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WAH SUN HANDBAGS INTERNATIONAL HOLDINGS LIMITED

華新手提袋國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2683)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025, DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

The board (“**Board**”) of directors (the “**Directors**”) of Wah Sun Handbags International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2025 (“**1H2025**”) together with the comparative figures for the six months ended 30 September 2024 (“**1H2024**”).

HIGHLIGHTS

- Revenue for 1H2025 increased by approximately 22.5% to approximately HK\$431.7 million (1H2024: approximately HK\$352.3 million).
- Gross profit for 1H2025 increased by approximately 37.6% to approximately HK\$103.4 million (1H2024: approximately HK\$75.1 million).
- Gross profit margin for 1H2025 increased by approximately 2.6% to approximately 23.9% (1H2024: approximately 21.3%).
- Provision for impairment of trade receivables for 1H2025 of approximately HK\$3.6 million (1H2024: approximately HK\$5.7 million) was made.
- Net profit for 1H2025 attributable to owners of the Company increased by approximately HK\$21.3 million to approximately HK\$48.3 million (1H2024: approximately HK\$27.0 million).
- Earnings per share attributable to owners of the Company for 1H2025 increased by approximately HK5.2 cents to approximately HK11.8 cents (1H2024: approximately HK6.6 cents).
- The Board resolved to distribute an interim dividend of HK4.0 cents per ordinary share of the Company (each a “**Share**” and collectively, the “**Shares**”) (1H2024: HK3.0 cents per Share) and a special dividend of HK2.0 cents per Share for 1H2025 (1H2024: HK1.0 cent per Share).

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	5 & 6	431,724	352,286
Cost of sales		(328,334)	(277,169)
Gross profit		103,390	75,117
Other income	6	1,880	2,031
Other gains, net	6	1,851	1,931
Selling and distribution expenses		(14,491)	(14,085)
Administrative expenses		(29,156)	(25,977)
Provision for impairment of trade receivables		(3,613)	(5,716)
Operating profit		59,861	33,301
Finance income		2,418	1,987
Finance costs		(1,868)	(1,585)
Finance income, net	7	550	402
Profit before income tax	8	60,411	33,703
Income tax expenses	9	(9,452)	(5,192)
Profit for the period		50,959	28,511
Profit attributable to:			
Owners of the Company		48,262	26,980
Non-controlling interests		2,697	1,531
		50,959	28,511
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted earnings per share for profit attributable to owners of the Company	11	11.8	6.6

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	50,959	28,511
Other comprehensive (expense)/income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
– Currency translation differences	(76)	67
Total comprehensive income for the period	50,883	28,578
Attributable to:		
Owners of the Company	48,186	27,047
Non-controlling interests	2,697	1,531
	50,883	28,578

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Right-of-use assets	12	20,593	17,349
Property, plant and equipment	13	39,678	41,820
Investment property	14	515	1,607
Financial asset at fair value through profit or loss	15	1,476	1,455
Deferred income tax assets		2,016	1,957
		<u>64,278</u>	<u>64,188</u>
Current assets			
Inventories	16	50,937	61,686
Trade receivables	17	130,133	64,078
Prepayments, deposits and other receivables	17	20,364	16,149
Pledged bank deposits	18	26,202	25,917
Cash and cash equivalents	18	190,990	188,849
		<u>418,626</u>	<u>356,679</u>
Total assets		<u>482,904</u>	<u>420,867</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	4,086	4,086
Reserves		314,517	290,849
		<u>318,603</u>	<u>294,935</u>
Non-controlling interests		1,288	(1,409)
Total equity		<u>319,891</u>	<u>293,526</u>

		As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	<u>17,139</u>	<u>15,369</u>
		<u>17,139</u>	<u>15,369</u>
Current liabilities			
Trade and bills payables	20	72,362	74,960
Accruals and other payables	20	31,100	28,839
Current income tax liabilities		13,053	4,829
Lease liabilities	12	4,841	3,344
Dividend payable	10	<u>24,518</u>	<u>–</u>
		<u>145,874</u>	<u>111,972</u>
Total liabilities		<u>163,013</u>	<u>127,341</u>
Total equity and liabilities		<u>482,904</u>	<u>420,867</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Non-		Total equity HK\$'000
	Share capital HK\$'000 (Note 19)	Share premium HK\$'000 (Note 19)	Exchange reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	controlling interests HK\$'000	
As at 31 March 2024 (Audited)	4,086	109,611	2,535	21,656	121,441	259,329	(3,942)	255,387
Comprehensive income								
Profit for the period	–	–	–	–	26,980	26,980	1,531	28,511
Other comprehensive income								
Currency translation difference	–	–	67	–	–	67	–	67
Total comprehensive income	–	–	67	–	26,980	27,047	1,531	28,578
2023/24 final and special dividend	–	–	–	–	(12,259)	(12,259)	–	(12,259)
As at 30 September 2024 (Unaudited)	4,086	109,611	2,602	21,656	136,162	274,117	(2,411)	271,706
As at 31 March 2025 (Audited)	4,086	109,611	2,471	21,656	157,111	294,935	(1,409)	293,526
Comprehensive income								
Profit for the period	–	–	–	–	48,262	48,262	2,697	50,959
Other comprehensive expense								
Currency translation difference	–	–	(76)	–	–	(76)	–	(76)
Total comprehensive (expense)/income	–	–	(76)	–	48,262	48,186	2,697	50,883
2024/25 final dividend	–	–	–	–	(16,345)	(16,345)	–	(16,345)
2024/25 final special dividend	–	–	–	–	(8,173)	(8,173)	–	(8,173)
	–	–	–	–	(24,518)	(24,518)	–	(24,518)
As at 30 September 2025 (Unaudited)	4,086	109,611	2,395	21,656	180,855	318,603	1,288	319,891

