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**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)**

**CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF THE PROPERTY**

**THE ACQUISITION OF THE PROPERTY**

The Board is pleased to announce that on 27 January 2022, the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Sellers have entered into the Acquisition Agreement, pursuant to which the Purchaser has agreed to acquire and the Sellers have agreed to sell the Property, which is an industrial building located at Workshop 8, 6th Floor, Wah Yiu Industrial Centre, Nos. 30–32 Au Pui Wan Street, Sha Tin, New Territories, Hong Kong. The Consideration is agreed at HK\$9,200,000 and will be settled in cash in two instalments, which is expected to be funded by internal resources of the Group. The Consideration is in line with the estimated market value of the Property as appraised by an independent property valuer.

The Group entered into the Tenancy Agreement for the lease of the Property and such lease will expire on 31 March 2022. The Board believes that the Acquisition would secure the continual use of the Property by the Group, while at the same time improve the operating cash flow of the Group in the long run by eliminating rental expenses for the continued leasing of the Property. By acquiring the Property, the Group may also enjoy potential capital appreciation in the future and mitigate the Group's exposure to future expenditure increment.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the transaction contemplated under the Acquisition Agreement is greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the transaction contemplated under the Acquisition Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Property is jointly owned by Ms. Ma Lan Chu and Ms. Yung Ngan Sim. As (i) Ms. Ma Lan Chu is an executive Director and accordingly a connected person of the Company; and (ii) Ms. Yung Ngan Sim is the spouse of Mr. Ma Yum Chee who is an executive Director and accordingly a connected person of the Company, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios in respect of the Acquisition are less than 25% and the total consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## (A) INTRODUCTION

The Board is pleased to announce that on 27 January 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Sellers have entered into the Acquisition Agreement, pursuant to which the Purchaser has agreed to acquire and the Sellers have agreed to sell the Property at the Consideration of HK\$9,200,000 in cash.

## (B) THE ACQUISITION

### **The Acquisition Agreement**

Date: 27 January 2022

Parties: (i) the Purchaser; and  
(ii) the Sellers.

### ***Asset to be acquired***

Pursuant to the Acquisition Agreement, the Purchaser has agreed to acquire and the Sellers have agreed to sell the Property.

The Property is an industrial building located at Workshop 8, 6th Floor, Wah Yiu Industrial Centre, Nos. 30–32 Au Pui Wan Street, Sha Tin, New Territories, Hong Kong with a gross floor area of approximately 250 sq. m. and is currently leased to the Group pursuant to the tenancy agreement dated 31 March 2021 entered into between the Sellers as the landlord and the Group as the tenant for a term commencing from 1 April 2021 until 31 March 2022 (“**Tenancy Agreement**”). After the Acquisition, the Property will continue to be used as the Group's principal place of business in Hong Kong.

Based on the information provided by the Sellers, the original acquisition cost of the Property was approximately HK\$1,700,000.

### ***The Consideration***

The Consideration has been determined after arm's length negotiations between the Sellers and the Purchaser on normal commercial terms with reference to (i) the appraised value of the Property as at 3 January 2022 of HK\$9,300,000 contained in the valuation report issued by an independent property valuer in Hong Kong; and (ii) the prevailing market prices of properties of similar nature available in the same district.

The Consideration of HK\$9,200,000 will be settled in cash in two instalments: (i) HK\$920,000 upon the signing of the Acquisition Agreement; and (ii) the remaining balance of HK\$8,280,000 upon Completion. The Consideration is expected to be funded by internal resources of the Group.

All stamp duties shall be borne by the Purchaser. It is estimated that the cost of the Property together with stamp duties will be approximately HK\$9,545,000.

### ***Condition precedent***

Completion is conditional upon and subject to the Sellers giving and proving good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong).

### ***Completion***

Completion shall take place on or before 31 March 2022 subject to the fulfillment of the condition mentioned above or such other date as the Sellers and Purchaser may agree in writing. The Sellers shall deliver the Property to the Purchaser upon Completion subject to the existing tenancy.

