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

Press Release

COMBINE WILL REPORTS IMPROVED GROSS MARGIN OF 8.2%
ON HIGHER REVENUE OF HK$435.1 MILLION FOR 3Q2019

- **Supportive continuing orders from core customers**
- **Both manufacturing facilities in Sragen, Indonesia and Cangwu, PRC ramping up production**
    - **Phase 3 construction in Sragen completed on schedule in 3Q**
    - **Production in Cangwu ramps up as planned**

FINANCIAL HIGHLIGHTS

HK$ 'mil	3Q2019	3Q2018 (Restated)	%Change	9M2019	9M2018 (Restated)	%Change
Revenue	435.1	384.9	13.0	1,413.9	1,090.1	29.7
Gross Profit	35.8	29.5	21.1	111.4	69.3	60.8
Gross Margin (%)	8.2	7.7	6.5	7.9	6.4	23.4
Profit/(loss) from Operations	23.2	95.3	(75.7)	60.9	111.9	(45.6)
Profit/(loss) Before Tax	17.2	90.9	(81.1)	44.9	100.8	(55.5)
Profit/(loss) After Tax	15.7	90.7	(82.7)	37.1	101.1	(63.3)
Basic EPS (cents)	48.5	281.0		124.7	310.5	

Singapore, November 7, 2019 – 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") and Indonesia continued to deliver improving margins, the result of a concerted drive to increase productivity through a multi-pronged corporate re-engineering strategy programme to both lower costs of production and focus on higher value-accretive lines of business.

The Group reported 8.2% gross margin in the third quarter ended 30 September 2019 ("3Q FY2019"), a 6.5% increase compared to the 7.7% for the restated corresponding quarter the previous year, mainly due to sales growth and productivity enhancements. For the cumulative nine months for the current financial year-to-date, margins improved 23.4%, from 6.4% in 3Q2018 (restated) to 7.9% in 3Q2019.

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

"We are gratified that our re-engineering strategy continues to deliver value-accretive returns. With the continuing ramping-up of the production capacities at our new plants in Sragen and Cangwu, Combine Will is even better positioned to enjoy both greater cost efficiencies as well as higher output from a diversified geographic operations, giving us a stronger competitive edge which is demonstrated by repeat orders from our core customers who have given us their endorsement with continuing stable orders."

During the quarter under review, the Group continued to enjoy repeat orders from core ODM/OEM customers, with revenue increased by 13.0% (HK$50.2 million) to HK$435.1 million, from HK$384.9 million in 3Q FY2018(restated).

However, notwithstanding reductions of 35.7% in selling and distribution expenses as well as 29.4% in administration expenses, the Group's profit from operations fell 76.4% to HK$22.5 million in 3Q FY2019, as a result of a sharp 95.2% (HK$85.9 million) decrease in other income. The profit in 3Q FY2018 was higher due to once off gains recognized on disposals of property, plant and equipment.Net profit for 3Q FY2019 was HK$15.7 million, after financial costs and tax.

Production at both the Group's new factories in Sragen, Indonesia and Cangwu, PRC are ramping up on schedule. Phase 3 of the Sragen manufacturing plant had been completed in 3Q and the manufacturing facilities are on track to achieve full capacity by the end of this year. The pilot production at Cangwu is now ramping up capacity on schedule

Contributions from both these plants are expected to increase as they further improve the Group's cost efficiencies and enhance its competitive advantage. Barring unforeseen circumstances, Combine Will expects to deliver another year of satisfactory returns.

About Combine Will International Holdings Limited (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"), Hong Kong and Indonesia.

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 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, the Group is well-positioned to meet the unique needs of our customers by offering highly customized, 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.

For media enquiries, please contact:
Ms Nicole Han
Combine Will International Holdings Limited
Tel: +86 769 8337 2813 Ext 2818
Email: nicole.han@hkcw.com