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operations	4,997	21,359
Income tax paid	(1,274)	(486)
	<u>3,723</u>	<u>20,873</u>
Net cash inflow from operating activities	<u>3,723</u>	<u>20,873</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(261)	(5,989)
Increase in pledged bank deposits	(285)	(505)
Interest received	2,418	1,987
	<u>1,872</u>	<u>(4,507)</u>
Net cash inflow/(outflow) from investing activities	<u>1,872</u>	<u>(4,507)</u>
Cash flows from financing activities		
Payment of lease liabilities	(2,833)	(2,553)
Interest paid	(1,339)	(1,038)
	<u>(4,172)</u>	<u>(3,591)</u>
Net cash outflow from financing activities	<u>(4,172)</u>	<u>(3,591)</u>
Net increase in cash and cash equivalents	1,423	12,775
Cash and cash equivalents at beginning of the period	188,849	141,081
Currency translation difference	718	668
Cash and cash equivalents at end of the period	<u><u>190,990</u></u>	<u><u>154,524</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 May 2017 as an exempted limited liability company under the Companies Act (Cap. 22 Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room 9, 6/F., Wah Yiu Industrial Centre, 30–32 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong.

The Company is an investment holding company and its major subsidiaries are principally engaged in manufacturing and trading of handbag products. The ultimate holding company of the Company is Wah Sun International Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling parties of the Group are all family members within the Ma Family namely 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 an Acting in Concert Deed.

The Shares are listed on the Main Board of the Stock Exchange.

This financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$'000), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

It should be read in conjunction with the annual financial statements for the year ended 31 March 2025, prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies applied to this condensed consolidated interim financial information are consistent with those applied in preparation of the annual consolidated financial statements for the year ended 31 March 2025, as described in those annual consolidated financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments to standards and interpretation as set out below:

(a) Amendment to existing standard adopted by the Group that are effective for the first time for the financial year beginning on 1 April 2025

The Group has applied the amendment to HKAS 21 Lack of Exchangeability for the annual reporting period commencing on 1 April 2025. The amendment did not have any significant impact to the results and financial position of the Group.

(b) New standards, amendments to existing standards and interpretations that have been issued but not yet effective

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial period beginning on 1 April 2025 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 April 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to HK Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements Classification – by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The above new and amended standards and interpretations have not been early adopted by management in the preparation of the interim financial information. Management is in the process of assessing the impact of adoption of the above new and amended standards and interpretations.

3. ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2025.

There have been no changes in the risk management policies since year end.

4.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 September 2025, by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The carrying values of financial assets and financial liabilities are a reasonable approximation of their fair values. The fair value estimation of the financial assets at fair value through profit or loss is set out in Note 15.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Directors. The Directors consider the business from a product perspective which is the manufacturing and trading of handbag products. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information is regularly reviewed by the Directors for the purposes of allocating resources and assessing performance of the operating segment in the condensed consolidated interim financial information of the Group, no separate segmental analysis is presented in the condensed consolidated interim financial information.

The amounts provided to the Directors with respect to total assets and total liabilities are measured in a manner consistent with that in the condensed consolidated statement of financial position.

Geographical information

The Company is domiciled in Hong Kong.

The analysis of revenue by geographical area is as follows:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
The United States of America (the “US”)	286,557	274,151
Canada	48,638	28,497
Netherlands	42,651	12,317
The People’s Republic of China (“China” or the “PRC”)	18,918	9,692
Other countries	34,960	27,629
	<u>431,724</u>	<u>352,286</u>

For the purpose of classification, the geographical source of revenue is determined based on the destination of the goods delivered to customers. Revenues from the individual countries included in other countries are not material.

The non-current assets information below is based on the location of assets and excludes financial asset at fair value through profit or loss and deferred income tax assets.

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
The Kingdom of Cambodia (“Cambodia”)	36,503	38,662
China	8,919	6,752
Hong Kong	15,364	15,362
	<u>60,786</u>	<u>60,776</u>

6. REVENUE, OTHER INCOME AND OTHER GAINS, NET

An analysis of revenue, which is recognised at a point in time, is as follows:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue:		
Sales of goods	<u>431,724</u>	<u>352,286</u>

Revenue of HK\$481,000 (30 September 2024: HK\$447,000) recognised for the six months ended 30 September 2025 relates to contract liabilities brought forward from the prior year.