## **(C) INFORMATION ON THE GROUP AND THE PURCHASER**

The Group principally manufactures and trades handbag products. The Purchaser is an indirectly wholly-owned subsidiary of the Company and its principal business activity is investment holding.

## **(D) INFORMATION ON THE SELLERS**

The Sellers are Ms. Ma Lan Chu and Ms. Yung Ngan Sim. Ms. Ma Lan Chu is an executive Director and Ms. Yung Ngan Sim is the spouse of Mr. Ma Yum Chee who is an executive Director.

## **(E) REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has entered into the Tenancy Agreement for the lease of the Property and the lease will expire on 31 March 2022. The Board believes that the Acquisition would secure the continual use of the Property by the Group, while at the same time improve the operating cash flow of the Group in the long run by eliminating rental expenses for the continued leasing of the Property. By acquiring the Property, the Group may also enjoy potential capital appreciation in the future and mitigate the Group's exposure to future expenditure increment.

The Board (excluding the Abstained Directors but including the independent non-executive Directors) is of the view that although the Acquisition is not in the ordinary and usual course of business of the Group, the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms of the Acquisition Agreement are fair and reasonable and on normal commercial terms.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Acquisition Agreement and the transaction contemplated thereunder. Other than Mr. Ma Hing Ming and Ms. Ma Lan Chu who were present, the remaining Abstained Directors were absent from the relevant Board meeting of the Company while the relevant resolution was being discussed and Mr. Ma Hing Ming and Ms. Ma Lan Chu abstained from voting on the Board resolution in relation to the Acquisition Agreement and the transaction contemplated thereunder.

## **(F) LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the transaction contemplated under the Acquisition Agreement is greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the transaction contemplated under the Acquisition Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Property is jointly owned by Ms. Ma Lan Chu and Ms. Yung Ngan Sim. As (i) Ms. Ma Lan Chu is an executive Director and accordingly a connected person of the Company; and (ii) Ms. Yung Ngan Sim is the spouse of Mr. Ma Yum Chee who is an executive Director and accordingly a connected person of the Company, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios in respect of the Acquisition are less than 25% and the total consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Ma Hing Ming and Ms. Ma Lan Chu, who have entered into the acting in concert deed dated 24 June 2017 and are the ultimate group of controlling shareholders of the Group, are considered to have a material interest in the Acquisition and therefore have abstained from voting on the resolutions in relation to the proposed Acquisition Agreement at the relevant Board meeting. Save as disclosed above, none of the Directors who attended the relevant Board meeting has a material interest nor is required to abstain from voting in respect of the relevant Board resolutions.

## **(G) DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Abstained Directors”	Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung, who have entered into the acting in concert deed dated 24 June 2017 and are the ultimate group of controlling shareholders of the Group, who are regarded as having a material interest in the transaction contemplated under the Acquisition Agreement in view of their interests in the Acquisition, were required to abstain from voting on the relevant Board resolution on such transaction
“Acquisition”	the acquisition of the Property pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement entered into on 27 January 2022 between the Purchaser and the Sellers in respect of the sale and purchase of the Property
“Board”	the board of the Directors
“Company”	Wah Sun Handbags International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$9,200,000 for the Acquisition
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	an industrial building located at Workshop 8, 6th Floor, Wah Yiu Industrial Centre, Nos. 30–32 Au Pui Wan Street, Sha Tin, New Territories, Hong Kong
“Purchaser”	Union Gold Holdings Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
“Sellers”	Ms. Ma Lan Chu, an executive Director, and Ms. Yung Ngan Sim, the spouse of Mr. Ma Yum Chee who is an executive Director
“Shareholder(s)”	holder(s) of the ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. m.”	square meters
“%”	per cent.

By Order of the Board  
**Wah Sun Handbags International Holdings Limited**  
**Ma Hing Man**  
*Chairman and Executive Director*

Hong Kong, 27 January 2022

*As at the date of this announcement, the Board comprises (i) 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 as the executive Directors; and (ii) Mr. Lam Kwok Cheong, Mr. Wong Wai Keung Frederick and Mr. Yeung Chi Wai as the independent non-executive Directors.*