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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO A LEASE AGREEMENT
(2) DISCLOSEABLE TRANSACTION IN RELATION TO
A CONSTRUCTION AGREEMENT**

THE LEASE AGREEMENT

On 23 June 2026 (after trading hours), Quick Mind (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor (as landlord), pursuant to which the Lessor agreed to lease to Quick Mind the Land for a lease term of 10 years commencing from 23 June 2026 with a right granted to Quick Mind to renew the Lease Agreement for an additional five (5) years thereafter.

In accordance with HKFRS 16 Leases, the Group will recognise the lease of the Land under the Lease Agreement as right-of-use assets in its consolidated financial statements. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement amounts to approximately HK\$34.8 million, calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement based on the maximum term of 15 years (after renewal) in accordance with HKFRS 16 Leases.

THE CONSTRUCTION AGREEMENT

On 23 June 2026 (after trading hours). Quick Mind entered into the Construction Agreement with the Contractor, an Independent Third Party, pursuant to which the Contractor shall provide services in relation to the construction of the Facilities on the Land. The contract sum is estimated to be approximately HK\$80.0 million, subject to adjustment whereby the final sum shall be determined by the actual costs calculated at fixed unit rates as stipulated under the Construction Agreement.

LISTING RULES IMPLICATION

(a) The Lease Agreement

The Lessor is a director of Wah Sun HK Factory (Cambodia) Co., Ltd, an indirect wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As (i) the Lessor is a connected person at the subsidiary level of the Company; (ii) the transaction contemplated under the Lease Agreement is on normal commercial terms or better; and (iii) the Board (including all independent non-executive Directors) has approved the transactions contemplated under the Lease Agreement and confirmed that the terms of the Lease Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, according to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Lease Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements.

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into the Lease Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors have a material interest in the Lease Agreement and the transaction contemplated thereunder, and hence no Director is required to abstain from voting on the relevant resolutions of the Board approving the same.

(b) The Construction Agreement

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Construction Agreement is more than 5% but less than 25%, the entering into the Construction Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE LEASE AGREEMENT

On 23 June 2026 (after trading hours), Quick Mind (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor (as landlord), pursuant to which the Lessor agreed to lease to Quick Mind the Land for a lease term of 10 years commencing from 23 June 2026 with a right granted to Quick Mind to renew the Lease Agreement for an additional five (5) years thereafter.

The principal terms of the Lease Agreement are set out below:

Date	:	23 June 2026
Parties	:	(1) Ms. Dong Yan, as landlord; and (2) Quick Mind, as tenant
Land	:	Parcel of land located in Damnak Smach Village, O Commune, Phnom Sruoch District, Kampong Speu Province, Cambodia
Area of the Land	:	98,440 sq.m.
Term	:	10 years, commencing from 23 June 2026 with a right granted to Quick Mind to renew the Lease Agreement for an additional five (5) years thereafter by providing three-month advance written notice to the Lessor prior to the expiration of the initial lease term
Rent	:	USD50,000 per month
Rent-free period	:	23 June 2026 to 22 June 2027
Use	:	Any lawful industrial or commercial purposes, including but not limited to operation of factories, office buildings and infrastructure

Condition subsequent for construction permits	: In the event that Quick Mind is unable to obtain all necessary construction permits, approvals and licenses from the competent government authorities within one hundred and eighty (180) days from the date of the Lease Agreement, or if any such application for such construction permits, approvals and licenses is rejected or denied within the said one hundred and eighty (180) days period, the Lease Agreement shall, at the election of Quick Mind, automatically terminate upon the Quick Mind's delivery of written notice to the Lessor. Upon such termination, the Lessor shall forthwith refund the security deposit in full to Quick Mind without any deduction or interest. Following such termination, neither party shall have any further rights, duties or obligations under the Lease Agreement, save and except for those provisions which, by their express terms, are intended to survive termination.
Obligations of the Lessor	: • If the Lessor intends to sell the Land to a third party, she shall first offer to the Lessee on the same terms offered by the third party. • If the Lessor transfers the ownership to a third party during the term of the Lease Agreement or upon its expiry, she shall procure that the new owner to assume and be bound by all terms, conditions and obligations of the Lease Agreement as if originally named as the Lessor and the lease under the Lease Agreement shall continue in full force and effect according to its terms. • The Lessor shall not interfere with Quick Mind's peaceful use and enjoyment of the Land. • Any property-related taxes arising from the Land shall be borne by the Lessor.
Rights and obligations of Quick Mind as the tenant	: • Quick Mind shall be responsible for all taxes related to its business operation. • All utility expenses (including water, electricity, waste management) are the sole responsibility of Quick Mind. • Any illegal activities on the Land are strictly prohibited. • Quick Mind shall allow the Lessor to inspect the Land at reasonable time during the lease term.

- Quick Mind has the right to sublease any portion of the Land to third parties without the Lessor's further consent, despite being primarily liable to the Lessor.
- Quick Mind has the right to construct, modify or demolish buildings and infrastructure on the Land without requiring further consent from the Lessor. The costs of such works shall be borne by Quick Mind. Quick Mind shall retain ownership of all buildings and structures constructed on the Land during the lease term.

