

COMBINE WILL INTERNATIONAL HOLDINGS LIMITED

聯志國際控股有限公司

(Incorporated in the Cayman Islands on 8 October 2007)

(Company Registration No. MC-196613)

**PROPOSED ACQUISITION OF LAND LOCATED AT TIANRAOBU VILLAGE, HENGLI TOWN,
DONGGUAN CITY, THE PEOPLE'S REPUBLIC OF CHINA**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Combine Will International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that the Tianraobu Village Joint Stock Economic Cooperative of Hengli Town, Dongguan City, the People's Republic of China (the “**Tianraobu Village JSEC**”) and the Company's indirect wholly-owned subsidiary, Dongguan Combine Will Tengda Technology Company Limited (“**DCWTT**”), have entered into a contract for transfer of the right to use collective construction land for commercial use (the “**Land Transfer Contract**”)¹ pursuant to which DCWTT will acquire from the Tianraobu Village JSEC a parcel of land located at Tianraobu Village, Hengli Town, Dongguan City, the People's Republic of China (the “**Tianraobu Property**”) for an aggregate consideration (the “**Aggregate Consideration**”) of RMB12,420,000 (approximately S\$2,206,062) (the “**Proposed Acquisition**”). The Group intends to construct a manufacturing facility on the Tianraobu Property which will house its service centre and one of the Group's toy manufacturing facilities following the disposal of certain parcels of land located at Shenshan Industrial Area, Hengli Town, Dongguan City, the People's Republic of China as previously announced on 8 November 2024 (the “**Shenshan Property Diposal**”).
- 1.2 The relative figures determined in respect of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) exceed 5% but not 20%. Accordingly, the Proposed Acquisition will constitute a discloseable transaction under Chapter 10 of the Listing Manual.

2. THE PROPOSED ACQUISITION

2.1 The Tianraobu Village JSEC

The Tianraobu Village JSEC is a rural collective economic organization that obtained corporate capacity in accordance with Article 99 of the Civil Code of the People's Republic of China. It is managed by the members of the Tianraobu village collectively, who hold collective ownership of the immovable and movable property of the Tianraobu Village JSEC pursuant to Article 261 of the Civil Code of the People's Republic of China. The shares of the Tianraobu Village JSEC held by members serve as legal proof of their investment in the collective economic organization, as well as the ownership rights they enjoy. Profit distribution follows the principle of democratic decision-making, with the proportion of member shareholding as the primary basis, subject to resolution by the general assembly of the Tianraobu Village JSEC's members according to Article 24 of the Organic Law of the Villagers' Committees of the People's Republic

¹ The Company received a signed copy of the Land Transfer Contract on 8 July 2025 (the “**Notice Date**”), and was notified by the Tianraobu Village JSEC that the effective date of the Land Transfer Contract shall be 23 June 2025 (the “**Effective Date**”).

of China (amended in 2018). Also, it may be implemented as per other mechanisms which are made by the consensus of the members, but which shall be in line with the collective asset management system, namely the requirements stipulated in Article 43 of the Law on Rural Collective Economic Organizations of the People's Republic of China.

2.2 The Tianraobu Property

The Tianraobu Property is a parcel of land numbered as 2025WT039 with total area being 15,712.44 square metres located at Tianraobu Village, Hengli Town, Dongguan City, the People's Republic of China.

2.3 Key Terms and Conditions of the Proposed Acquisition

A summary of the key terms and conditions of the Proposed Acquisition are set out below.

2.3.1 Purpose and Term of Transfer

The term of the transfer is 50 years, and the purpose of the Tianraobu Property is "Industrial land (M1 Class I industrial land)". Tianraobu Village JSEC agrees to deliver the Tianraobu Property to DCWTT before 12 July 2025. In the event that DCWTT wishes to continue using the Tianraobu Property upon expiry of the transfer term, it must submit an extension application no later than one year prior to the expiry date.

2.3.2 Termination of Term of Transfer

Where any expropriation of collective lands involves the Tianraobu Property, the Tianraobu Village JSEC agrees to give DCWTT a fair compensation determined through negotiation.

Upon expiry of the transfer term and where there is no renewal thereof, the buildings and structures and ancillary facilities thereof added by DCWTT within the Tianraobu Property shall be owned by the Tianraobu Village JSEC upon withdrawal of the land use right without compensation to DCWTT.

2.3.3 Aggregate Consideration and Terms of Payment

The Aggregate Compensation payable by DCWTT to the Tianraobu Village JSEC is RMB12,420,000 (approximately S\$2,206,062). This sum includes the earnest money of RMB2,500,000 (approximately S\$444,054) paid. The remainder of the Aggregate Compensation, being RMB9,920,000 (approximately S\$1,762,008), shall be paid by no later than 22 July 2025.

The Aggregate Compensation was determined as follows:

- (a) the reserve price for the land acquisition was determined pursuant to negotiations and consultations between DCWTT and members of the Tianraobu Village JSEC, with input from the local government;
- (b) upon the determination of the reserve price, the final acquisition price was determined based on public auction.

