



Combine Will International Holdings Limited

(Incorporated in the Cayman Islands on 8 October 2007)
(Co. Reg. No.: MC-196613)

NEWS RELEASE

COMBINE WILL DELIVERS NET PROFIT OF HK\$7.6M FOR 1H FY2020

- **Strong Order Book from Core Customers**
- **Expects FY2020 to be Profitable**

FINANCIAL HIGHLIGHTS

HK\$ 'mil	1H FY2020	1H FY2019	Change	%
Revenue	491,886	978,869	(486,983)	(49.75)
Gross Profit	29,809	75,592	(45,783)	(60.57)
Profit from Operations	19,110	37,641	(18,531)	(49.23)
Profit Before Tax	8,141	27,747	(19,606)	(70.66)
Profit After Tax	7,628	21,470	(13,842)	(64.47)
Basic EPS (cents)	23.60	76.16	(52.56)	(69.01)

Singapore, 14 August 2020– Singapore Exchange Main Board-listed Combine Will International Limited (“Combine Will” or “the Group”), a leading Original Design Manufacturer (“ODM”)/Original Equipment Manufacturer (“OEM”) of corporate premiums, toys and consumer products in the People’s Republic of China (“PRC”), Hong Kong and Indonesia delivered a modest profit of HK\$7.6 million for its half-year ended June 30, 2020 (“1H FY2020”), notwithstanding the economic challenges of the Covid-19 global pandemic. This reflected a 64.5% decline from the Group’s net profit of HK\$21.5 million in the corresponding period the previous year (1H FY2019).



The higher productivity and lower costs enjoyed by the Group resulting from its extensive strategic re-engineering programme helped to cushion the negative impact of the Covid-19 global pandemic. In addition, special subsidies extended by the authorities on social security, poverty alleviation and electric bills helped to further alleviate cost pressures. However, mobility as well as transport and logistics restrictions as a result of lock-downs caused revenue to decline 49.8%, from HK\$978.9 million in 1H FY2019 to HK\$491.9 million in 1H FY2020. Accordingly, gross profit margin fell from 7.7% to 6.1% during the period under review.

Mr Simon Chiu, Executive Director of Combine Will said: “The Group’s strategic re-engineering programme will continue to drive our future growth. Our strengthened customer relationships have already helped to fill our order book, with core customers giving us confirmed orders till end of this year and early 2021.”

Other sales, general and administrative expenses fell in line with the lower revenue, resulting in lower operational profit of HK\$19.1million for 1H FY2020, 49.2% lower than the HK\$37.6 million achieved in H1 FY2019. With marginally higher finance costs of HK\$11.0 million (compared to HK\$9.9 million in 1H FY2019), but lower income tax expenses of HK\$ 0.5 million (compared to HK\$3.6 million in 1H 2019), the Group recorded a lower net profit of HK\$7.6 million for 1H FY2020.

As at June 30, 2020, the Group had healthy cash resources of HK\$65.4 million, which it considered adequate for current operational needs.

Barring unforeseen circumstances, the Group expects to deliver another profitable year for FY2020.



About Combine Will International Holdings Limited (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.

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 engineering and manufacturing, 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 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 more than 10,000, operating in six manufacturing facilities in Guangdong Province and Guangxi Province as well as Sragen, Indonesia.

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