high 84.6% jump in profitability for the ODM/OEM business segment, but competitive price pressures in the Machine Sales as well as Moulds and Tooling segments narrowed overall gross profit margin from 7.9% in 2Q FY2017 to 7.6% in 2Q FY2018.

The Group's new plant in Sragen, Indonesia, continued to increase its contributions as it ramped up production, since its first shipment to customers in January this year. This new factory allowed the Group to reap higher cost efficiencies and better serve its key customers.

Construction of the Group's new manufacturing facilities in Cangwu County, PRC is progressing on schedule, with production on track to commence before the end of this year. When completed and operational, the Group will be well-positioned to enjoy even more productivity gains.



**About Combine Will International Holdings Limited ([www.combinewill.com](http://www.combinewill.com))**

Combine Will International Holdings Limited (“Combine Will”) is one of the leading Original Design Manufacturers (“ODM”) / Original Equipment Manufacturers (“OEM”) of corporate premiums, toys and consumer products in the People’s Republic of China (“PRC”), Hong Kong and Indonesia. We are also one of the suppliers 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, we have since grown and expanded our capabilities to become a vertically integrated supplier of a wide variety of plastic and die-cast products. With our in-house research and development (“R&D”) team, expertise in manufacturing, moulds and tooling, and machine sales, we are able to help to meet the unique needs of our customers by offering highly customised, comprehensive business solutions including idea generation, product design, mould making and manufacturing.

Our customers are from Asia, Europe and North 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 Guangdong Province and Guangxi Province in the PRC as well as our latest plant in Sragen, Indonesia.

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