

**[For Immediate Release]**

**WAH SUN HANDBAGS INTERNATIONAL HOLDINGS LIMITED**

**華新手袋國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2683)

**Wah Sun Handbags saw FY2018 adjusted profit grew 18.3% to HK\$69.9 million  
Continue high quality services to attract major brand customers**

(27 June 2018, Hong Kong) **Wah Sun Handbags International Holdings Limited** (“**Wah Sun**” or the “**Company**”, together with subsidiaries, the “**Group**”, SEHK stock code: 2683) announced the first set of full-year results since its listing January.

When included the non-recurring expenses of about HK\$24.3 million relating to listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong, net profit for the year ended 31 March, 2018 (the “**Year**”) was HK\$45.6 million, down from net profit of HK\$54.9 million in the previous year. If the non-recurring listing expenses were excluded, adjusted net profit for the Year was HK\$69.9 million, up 18.3% from HK\$59.1 million in the previous year.

Earnings per share for the Year were 14.2 HK cents, down from the 18.3 HK cents in 2017. The Board of Directors of the Company has resolved to recommend distribution of a final dividend of 1.0 HK cent for the Year.

Revenue for the Year amounted to HK\$697.5 million, up 3% from the previous year mainly attributable to increase in demand from customers as a result of (i) business needs for certain fast fashion brands; and (ii) benefit of preferential tariff treatment provided by various countries for products manufactured in Cambodia.

Gross profit margin for the Year widened 1.2 percentage points to 21.8% from 20.6% of the previous year, primarily due to increase in production capacity in the Cambodia factory with higher gross profit margin due to the country’s relatively lower staff costs and economies of scale compared to production in China.

As handbags exported from Cambodia enjoy preferential tariff treatment in Canada, member states of the European Union and Japan, there is high demand for production capacity in Cambodia. The Group therefore enjoyed a relatively higher gross profit margin for products manufactured in Cambodia. Further, with the increased production capacity in Cambodia, fewer orders were passed to subcontractors, this has further improved the Group’s gross profit margin.

Looking ahead, Wah Sun plans to continue to leverage its market leading position and high-quality services to attract more internationally well-known brand owners, brand licensees or their sourcing companies as customers.

Upon the completion of the different stages of expansion of its production facilities in Cambodia, Wah Sun will see its production capacity increase gradually, catering the high demand for production capacity in Cambodia which was driven by preferential import tariff treatment provided by various countries for products manufactured in Cambodia.

The Company raised a net of HK\$85.3 million from selling 108.6 million shares at HK\$1.18 each as part of its listing on the Main Board of the Stock Exchange of Hong Kong on 22 January 2018. As at 27 June 2018, HK\$19.9 million had been applied in expanding the facilities in Cambodia and Dongguan and as general working capital while HK\$65.4 million remains unutilized.

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### **About Wah Sun Handbags International Holdings Limited**

Wah Sun Handbags is one of the globally leading non-leather handbag original equipment manufacturers (OEM) and the leading non-leather handbag OEM in Cambodia in terms of sales revenue. The Group principally manufactures and sells handbags, such as top handle bag, shoulder bags, crossbody bags and tote bags. Its end customers are mainly well-known multinational fashion brand names headquartered in the U.S., Canada, Spain, Sweden and Japan.

Wah Sun listed its shares on the Main Board of The Stock Exchange of Hong Kong on 22 January 2018 under the stock code 2683.

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