An analysis of other income and other gains, net, is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income:		
Rental income	1,819	2,025
Sundry income	<u>61</u>	<u>6</u>
	1,880	2,031
Other gains, net:		
Net exchange gains	1,765	1,708
Fair value change of financial asset at fair value through profit or loss	21	21
Gain on sales of scrap materials	<u>65</u>	<u>202</u>
	1,851	1,931
	3,731	3,962

7. FINANCE INCOME, NET

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance costs:		
– Interest expense on bills payables	(1,339)	(1,038)
– Interest expense on lease liabilities	<u>(529)</u>	<u>(547)</u>
	(1,868)	(1,585)
Finance income:		
– Interest income on bank deposits	<u>2,418</u>	<u>1,987</u>
Finance income, net	550	402

8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	204,158	164,666
Sub-contracting charges	43,344	37,287
Transportation and customs charges	11,032	8,756
Short-term lease payments	–	14
Employee benefit expense (Note)	92,911	86,737
Depreciation on right-of-use assets (Note 12)	2,329	2,060
Depreciation on property, plant and equipment (Note 13)	2,483	2,752
Depreciation on investment property (Note 14)	1,099	1,072
Legal and profession fees	1,654	1,123
Provision for impairment of trade receivables	3,613	5,716
	204,158	164,666

Note: As at 30 September 2025 and 2024, the Group had no forfeited contribution available to reduce its existing level of contribution to the retirement benefit schemes in future years.

9. INCOME TAX EXPENSES

The amount of income tax charged to the condensed consolidated income statement represents:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax:		
– Hong Kong profits tax	4,311	2,200
– Overseas taxation	5,104	2,647
– PRC corporate income tax	72	12
	9,487	4,859
Deferred income tax (credit)/expense	(35)	333
	9,452	5,192

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2024: Same) on the estimated assessable profit for the six months ended 30 September 2025, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25% (six months ended 30 September 2024: Same), in accordance with the two-tiered tax rate regime. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Cambodia corporate income tax has been provided at the rate of 20% (six months ended 30 September 2024: Same) on the estimated assessable profit for the period. Subsidiaries incorporated in the PRC are subject to the PRC corporate income tax based on the statutory income tax rate of 25% for the six months ended 30 September 2025 (six months ended 30 September 2024: Same). Those PRC subsidiaries were entitled to Corporate Income Tax (“CIT”) preferential tax treatment for Small and Thin-Profit Enterprises with preferential effective CIT rate of 5% for the first RMB3,000,000 of annual taxable income for the six months ended 30 September 2025 (six months ended 30 September 2024: Same).

10. DIVIDENDS

Dividends attributable to the previous financial year, approved and paid during the period

A final dividend of HK4.0 cents and a final special dividend of HK2.0 cents per Share for the year ended 31 March 2025 amounting to an aggregate of approximately HK\$24,518,000 was approved at the annual general meeting of the Company held on 1 September 2025, and was paid on 31 October 2025.

Dividends attributable to the period

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interim dividend declared of HK4.0 cents per Share (30 September 2024: HK3.0 cents per Share)	16,345	12,259
Special dividend declared of HK2.0 cents per Share (30 September 2024: HK1.0 cent per Share)	8,173	4,086
	<u>24,518</u>	<u>16,345</u>

On 28 November 2025, the Directors declared an interim dividend of HK4.0 cents per Share (30 September 2024: HK3.0 cents per Share) and a special dividend of HK2.0 cents per Share (30 September 2024: HK1.0 cent per Share) in respect of the six months ended 30 September 2025 totaling HK\$24,518,000, which will be payable to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company (the “Register of Members”) on 19 December 2025.

These condensed interim financial information do not reflect these dividend payable.

11. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	48,262	26,980
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	408,626	408,626
Basic earnings per share (<i>HK cents</i>)	11.8	6.6

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding as at 30 September 2025 and 2024.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Lease land and office premises <i>HK\$'000</i> (<i>Note</i>)	Land use rights <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2024 (Audited)	20,076	84	20,160
Additions	1,349	–	1,349
Depreciation	(4,084)	(47)	(4,131)
Currency translation differences	(29)	–	(29)
As at 31 March 2025 (Audited)	17,312	37	17,349
As at 1 April 2025 (Audited)	17,312	37	17,349
Additions	5,492	–	5,492
Depreciation (<i>Note 8</i>)	(2,305)	(24)	(2,329)
Currency translation differences	81	–	81
As at 30 September 2025 (Unaudited)	20,580	13	20,593

Lease liabilities

	<i>HK\$'000</i>
As at 1 April 2024 (Audited)	21,544
Additions	1,349
Interest expense on lease liabilities	1,075
Payment of lease liabilities	(5,226)
Currency translation differences	(29)
	<hr/>
As at 31 March 2025 (Audited)	18,713
	<hr/> <hr/>
Represents:	
Current portion	3,344
Non-current portion	15,369
	<hr/>
	18,713
	<hr/> <hr/>
As at 1 April 2025 (Audited)	18,713
Additions	5,492
Interest expense on lease liabilities (<i>Note 7</i>)	529
Payment of lease liabilities	(2,833)
Currency translation differences	79
	<hr/>
As at 30 September 2025 (Unaudited)	21,980
	<hr/> <hr/>
Represents:	
Current portion	4,841
Non-current portion	17,139
	<hr/>
	21,980
	<hr/> <hr/>

Note: As at 30 September 2025, the Group recognised right-of-use assets of HK\$13,980,000 (31 March 2025: HK\$15,055,000) and lease liabilities of HK\$15,428,000 (31 March 2025: HK\$16,487,000) in respect of a lease entered into with a related party with payment of lease liabilities of HK\$1,488,000 during the period ((Note 22(b))).

