



COMBINE WILL INTERNATIONAL HOLDINGS LIMITED

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

NEWS RELEASE

COMBINE WILL REPORTS FLAT PROFIT AFTER TAX OF HK\$42.5 MILLION IN FY2023

- *Declares Final Dividend of S\$0.05 per ordinary share*
- *Gross Profit Margin improves to 11.5% on operational optimisation*
- *On target to achieve more than 40% manufacturing output of green products by end 2024*
- *In active discussions with potential new customers to diversify both product range and customer base*

Financial Highlights

HK\$'000	FY2023	FY2022	%Change	2H FY2023 6 months ended 31 Dec 2023	2H FY2022 6 months ended 31 Dec 2022	%Change
Revenue	1,113,174	1,341,352	(17.0)	602,106	732,771	(17.8)
Gross Profit	128,454	142,860	(10.1)	72,815	79,349	(8.2)
Profit Before Tax	48,846	60,746	(19.6)	26,129	35,215	(25.8)
Profit After Tax	42,531	42,757	(0.5)	22,017	20,118	9.4
Basic EPS (cents)	131.56	132.27	(0.5)	68.11	62.23	9.5

Singapore, 29 February 2024 – Singapore Exchange Mainboard-listed Combine Will International Limited (“Combine Will” or the “Group”), a distinguished Original Design Manufacturer (“ODM”)/Original Equipment Manufacturer (“OEM”), and a leading producer of corporate premiums, toys and consumer products across Hong Kong, the People’s Republic of China (“PRC”), and Indonesia, reported a flat net profit of HK\$42.5 million for the financial year ended December 31, 2023 (“FY2023”), 0.5% lower than the net profit



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of HK\$42.8 million achieved in FY2022. This bottomline performance was achieved on the back of a 17.0% decrease in revenue to HK\$1.11 billion in FY2023.

In the face of a challenging macro environment, Combine Will has continued to reap benefits from operational optimisation, with gross profit margin improving to 11.5%, up from 10.7% in the same corresponding period the previous year (“FY2022”). This is despite a decline in revenue attributed to the prevailing macroeconomic challenges, from continuing geopolitical unrest between Russia and Ukraine, exacerbated by tensions in the Middle East and attacks in the Red Sea and sustained inflationary pressures. The Group’s unwavering commitment to operational excellence, underscored by its customer-driven philosophy, has resulted in the resilient bottom-line performance of HK\$42.5 million during this period. This translates to an earnings per share of HK\$1.32.

With prudent financial management, Combine Will has effectively reduced its overall loan exposure with a healthy cash balance of HK\$126.4 million. Additionally, the Group’s green initiatives and milestones have resulted in it securing more attractive financing arrangements with financial institutions, a notable achievement in the current high interest environment.

“Combine Will has stayed resilient, delivering profitable returns with improved gross margin, underscored by operational efficiencies, notwithstanding macroeconomic volatilities. We remain committed to our green journey: emphasising sustainability through the application of green materials and prioritising carbon emission reduction have continued to yield positive results.

“We will continue to deepen relationship with existing customers whilst diversifying both our customer base and product portfolio. At the same time, we will embrace new opportunities by expanding our product range to target new clients in various sectors, leveraging on different materials and manufacturability.



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“The transition of our loan facilities, underpinned by green principles, will support Combine Will’s business growth and unlock new opportunities to scale our business ambitions. Additionally, with the integration of the DE&I approach in our Business Strategy, we will reach greater heights, delivering sustainable value to our shareholders,” said Mr. Simon Chiu, Chief Executive Officer & Executive Director of Combine Will.

Combine Will has declared a final tax-exempt dividend of 5. Singapore cents per ordinary share, subject to shareholders’ approval at the coming AGM.

Operational Highlights

During the year, Combine Will had placed deposits to acquire approximately 130,000 square metres of additional land, which will double its manufacturing capacity in Indonesia. In collaboration with an established plush manufacturer, the Group had commenced paper and plush toy production in Indonesia, in February and September respectively. These have culminated in the establishment of a total of five new paper production lines across Sragen, Indonesia and Heyuan, China. The Group had commencedment of plush toy production in Indonesia with the initial employment of approximately 1,500 workers, is also expected to contribute positively to the Group’s revenue from FY2024.

The Group's sustainable manufacturing journey is gaining momentum. With the increasing use of green raw materials, it is on target to expand its manufacturing output of green products to more than 40% by the end of 2024, attesting to its commitment to sustainable manufacturing.

In 2023, Combine Will has been conferred three awards: Grand Award for Best ESG Report (Small-Cap), Commendation Newcomer Award both awarded by Hong Kong ESG



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Reporting Award (a NGO initiative representing the most prestigious recognition for corporate sustainability by companies in Hong Kong) and the Pioneering Award for ESG Disclosure Contribution, awarded by Hong Kong Quality Assurance Agency. In addition, the Group was also honoured with the Workplace Wellness Programme Award by ESGBusiness in Singapore, in recognition of the Group's sustainable and responsible business practices.

Outlook

Combine Will remains dedicated to strengthening relations with its existing customers whilst actively pursuing new business development opportunities and exploring new avenues for partnerships to expand its green material applications. The Group is currently in active discussions with potential new customers and fairly confident that its marketing efforts will bear fruit from this year.

To cater to increasing demand, the Group will embark on expanding its plush toy manufacturing facilities in Indonesia, targeted to be completed by end 2024. To fortify supply chain resilience, the Group has identified potential material suppliers across Indonesia, Taiwan, South Korea and Vietnam and will undertake due diligence to ensure their adherence to quality standards and regulatory requirements.

The Group will also leverage on its newly-established subsidiary in Singapore, Combine Will (Singapore) Pte. Ltd., to serve as its business hub in South East Asia to enhance customerserving efficiency and tap into new opportunities for growth.

About Combine Will International Holdings Limited (www.combinewill.com)

Combine Will International Holdings Limited ("Combine Will") is a leading ODM and OEM supplier of corporate premiums, toys, and consumer products in Asia.



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Established in 1992 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited in 2008, the Group has since grown and expanded its capabilities to become a vertically integrated supplier of a wide variety of plastic, die-cast, paper and plush products. With its in-house research and development (“R&D”) team, and expertise in manufacturing, the Group is well-positioned to meet the unique needs of its customers by offering highly customized, comprehensive business solutions including idea generation, product design, and manufacturing.

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 Dongguan, Guangdong Province, China, the Group boasts a workforce of around 10,000 employees and manages six manufacturing facilities spanning Guangdong Province, Guangxi Province, and Sragen, Indonesia.

For more information, please visit www.combinewill.com

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