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)

PROFIT WARNING

This announcement is made by Wah Sun Handbags International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on information currently available to the Board and preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2018 (the "**Reporting Period**"), it is anticipated that the Group will record the net profit attributable to the owners of the Company in the range of approximately HK$14 million to HK$16 million for the Reporting Period as compared to the net profit attributable to owners of the Company of approximately HK$22 million recorded for the corresponding period of last year (after deduction of the non-recurring listing expenses of approximately HK$16 million).

Even though the overall revenue of the Group for the Reporting Period is expected to be slightly higher than the corresponding period of last year, the expected decrease in the net profit attributable to owners of the Company for the Reporting Period was primarily due to additional provision made on trade receivables of approximately HK$5.0 million and the decrease in gross profit margin as a result of (i) the sifting out of those customers with higher profit margin but with unsatisfactory credit histories; (ii) the competitive pricing offered to secure new orders and further expand our market share; and (iii) an increase in the complexity of products sold.

As the Company is still in the process of finalising the unaudited interim results of the Group for the Reporting Period, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors or audit committee of the Company and may be different from the actual unaudited interim results of the Group for the six months ended 30 September 2018. Detailed financial information of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 September 2018 which is expected to be published before the end of November 2018.

The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of
Wah Sun Handbags International Holdings Limited
Ma Hing Man
Chairman and Executive Director

Hong Kong, 12 November 2018

As at the date of this announcement, the executive Directors are Mr. Ma Hing Man (Chairman), Mr. Ma Hing Ming (Chief Executive Officer), Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung; and the independent non-executive Directors are Mr. Lam Kwok Cheong, Mr. Wong Wai Keung Frederick and Mr. Yeung Chi Wai.