



Combine Will International Holdings Limited

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

NEWS RELEASE

Combine Will Reports 9.4% Decline in 1H FY2023 Net Profit to HK\$20.5 million

- **GP Margin Improves to 10.9% on Enhanced Operational Efficiency**
 - **Expanding Indonesian Operations**
 - **Expanding and Diversifying Client Base and Product Segments**

FINANCIAL HIGHLIGHTS

HK\$'000	1H FY2023	1H FY2022	Change	%
Revenue	511,068	608,581	(97,513)	(16.0)
Gross Profit	55,639	63,511	(7,872)	(12.4)
Gross Profit Margin	10.9%	10.4%	0.5ppt*	n.a.
Profit from Operations	36,568	34,195	2,373	6.9
Profit After Tax	20,514	22,639	(2,125)	(9.4)
Basic EPS (cents)	63.46	70.03	(6.57)	(9.4)

*ppt denotes percentage points

Singapore, 11 August 2023 – 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”) specialising in corporate premiums, toys, and consumer products across Hong Kong, the People’s Republic of China (“PRC”), and Indonesia, has demonstrated remarkable resilience in its financial performance for the first half-year ended 30 June 2023 (“1H FY2023”).



Despite a 16.0% decline in revenue attributed to the prevailing macroeconomic challenges of elevated inflation and interest rates, Combine Will has showcased its adeptness by improving the gross profit margin from 10.4% in 1H FY2022 to 10.9% in 1H FY2023, and achieving a noteworthy 6.9% increase in profit from operations, amounting to HK\$36.6 million. The Group's steadfast commitment to operational excellence and strategic foresight is underscored by its ability to deliver a solid bottom-line performance of HK\$20.5 million during this period. This achievement translates to an earnings per share of HK\$0.63.

In a climate marked by heightened interest rates, Combine Will has exercised prudence in its financial management. In 1H FY2023, the Group reduced its overall loan exposure, while concurrently maintaining a comfortable cash balance of HK\$124.4 million.

"While we aim to strengthen our customer base and product diversification simultaneously, Combine Will remains resolute in pursuing its expansion plans and sustainable practices. Our investment into paper production capabilities in Indonesia, alongside future plans to further diversify our production, signifies our unwavering commitment to generating sustainable value for our shareholders," said Mr. Simon Chiu, Chief Executive Officer.

Operational Highlights

Combine Will has made significant progress in strengthening its operational capacity, notably by initiating two new paper production lines in Sragen, Indonesia, during the first quarter of the fiscal year. This effort has culminated in the establishment of a total of five paper production lines spread across Sragen, Indonesia and Heyuan, China. The Group's visionary expansion strategy is further demonstrated through its acquisition of leasehold land in Indonesia, which serves as a clear indication of its strategic intent to enhance operations and diversify its activities. Moreover, the Group's dedication to innovation and forward-looking growth is underscored by the establishment of new subsidiaries in Hong Kong and PRC.



As an embodiment of this commitment, Combine Will is ready to commence plush toy production in the fourth quarter of 2023 in Indonesia, signifying its proactive approach to embracing new opportunities and expanding its product portfolio. With a diverse range of production capabilities, Combine Will is actively targeting new clients in various sectors and segments, seeking to expand and diversify its customer base by leveraging different materials and manufacturability.

Combine Will is committed to its green journey, emphasising sustainability through the application and modification of materials in collaboration with external institutions and leading entities. The Group is also investing in green facilities, such as solar energy power plants, within its site areas.

Outlook

Combine Will is committed to achieving its carbon neutrality goals and enhancing manufacturing safety standards. The Group is also dedicated to work with its customers and suppliers to ensure supply chain resilience and to mitigate potential production risks caused by macroeconomic and geopolitical challenges.

Bolstered by its initiatives to diversify, focused leadership, and expedited efforts towards transformative business practices, Combine Will is well-positioned to amplify revenue streams and bolster profit margins. The Group's resolute dedication to providing sustainable value to its shareholders and stakeholders remains steadfast. Barring unforeseen developments, Combine Will envisions a satisfactory fiscal year in 2023, characterised by prudent financial management, strategic expansion, and an unwavering commitment to operational excellence.



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

Combine Will International Holdings Limited (“Combine Will”) is a leading OEM and ODM supplier of corporate premiums, toys, and consumer products in the People’s Republic of China (“PRC”), Hong Kong, and Indonesia. Combine Will aspires to be a world-class corporation 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 empower our customers to turn their great ideas into sustainable products by providing the highest quality solutions through our unwavering commitment to research and development, engineering, manufacturing, digital technology, professional service, and quality management.

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 its headquarters located in Hong Kong, the Group boasts a workforce of around 8,000 employees and manages six facilities and offices spanning Hong Kong, Guangdong Province, Guangxi Province PRC, and Sragen, Indonesia.

For more information, please visit www.combinewill.com

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