13. PROPERTY, PLANT AND EQUIPMENT

Net book value:	<i>HK\$'000</i>
As at 1 April 2024 (Audited)	40,722
Additions	6,850
Depreciation charge	(5,675)
Currency translation differences	(77)
As at 31 March 2025 (Audited)	<u>41,820</u>
Net book value:	<i>HK\$'000</i>
As at 1 April 2025 (Audited)	41,820
Additions	261
Depreciation charge (<i>Note 8</i>)	(2,483)
Currency translation differences	80
As at 30 September 2025 (Unaudited)	<u>39,678</u>

14. INVESTMENT PROPERTY

	<i>HK\$'000</i>
As at 1 April 2024 (Audited)	3,752
Depreciation charge	(2,144)
Currency translation differences	(1)
As at 31 March 2025 (Audited)	<u>1,607</u>
As at 1 April 2025 (Audited)	1,607
Depreciation charge (<i>Note 8</i>)	(1,099)
Currency translation differences	7
As at 30 September 2025 (Unaudited)	<u>515</u>

The Group leased a parcel of land in Dongguan, the PRC where the Group's old factory was located (the "**Dongguan Old Factory**") and the rental for the entire lease term, which is expiring in December 2025, was fully settled in 1997. Following the establishment of the principal production facilities of the Group in Cambodia and the relocation of production base from the PRC to Cambodia, the operation of the Dongguan Old Factory was scaled down to cover mainly product development, administration and production support to the Cambodian production facility when required. In July 2022, the Group leased another factory within the Dongguan district with reduced scale that is commensurate with existing and the upcoming business development plan of the Group for relocation of the operation of the Dongguan Old Factory, which was completed in August 2022. On the basis of the Group's future manufacturing operations in Dongguan, management of the Group is planning to renew the lease agreement with the tenant after the end of the lease term in 2025.

The Group has adopted the cost model under HKAS 40.

15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Financial asset at fair value through profit or loss		
– key management insurance contract	<u>1,476</u>	<u>1,455</u>

Valuation process

The finance department of the Group includes a team that performs the valuation of the key management insurance contract required for financial reporting purposes, including level 3 fair value.

The main level 3 input used by the Group is derived from and evaluated as follows:

- Discount rates for the key management insurance contract are determined to reflect current market assessments of the true value of money and the risk specific to the asset.

16. INVENTORIES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Raw materials	10,272	18,770
Work-in-progress	16,194	19,909
Finished goods	<u>24,471</u>	<u>23,007</u>
	<u>50,937</u>	<u>61,686</u>

The cost of inventories recognised as expense and included in “cost of sales” in the condensed consolidated income statement amounted to HK\$204,158,000 for the six months ended 30 September 2025 (six months ended 30 September 2024: HK\$164,666,000).

17. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Trade receivables (<i>Note</i>)	137,726	68,224
Less: provision for impairment of trade receivables	(7,593)	(4,146)
Trade receivables, net	<u>130,133</u>	<u>64,078</u>
Deposits and other receivables	2,453	2,289
Prepayments	8,370	5,556
Value-added tax recoverable	9,410	7,941
Others	131	363
	<u>20,364</u>	<u>16,149</u>

The maximum exposure to credit risk as at 30 September 2025 was the carrying value of each class of receivables mentioned above. The Group did not hold any collateral as security. The carrying amounts of deposits, trade and other receivables excluding prepayments and value-added tax recoverable approximate their fair values.

Note: The credit terms of trade receivables generally range from 30 to 90 days from the invoice date. The ageing analysis of the gross trade receivables based on the invoice date is as follows:

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Within 30 days	76,356	47,653
31 to 60 days	21,003	16,458
61 to 90 days	31,331	2,576
Over 90 days	9,036	1,537
	<u>137,726</u>	<u>68,224</u>

Movement on the Group's provision for impairment of trade receivables are as follows:

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Beginning of the period/year	4,146	4,943
Provision/(reversal of provision) for impairment	3,613	(38)
Write-off	(166)	(759)
End of the period/year	<u>7,593</u>	<u>4,146</u>

The other receivables within trade and other receivables do not contain impaired assets.

18. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Cash at bank	190,533	188,192
Cash on hand	457	657
	<hr/>	<hr/>
Cash and cash equivalents	190,990	188,849
Pledged bank deposits	26,202	25,917
	<hr/>	<hr/>
Cash and bank balances	217,192	214,766
	<hr/>	<hr/>
Maximum exposure to credit risk	216,735	214,109
	<hr/>	<hr/>

As at 30 September 2025, pledged bank deposits of approximately HK\$26,202,000 (31 March 2025: HK\$25,917,000) were held at bank securing against bank facilities and bank borrowings. Cash at bank and pledged bank deposits are deposited with creditworthy banks with no recent history of default.

Certain of the Group's bank balances and deposits denominated in Renminbi ("RMB") are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC are subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

19. SHARE CAPITAL AND SHARE PREMIUM

The Company was incorporated in the Cayman Islands on 29 May 2017.

Authorised share capital

	Number of shares	Nominal value of ordinary shares HK\$'000
As at 31 March 2025 (Audited) and 30 September 2025 (Unaudited)	5,000,000,000	50,000
	<hr/>	<hr/>

Ordinary shares, issued and fully paid

	Number of shares	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000
As at 31 March 2025 (Audited) and 30 September 2025 (Unaudited)	408,626,000	4,086	109,611
	<hr/>	<hr/>	<hr/>

20. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Trade payables	65,914	68,812
Bills payables	<u>6,448</u>	<u>6,148</u>
Trade and bills payables (<i>Note</i>)	<u>72,362</u>	<u>74,960</u>
Accruals and other payables		
– Accrued salaries	12,618	10,191
– Other accruals and payables	17,941	18,167
– Contract liabilities	<u>541</u>	<u>481</u>
	<u>31,100</u>	<u>28,839</u>
	<u>103,462</u>	<u>103,799</u>

As at 30 September 2025, the carrying amounts of the Group's trade and bills payables, accruals and other payables approximate their fair values.

