



## **Combine Will International Holdings Limited**

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

### **Press Release**

## **COMBINE WILL TO JOINTLY INVEST RMB 200 MILLION IN A NEW PRODUCTION FACILITY IN CANGWU COUNTY, GUANGXI PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA**

30 October 2017 - Combine Will International Holdings Limited ("**Combine Will**" or the "**Company**" and together with its subsidiaries, the "**Group**"), a leading Original Design Manufacturer ("**ODM**") and Original Equipment Manufacturer ("**OEM**") supplier of corporate premiums, toys and consumer products listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), together with Lian Zhi Toys Gift (Dongguan) Co., Ltd. (联志玩具礼品(东莞)有限公司) ("**LZTG**"), a wholly-owned subsidiary within the Group, has on 27 October 2017 entered into a RMB 200 million investment agreement with the Cangwu County People's Government ("**Cangwu County**") in relation to the construction of a new 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 Province, the People's Republic of China (the "**Cangwu County Industrial Park**").

The Cangwu County will build the production facility exclusively for Combine Will while the Group will invest in the renovation, installation and production equipment.

Cangwu County has invited Combine Will to establish the new production facility in the Cangwu County Industrial Park under the municipal government's poverty alleviation and employment support policy. Under this programme, the Group will enjoy rental concessions as well as special subsidies in relation to social security, poverty alleviation and enterprise employment.

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

"This strategic alliance with Cangwu County is a catalyst to enable the Group to be more competitive in the market. Together with our new plant in Indonesia, we believe the Group is well-positioned to morph into a significant leading ODM producer of toys, premiums and consumer products for global partners."

The greater cost efficiencies in the lower-cost county, coupled with ample labour supply and attractive municipal government incentives and subsidies, will provide Combine Will with higher margins to enhance the core competitiveness of the Group's production capabilities.

In the meantime, the Group will sell its existing Dongguan production plants (the “**Dongguan Production Plants**”) to Veken Group Co., Ltd. (维科控股集团股份有限公司) (“**Veken**”) for an aggregate consideration of RMB 160 million via the proposed sale of 100% of the registered share capital of Dongguan Lian Zhi Business Management Co., Ltd. (东莞联志企业管理有限公司) (“**DGLZ**”) and 100% of the registered share capital of Dongguan Zhong Xin Business Management Co., Ltd. (东莞忠信企业管理有限公司) (collectively, the “**Proposed Sale**”). The relevant share transfer agreements in respect of the Proposed Sale have been entered into with Veken on 27 October 2017.

As the Proposed Sale constitutes a major transaction pursuant to Chapter 10 of the Listing Manual of the SGX-ST, the Proposed Sale will be subject to the approval of the shareholders of Combine Will at an extraordinary general meeting to be convened at a later date. Proceeds from the Proposed Sale will be used to reduce the overall indebtedness and enhance the liquidity of the Group, with the balance to be used as working capital.

Construction of the new production facility is expected to be completed by September 2018. In the interim period prior to the commencement of full operations at the new production facility, the Group will continue to undertake its production operations at one of the Dongguan Production Plants via a tenancy agreement entered into between DGLZ and LZTG. The Group is expected to commence production within three months from the date of the handover.

**Note:**

*This news release should be read in conjunction with the announcements posted on SGXNet on the same date.*

30 October 2017



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

Combine Will International Holdings Limited (“Combine Will”) is a leading Original Design Manufacturers (“ODM”) and Original Equipment Manufacturers (“OEM”) supplier of corporate premiums, toys and consumer products in the People’s Republic of China (“PRC”) and Hong Kong. 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 customized, comprehensive business solutions including idea generation, product design, mould making and manufacturing. Our customers are from Asia, Europe and North/South 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 Dongguan , Heyuan and Wuzhou as well as our latest plant in Sragen, Indonesia.

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