2.3.4 Use of Land

The Tianraobu Property shall be used for the construction of an industrial project. DCWTT agrees that the total investment in fixed assets shall not be less than RMB270,000,000 (approximately S\$47,957,877) and that the investment intensity shall not be lower than RMB17,184 (approximately S\$3,052). The total investment in fixed assets includes the value of construction and installation works, the purchase costs of equipment, tools and appliances, as well as related expenses (including the Aggregate Compensation).

2.3.5 Commencement and Completion of Construction

DCWTT agrees that the construction project on the Tianraobu Property shall commence by 12 October 2025 and be completed by 12 July 2027.

2.3.6 Liabilities for Breach

Where DCWTT fails to pay the Aggregate Compensation in the manner stipulated under the Land Transfer Contract, it shall pay to the Tianraobu Village JSEC 0.01% of the overdue amount on a daily basis as liquidated damages as of the day following the last day of the period for payment specified therein until the actual date of payment; provided, however, that if the payment is overdue for more than 60 days and DCWTT still fails to pay the price upon demand for payment from the Tianraobu Village JSEC, the Tianraobu Village JSEC will be entitled to terminate the Land Transfer Contract in which case DCWTT will not be entitled to request refund of the earnest money and the Tianraobu Village JSEC may request for DCWTT to compensate it for the losses arising from the delayed payment and termination.

Where DCWTT fails to commence construction on the commencement date stated in the Land Transfer Contract, and if the period of delay is not longer than one year, DCWTT shall pay to Tianraobu Village JSEC liquidated damages at 1% of the transfer price on a daily basis as of the date following such commencement date until the construction is actually commenced, and Tianraobu Village JSEC shall be entitled to require DCWTT to continue to perform its obligations under the Land Transfer Contract.

Where DCWTT fails to complete construction on the agreed completion date, DCWTT shall pay to Tianraobu Village JSEC liquidated damages at 0.01% of the transfer price on a daily basis as of the date following such completion date until the construction is actually completed.

Where the total fixed asset investment, investment intensity or total development investment fails to reach the standards set out in the Land Transfer Contract, Tianraobu Village JSEC may request DCWTT to continue to perform its obligations under the Land Transfer Contract and pay liquidated damages at such ratio of the price for transfer of collective construction land for commercial use as same as the ratio of the difference between the standard value and the actual value to the standard value.

If the plot ratio, building density or any other indicator falls below or exceeds the standard range agreed upon, or where the greening rate, proportion of land for internal administrative office and living service facilities, built-up area of internal administrative

offices and living service facilities or any other indicator fails to fall within the standard range agreed upon, Tianraobu Village JSEC may also request DCWTT to continue to perform its obligations under the Land Transfer Contract and pay liquidated damages.

2.3.7 Delivery of the Land

Where the possession of the Tianraobu Property is delayed due to failure of the Tianraobu Village JSEC to deliver the land within the specified period, the Tianraobu Village JSEC agrees to pay DCWTT 0.01% of the price for transfer of the right to use collective construction land for commercial use having been paid by the Transferee on a daily basis as of the date following the deadline for delivery until the actual date of delivery, if the parcel hereunder does not become idle due to delayed delivery. Should the delay in delivery exceed a period of 60 days and the Tianraobu Village JSEC still fail to deliver the land, DCWTT will be entitled to terminate the Land Transfer Contract, and the Tianraobu Village JSEC agrees to refund the earnest money and the remaining price for transfer of the right to use collective construction land for commercial use having been paid by DCWTT and pay to DCWTT compensation of the same amount as the earnest money, and DCWTT may request the Tianraobu Village JSEC to compensate it for the losses arising from delayed delivery and termination.

2.3.8 Termination

In the event that DCWTT requests for termination of the Land Transfer Contract due to termination of the investment in and construction of the service centre/toy manufacturing facility caused by any reason attributable to itself, the Tianraobu Village JSEC shall withdraw the land use right in accordance with the following:

- (a) if the termination is requested no later than 60 days prior to the first anniversary of the commencement date of construction, Tianraobu Village JSEC shall refund (without interest) the Aggregate Consideration less the earnest moneys;
- (b) if the termination is requested no later than 60 days prior to the second anniversary but later than the first anniversary of the commencement date of construction, Tianraobu Village JSEC shall refund (without interest) the Aggregate Consideration less the earnest moneys and any other charges imposed by the applicable government department according to the relevant regulations.

3. VALUE OF THE TIANRAOBU PROPERTY

The book value and net tangible asset (“NTA”) value of the Tianraobu Property as at the Effective Date is RMB12,420,000 (approximately S\$2,206,062) and recognized as prepayment until the legal acquisition of the land use right.

4. SOURCE OF FUNDS

The Proposed Acquisition will be funded by the internal resources of the Group, in particular, the proceeds from the Shenshan Property Disposal.

5. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The rationale for and benefits of the Proposed Acquisition are as follows:

(a) Strategic Expansion

The Proposed Acquisition supports the Group's long-term strategic development by securing a new manufacturing and service center in Dongguan, a key industrial hub in southern China. While actively constructing its manufacturing facility in Indonesia, the Group retains key advantages in China such as a well-established supply chain and comprehensive manufacturing capabilities. This move will safeguard and support the future growth of the Group.

(b) Enhanced Operational Efficiency

The upgrade of the headquarters and manufacturing facility will significantly improve the Group's operational efficiency and production capacity. The new site in Dongguan provides modern infrastructure, optimized layout design, and improved access to logistics networks, which together facilitate more efficient workflow management and resource allocation. In addition, the upgraded facility will support the adoption of advanced manufacturing technologies and automation, further enhancing productivity and product quality. Meanwhile, the upgraded headquarters will provide a more integrated environment for management, R&D, and customer service functions, promoting better internal coordination and decision-making. This strategic move not only strengthens the Group's core operations in China but also complements its overseas expansion efforts by ensuring a robust domestic foundation from which to scale.

(c) Positive Impact on Future Growth

This facility is expected to enhance the Group's capacity to meet increasing domestic and international demand, while also serving as a center for innovation and product development. As the Group continues to expand its global footprint, this upgraded production base in China will play a pivotal role in maintaining operational flexibility and responsiveness to evolving market conditions. Moreover, the acquisition strengthens the Group's dual-core strategy of balancing domestic stability with overseas expansion, positioning it for sustained revenue growth and enhanced competitiveness in the global toy manufacturing industry.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The following are presented purely for illustrative purposes only and are neither indicative nor do they represent the actual future financial situation or any projection of the financial performance or position of the Group following completion of the Proposed Acquisition.

The financial effects of the Proposed Acquisition on the Company as set out below are based on the Group's latest announced financial statements for the financial year ended 31 December 2024 ("FY2024") as well as the following bases and key assumptions:

- (a) the financial effects of the Proposed Acquisition on the Group's NTA per share of the Company ("**Share**") are computed based on the assumption that the Proposed Acquisition was completed on 31 December 2024; and
- (b) the financial effects of the Proposed Acquisition on the Group's earnings per Share ("**EPS**") are computed based on the assumption that the Proposed Acquisition was completed on 1 January 2024.

6.1 Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Acquisition, the Proposed Acquisition will have no impact on the Company's issued share capital.

6.2 NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA as at 31 December 2024 (HK\$'000)	744,521	744,521
Number of Shares	32,327,400	32,327,400
NTA per Share(HK\$)	23.03	23.03

Note:-

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

6.3 EPS per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit after taxation (HK\$'000)	45,734	45,734
Weighted average number of Shares	32,327,400	32,327,400
EPS (HK cents)	141.47	141.47

6.4 Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Net borrowings / (cash) ⁽¹⁾ as at 31 December 2024 (HK\$'000)	367,498	381,104
Shareholders' equity (HK\$'000)	749,872	749,872
	Before the Proposed Acquisition	After the Proposed Acquisition
Gearing	49%	51%

Note:-

- (1) Net borrowings means total borrowings less cash and bank balances. Net cash means cash and bank balances are more than total borrowings.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced financial statements of the Group for FY2024, the relative figures determined in respect of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	Bases Under Rule 1006	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.
(b)	The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	0% ⁽²⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	6.1% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil & gas company, but not to an acquisition of such assets.	Not applicable

Notes:-

- (1) Net profits means profit or loss before income tax, minority interest and extraordinary items.
- (2) There are no net profits attributable to the Tianraobu Property as it is currently a vacant plot of land.
- (3) Based on the consideration of RMB12,420,000 (approximately S\$2,206,062) compared to the Company's market capitalisation of approximately S\$35,883,414. The market capitalisation of the Company was computed based on the weighted average price of S\$1.110 per Share on 7 July 2025 (being the market day preceding the Notice Date) and 32,327,400 Shares in issue as at 7 July 2025 (being the market day preceding the Notice Date).
- (4) Rule 1006(d) of the Listing Manual is not applicable as the Company is not issuing equity securities as consideration for the Proposed Acquisition.

Accordingly, the Proposed Acquisition will constitute a discloseable transaction under Chapter 10 of the Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling Shareholders of the Company and their respective associates (other than through their respective shareholding interests in the Company) has any interests, direct or indirect, in the Proposed Acquisition.

9. SERVICE CONTRACTS

There are no Directors who are proposed to be appointed to the Board in connection with the Proposed Acquisition. Accordingly, no service contract in relation to the Company is proposed to be entered into between the Company and any such person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Land Transfer Contract will be made available for inspection during normal business hours, on any weekday (public holidays excepted), at the office of the Company's local share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 for a period of three (3) months from the date of this announcement.

11. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chiu Hau Shun Simon
Chief Executive Officer

17 July 2025