Note: The ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Within 30 days	52,236	52,751
31 to 60 days	9,070	10,661
61 to 90 days	4,202	4,549
Over 90 days	<u>6,854</u>	<u>6,999</u>
	<u>72,362</u>	<u>74,960</u>

21. COMMITMENTS

(a) Capital commitments

As at 30 September 2025, the capital commitments of the Group were as follows:

	As at 30 September 2025 HK\$'000	As at 31 March 2025 HK\$'000
Contracted but not provided for in the consolidated financial statements (<i>Note</i>)	<u>5,000</u>	<u>5,000</u>

Note: Dongguan Union Gold Hand-bag Materials Trading Co., Ltd is a limited liability company incorporated in the PRC with registered capital of HK\$5,000,000. As at 30 September 2025, the Group is yet to pay up registered capital of HK\$5,000,000 to this subsidiary.

(b) The Group as a lessor

The Group leases its industrial property in the PRC (Note 14) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 September 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Within one year	<u>1,183</u>	<u>3,595</u>

22. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The Directors are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the period:

Name of the related parties	Relationship with the Group
Ms. Ma Lan Heung	Director and ultimate controlling shareholder of the Company
Ms. Dong Yan	Director of a subsidiary of the Company
Ms. Chan Sim Kuen	Spouse of Mr. Ma Hing Man
Ms. Yu Siu Mui	Non-controlling interests of a subsidiary of the Company

- (b) For the six months ended 30 September 2025 and 2024, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Rental expenses paid or payable to related parties		
– Ms. Dong Yan (<i>Note</i>)	1,488	1,488
– Ms. Ma Lan Heung and Ms. Chan Sim Kuen	<u>–</u>	<u>14</u>
	1,488	1,502
Emolument payable or paid		
– Ms. Yu Siu Mui	<u>1,320</u>	<u>1,320</u>
	2,808	2,822

Note: As at 30 September 2025, the Group recognised right-of-use assets and lease liabilities (*Note* 12) in respect of the lease entered into with this related party.

- (c) Key management includes Directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, bonus and other allowances	5,743	5,743
Retirement benefit costs		
– Mandatory Provident Fund Scheme	<u>31</u>	<u>31</u>
	5,774	5,774

BUSINESS REVIEW AND OUTLOOK

The Company is a non-leather handbag original equipment manufacturer (“OEM”). The Group principally manufactures and trades handbag products.

During 1H2025, the global economic environment remained characterised by moderate growth and heightened uncertainty. Although most major economies exhibited signs of stabilisation following the recovery of global supply chains and easing of inflationary pressures, overall momentum was tempered by persistent geopolitical tensions, tight monetary policies and subdued external demand. The projected global gross domestic product (“GDP”) growth remain below its long-term average, reflecting weaker trade flows and cautious business sentiment. Volatility in commodity and energy prices also continued to weigh on production costs and consumer confidence across regions, while exchange rate fluctuations posed additional challenges to export-oriented manufacturers.

The overall economic momentum in the US, which accounted for more than 66% of the Group’s total revenue for 1H2025, remained generally stable despite the persistent inflationary environment and prolonged high interest rate levels. The US labour market continued to demonstrate resilience, with moderate GDP growth and steady employment figures supporting consumption. However, sustained inflationary pressure and tightening monetary conditions have led to a more cautious sentiment among consumers and businesses, which may continue to weigh on spending behaviour in the coming quarters.

In addition, the prolonged trade tensions between the PRC and the US have continued to reshape the global manufacturing and sourcing landscape. While no major escalation has occurred during the reporting period, uncertainties surrounding future tariff adjustments and supply chain diversification strategies remain. The Group has benefited from its early move to establish substantial production capacity in Cambodia, which has allowed it to effectively hedge against potential trade policy risks associated with the PRC. This strategic positioning not only reinforces the Group’s supply chain resilience but also offers customers greater flexibility and assurance under an increasingly complex international trade environment. Furthermore, under the latest bilateral arrangements, exports of the Group’s products from Cambodia to the US are expected to be subject to a long-term reciprocal tariff rate of 19%. The Group has already factored this tariff rate into its capacity planning and customer pricing strategies to mitigate potential impacts.

In respect of trade policy, the management of the Company (the “Management”) is aware that the US government has maintained certain tariff measures on imports from various jurisdictions, including Cambodia. Up to the date of this announcement, such measures have not resulted in any material adverse impact on the Group’s operations, cost structure or profitability. The majority of the Group’s export products to the US continue to benefit from normal tariff treatment. Notwithstanding the evolving global trade environment and external uncertainties, Cambodia continues to be recognised by major international buyers as a stable and cost-effective manufacturing base within the global supply chain. The Management will remain vigilant to changes in global trade dynamics and will continue to implement responsive strategies to mitigate potential risks that may arise.

The Group places strong emphasis on sustainability, operational efficiency and internal control to safeguard long-term development. Leveraging its early strategic move to establish production capacity in Cambodia since 2013, the Group has effectively dispersed production risks and strengthened its competitive edge. Currently, the Cambodian production base accounts for approximately 90% of the Group's total production capacity, combining scale, agility and high-quality output to efficiently meet the stable demand from customers in overseas markets. Supported by favourable labour conditions, a steady political environment and consistent government support, Cambodia has continued to emerge as one of the most sought-after manufacturing locations in the region, contributing significantly to the Group's cost efficiency and profitability.

The Management believes that Cambodia is expected to remain as one of the preferred manufacturing locations for the Group's customers, given its relatively low labour costs, stable political environment and improving infrastructure compared with certain other Southeast Asian countries. Competition in the handbag OEM industry is primarily driven by product quality, design capability and pricing. With its experienced management team, long-established reputation in the industry, well-developed quality control system and solid relationships with long-term customers, the Group is well positioned to maintain its competitive advantage and capture new business opportunities in the evolving market landscape.

Despite the changes in the markets, the Management prudently and calmly confronted those challenges by swiftly modifying the operation strategies of the Group. For 1H2025, the revenue of the Group increased by approximately HK\$79.4 million or 22.5% to HK\$431.7 million when compared with that of 1H2024. For 1H2025, profit attributable to owners of the Company increased by approximately HK\$21.3 million to approximately HK\$48.3 million from approximately HK\$27.0 million for 1H2024.

In respect of industry development, modern consumers continue to seek handbags that combine aesthetic appeal, brand prestige, and functionality. In particular, the mid-priced handbag segment has shown steady growth driven by consumers' increasing awareness of quality, value and design versatility. Many international and emerging brands are repositioning their product lines to capture the expanding "affordable luxury" and "premium casual" markets. At the same time, brands are placing greater emphasis on combining fashion-forward designs with practical features such as improved storage compartments, lightweight materials and multi-occasion usability, appealing to both style-conscious and functionality-driven consumers.

Sustainability remains a core focus for the industry as customers continue to show a growing preference for eco-friendly and ethically produced handbags. Manufacturers and brands are increasingly adopting vegan leather, plant-based materials, recycled textiles and upcycled components. Digitalisation is also transforming the design and production processes, with artificial intelligence and data analytics being used to forecast market trends, enhance supply chain efficiency and optimise inventory control. These technological advancements enable manufacturers to respond to changing consumer needs in a more agile manner.

The handbag retail landscape has continued to evolve alongside shifting shopping behaviours. While online sales channels have become a key growth driver, physical retail stores and department stores are regaining momentum in major markets, benefitting from increased foot traffic and experiential shopping demand. Hybrid retail models that integrate online and offline experiences are gaining traction, providing customers with convenience, product accessibility and personalised engagement. In North America, the market remains dominant, supported by stable demand for mid-range and premium handbags and strong retail promotional events such as Black Friday sales. Meanwhile, the Asia-Pacific region continues to record notable growth, fuelled by expanding e-commerce platforms and the rising spending power of younger consumers.

Amid ongoing global economic uncertainties and evolving consumer preferences, the Management remains cautiously optimistic about the prospects of the handbag industry. The Group will continue to adopt prudent operational and financial management, focus on enhancing its production efficiency and flexibility, and explore opportunities arising from sustainable and mid-tier market trends. Leveraging its strong customer base and well-established reputation in the handbag OEM industry, the Group aims to achieve sustainable growth and deliver long-term value to the Shareholders.

The Company attached great importance to Shareholders' return. With due regard to the Company's business development, the Board resolved to distribute an interim dividend of HK4.0 cents per Share (1H2024: HK3.0 cents per Share) and a special dividend of HK2.0 cents per Share for 1H2025 (1H2024: HK1.0 cent per Share).

FINANCIAL REVIEW

Revenue

Our revenue is generated from the manufacturing and sales of handbags, net of returns and discounts. Our revenue was derived from a single segment with different production bases.

The Group's revenue increased to approximately HK\$431.7 million for 1H2025 from approximately HK\$352.3 million for 1H2024, representing an increase of approximately 22.5%.

The Group recorded an increase in revenue from customers in the US of approximately HK\$12.4 million, or 4.5%, during 1H2025, increasing from approximately HK\$274.2 million in 1H2024 to approximately HK\$286.6 million in 1H2025. This increase was mainly attributable to the strong consumer confidence in the US consumer market. Besides, the increase in revenue was contributed by the orders placed by our new customers and existing customers from Netherlands and Canada.

Revenue generated by sales of products manufactured in Cambodia and Dongguan, the PRC (including products manufactured by our sub-contractors at their own manufacturing facilities in the PRC) is set out below:

	Six months ended 30 September			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
Cambodia	401,599	93	313,078	89
Dongguan, the PRC	30,125	7	39,208	11
	431,724	100	352,286	100

The Group's strategy is to strengthen its customer base by continuing to grow its business with existing customers and capturing greater market share in different markets through sourcing new customers.

The Group's sales to its top five customers accounted for approximately 89.6% of the total revenue for 1H2025 (1H2024: approximately 91.5%), with the Group's sales to its largest customer accounting for approximately 23.9% of the total revenue for 1H2025 (1H2024: approximately 30.7%).

The Group continued to solidify its reputation for high quality products and demonstrated its strong abilities to co-operate well with different types of customers such as the well-known multinational fashion brands with our proven track record.

The following table sets forth, for the periods indicated, the total revenue, the respective quantities sold and the respective average selling price:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Revenue (<i>HK\$'000</i>)	431,724	352,286
Quantities sold (<i>Unit'000</i>)	5,425	4,862
Average selling price (<i>HK\$/Unit</i>)	79.6	72.5

The increase in average unit selling price was mainly due to the increase in complexity of some of our products with higher pricing resulting in an increase in the overall average selling price of our products.

Cost of sales

The Group's cost of sales primarily consists of (i) cost of raw materials consumed; (ii) labour costs; (iii) sub-contracting charges; and (iv) others.

The cost of sales increased to approximately HK\$328.3 million for 1H2025 from approximately HK\$277.2 million for 1H2024, representing an increase of approximately 18.5%.

The increase in terms of percentage of the Group's cost of sales was less than that of the revenue increase during 1H2025 as compared to that for 1H2024, which was mainly due to continuing implementation of certain stringent cost control measures which successfully reduced the base production operating costs of the Group.

Gross profit and gross profit margin

With the factors as mentioned above, the Group's gross profit increased to approximately HK\$103.4 million for 1H2025 from approximately HK\$75.1 million for 1H2024, representing an increase of approximately 37.6%, and the Group's gross profit margin increased to 23.9% for 1H2025 from 21.3% for 1H2024, representing an increase of 2.6%.

Other gains, net

The Group's other gains primarily consist of (i) net exchange gains of approximately HK\$1.8 million for 1H2025 (1H2024: approximately HK\$1.7 million) mainly arising from the depreciation of RMB against HK\$ during 1H2025; and (ii) gain on sales of scrap materials of approximately HK\$65,000 for 1H2025 (1H2024: approximately HK\$0.2 million).

Selling and distribution expenses

The Group's selling and distribution expenses primarily consist of transportation, customs charges, product testing and inspection fees.

Selling and distribution expenses increased to approximately HK\$14.5 million for 1H2025 from approximately HK\$14.1 million for 1H2024, representing an increase of approximately 2.9%. The increase was primarily due to the increase in transportation and customs charges, which was mainly because of the increase in the level of sales activity.

Administrative expenses

The Group's administrative expenses primarily consist of employee benefit expenses, operating lease rentals mainly for office, entertainment and travelling expenses, legal and professional fees and other miscellaneous general and administrative expenses, which increased to approximately HK\$29.2 million for 1H2025 from approximately HK\$26.0 million for 1H2024, representing an increase of approximately 12.2%, mainly due to the increase in the employee benefit expenses.

Provision for impairment of trade receivables

As at 30 September 2025, the Group assessed the recoverability of trade receivables under the impairment model of HKFRS 9. The assessment included the consideration of ageing of trade receivables, repayment history, payment profile and credit profile of the respective customers. The Group also assessed a forward-looking element which our customers would likely be exposed to under the macro-economic environment.

Based on the latest information made available to the Board as at the date of this announcement, a provision for impairment of trade receivables, determined by way of the expected credit loss model, of approximately HK\$3.6 million has been made and charged to the condensed consolidated income statement of the Group as an expense for 1H2025 (1H2024: approximately HK\$5.7 million).

The decrease in provision for impairment was mainly due to the improvement of the ageing of the trade receivables for 1H2025.

Finance income, net

Net finance income increased by approximately HK\$0.2 million to approximately HK\$0.6 million for 1H2025 (1H2024: approximately HK\$0.4 million).

The increase was mainly due to the increase in the interest income on bank deposits for 1H2025.

Income tax expenses

The Group's income tax expenses increased by approximately HK\$4.3 million or 82% from HK\$5.2 million for 1H2024 to approximately HK\$9.5 million for 1H2025.

The increase was mainly due to the increase in assessable profit for 1H2025.

Profit for the period

As a result of the foregoing, profit for the period attributable to owners of the Company increased by approximately HK\$21.3 million or 78.9% to approximately HK\$48.3 million for 1H2025 from approximately HK\$27.0 million for 1H2024 and the net profit margin increased from 8.1% for 1H2024 to 11.8% for 1H2025.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

Borrowings and pledge of assets

As at 30 September 2025, the Group had no borrowings (31 March 2025: Nil).

Banking facilities were secured by bank deposits of approximately HK\$26.2 million as at 30 September 2025 (31 March 2025: approximately HK\$25.9 million).

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings, which enables the Group to continue its business for the foreseeable future.

Working capital management

The Group is committed to maintaining a sound financial policy. The Group continues to improve its operational efficiency in order to improve the health of its working capital. The Group has normally funded its working capital requirements primarily through net cash generated from the operating activities and bank borrowings. The Group also ensures that it has sufficient funds to meet its existing and future cash requirements while providing sustainable and stable dividend return to the Shareholders.

Liquidity ratios

As at 30 September 2025, the Group had cash and cash equivalents of approximately HK\$191.0 million (31 March 2025: approximately HK\$188.8 million), which were mainly denominated in HK\$, US dollars (“US\$”) and RMB. The Group’s current ratio, gearing ratio and net debt to equity ratio are as follows:

	30 September 2025 (Unaudited)	31 March 2025 (Audited)
Current ratio	2.9	3.2
Gearing ratio	N/A	N/A
Net debt to equity ratio	Net cash	Net cash

Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective dates.

Gearing ratio is calculated based on the total debt divided by total equity as at the respective dates and multiplied by 100%.

Net debt to equity ratio is calculated based on net debts (being total borrowing net of cash and cash equivalents) divided by total equity as at the respective dates.

The Group maintained net cash position and healthy current ratio, reflecting its healthy financial position.

Financial management, treasury policy and foreign currency exposure

The Group's financial management, treasury policy and foreign currency exposure had not materially changed since the information disclosed in our annual report for the year ended 31 March 2025.

Employee and remuneration policy

As at 30 September 2025, the Group employed a total of 4,694 employees (31 March 2025: 4,586 employees). It is the policy of the Group to provide a regular review on its employees' pay levels, performance bonus system and other fringe benefits (including social insurance coverage and sponsored training) to ensure that the remuneration policy is competitive within the relevant industry. During 1H2025, staff costs (including Directors' emoluments) amounted to approximately HK\$92.9 million (1H2024: approximately HK\$86.7 million). The Company has adopted a share option scheme for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. The Group also provides and arranges on-the-job training for the employees.

Development and training

Continuous development of its staff is one of the crucial factors which contributed to the success of the Group. The Group provides on-board trainings and orientation for new incoming staff. In addition, the Group encourages its employees to attend external training courses or seminars during office hours, which are applicable to the industry and relevant to their job duties. The Group strives to ensure that all employees can fulfill the relevant job requirements in terms of education, training, technical and work experience.

Significant investments/material acquisitions and disposals

As at 30 September 2025, the Group did not hold any significant investments. The Group did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures during 1H2025.

Future plans for material investments or capital assets

The Group did not have future plans for material investments and capital assets as at 30 September 2025.

Foreign exchange risk

The assets, liabilities and transactions of the Group are basically denominated in HK\$, US\$, RMB and Cambodian Riel. As the Group's sales are mainly settled in US\$ and purchases are mainly settled in RMB, exchange rate fluctuations have a certain impact on the Group's costs and operating profit margins. The currency giving rise to this risk is mainly US\$ against RMB. The Group did not hedge its exposure to risks arising from fluctuations in exchange rates during the period.

Pledge of assets

As at 30 September 2025, there was no charge on assets of the Group.

Capital commitments

As at 30 September 2025, the Group had no capital commitments (31 March 2025: Nil) in respect of acquisition of property, plant and equipment.

Contingent liabilities

As at 30 September 2025, the Group did not have any significant contingent liabilities (31 March 2025: Nil).

Events after 1H2025

No material events which could have material impact to the Group's operating and financial performance have occurred after 1H2025 and up to the date of this announcement.

Dividends

The Board has resolved to declare an interim dividend of HK4.0 cents per Share (1H2024: HK3.0 cents per Share) and a special dividend of HK2.0 cents per Share (1H2024: HK1.0 cent per Share) in respect of 1H2025, amounting to approximately HK\$24,518,000 (the "**Dividends**") payable to the Shareholders whose names appear on the Register of Members on Friday, 19 December 2025, being the record date for determining Shareholders' entitlement to the Dividends. The Dividends will be distributed to such Shareholders on or about Friday, 9 January 2026.

Closure of Register of Members

The Register of Members will be closed from Wednesday, 17 December 2025 to Friday, 19 December 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Dividends, non-registered Shareholders must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 16 December 2025.

CORPORATE GOVERNANCE

During 1H2025, the Company has complied with all applicable code provisions in all material respects as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During 1H2025, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities (including treasury shares (as defined in the Listing Rules)). As at 30 September 2025, the Company did not hold any treasury shares.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company of each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code throughout 1H2025. The Model Code also applies to other specified senior management of the Group in respect of their dealings in the Company's securities.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling Shareholders (as defined under the Listing Rules) or their respective close associates (as defined under the Listing Rules) (a) had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group; and (b) had or might have any other conflicts of interest with the Group, during 1H2025.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors and was established on 2 January 2018 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3.3 of the CG Code, and reports to the Board. The Audit Committee has reviewed and discussed with the Board the unaudited condensed consolidated financial statements of the Group for 1H2025 (the “**Condensed Consolidated Financial Statements**”) and this announcement. PricewaterhouseCoopers, as the Company’s independent auditor, has reviewed the Condensed Consolidated Financial Statements in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. There is no disagreement by the Audit Committee or PricewaterhouseCoopers with respect to the accounting treatment adopted by the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and the investing public. The Company updates the Shareholders on its latest business developments and financial performance through its circulars, announcements as well as annual and interim reports. The corporate website of the Company (www.wahsun.com.hk) has provided an effective communication platform to the public and the Shareholders.

APPRECIATION

The Board would like to take this opportunity to extend our heartfelt gratitude to the Management and our colleagues for their contributions and hard work to the development of the Group. In particular, in the face of the current adversity, the Board would like to express our sincere appreciation to all the colleagues for their continuous professionalism in and commitment to their positions, facing the challenges together with joint efforts. At the same time, the Board would like to extend our sincere gratitude to our customers for their support and trust over the years, and thank our Shareholders, business partners and suppliers for their long term trust in the Group. The Group will continue to strive for progress in the spirit of innovation, grow together with business partners, and promote the long-term sustainable development of the Group’s business.

By Order of the Board

Wah Sun Handbags International Holdings Limited
Ma Hing Man

Chairman and Executive Director

Hong Kong, 28 November 2025

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. Ho Lai Chuen as the independent non-executive Directors.