Termination of the Lease Agreement

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- Upon termination of the Lease Agreement, Quick Mind shall provide written notice to the Lessor within 15 days of the termination date, indicating whether it elects option A or option B below. If Quick Mind does not provide such notice within the stipulated period, the Lessor may elect either option in its sole discretion:
 - o *Option A:* Quick Mind to vacate the Land within stipulated time and the buildings shall remain and become the property of the Lessor, provided the Lessor reimburses Quick Mind for the construction costs based on a valuation by an independent appraiser.
 - o *Option B:* The buildings and structure constructed on the Land be demolished and all materials be removed at the expense of Quick Mind and no compensation will be due from the Lessor.

Value of the right-of-use assets

In accordance with HKFRS 16 Leases, the Group will recognise the lease of the Land under the Lease Agreement as right-of-use assets in its consolidated financial statements. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement amounts to approximately HK\$34.8 million, calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement based on the maximum term of 15 years (after renewal) in accordance with HKFRS 16 Leases.

THE CONSTRUCTION AGREEMENT

On 23 June 2026 (after trading hours). Quick Mind entered into the Construction Agreement with the Contractor, pursuant to which the Contractor shall provide services in relation to the construction of the Facilities. The contract sum is estimated to be HK\$80.0 million, subject to adjustment whereby the final sum shall be determined by the actual costs calculated at fixed unit rates as stipulated under the Construction Agreement.

The principal terms of the Construction Agreement are set out below:

Date : 23 June 2026

Parties : (1) Quick Mind, as principal; and
(2) Borey Royal Heng Co., Ltd, as the Contractor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter : Under the Construction Agreement, the Contractor shall be responsible for the construction on the Land of seven (7) factories (the "**Factories**") for a total gross floor area of 49,846.25 sq.m. and two (2) dormitories (the "**Dormitories**") (together with the relevant ancillary construction) for a total gross floor area of 60,128.18 sq.m. The scope of construction works mainly covers the foundation and main structure of the Factories and Dormitories, secondary structures, wall painting and coating, door and window installation, steel structure installation, and rainwater downpipe installation, etc.. The construction works of the Factories contemplated under the Construction Agreement are expected to be completed within three hundred 300 calendar days according to the terms and conditions of the Construction Agreement, provided that within four months, at least two Factories shall be completed to the extent that they are ready for renovation; and the construction works of the Dormitories together with the ancillary constructions are expected to be completed within two (2) months after the completion of the Factories construction.

Consideration : The contract sum is estimated to be approximately HK\$80.0 million, subject to adjustment whereby the final sum shall be determined by the actual costs calculated at fixed unit rates as stipulated under the Construction Agreement. The fixed unit rates are determined based on market prices and the pricing policy of the Contractor.

The Board expects that adjustments to the contract sum, if any, will not result in any change in the classification of the transactions contemplated under the Construction Agreement under Chapter 14 of the Listing Rules.

The contract sum will be funded by the internal resources of the Group.

Payment terms : The contract sum for the Factories shall be paid by Quick Mind to the Contractor as follows:

- (i) within seven (7) business days after the entering of the Construction Agreement, Quick Mind shall pay the Contractor an advance payment equal to 30% of the total sum per Factory for the preliminary construction costs and procurement of major materials and mobilisation of personnel;
- (ii) upon completion and acceptance by Quick Mind of the foundation works, Quick Mind shall pay the Contractor 10% of the quoted price per Factory based on the progress of each building;
- (iii) upon completion and acceptance by Quick Mind of the main structure, Quick Mind shall pay the Contractor 25% of the quoted price per factory building based on the progress of each Factory;
- (iv) upon completion and acceptance by Quick Mind of the steel structure installation, Quick Mind shall pay the Contractor 20% of the quoted price per Factory based on the progress of each Factory;
- (v) upon completion and acceptance by Quick Mind of the remaining works, Quick Mind shall pay the Contractor 10% of the quoted price per factory building based on the progress of each Factory; and

- (vi) within 5 working days after final completion and acceptance of the Factories, the Contractor shall submit a final statement to Quick Mind for the settlement of the contract sum to the extent that the aggregate amount paid to the Contractor for the Factories equal to 97% of the total sum per Factory.

The warranty period shall be two (2) years, commencing from the date of final completion and acceptance of the relevant Factory. Provided that no quality issues arise during the warranty period, or any such issues have been properly resolved by the Contractor to the satisfaction of Quick Mind, Quick Mind shall pay the Contractor remaining 2% of the total contract price for such Factory after the first year of the warranty period. The remaining 1% as warranty retention shall be paid (without interest) within 5 working days after the expiry of the two-year warranty period in respect of the relevant Factory.

The contract sum for the Dormitories and ancillary constructions shall be paid by Quick Mind to the Contractor as follows:

- (i) payments shall be made on a monthly basis, the amount of which shall be 85% of the sum based on the completed work for that month at calculated fixed unit rates; and
- (ii) upon completion and acceptance of the Dormitories and ancillary construction by Quick Mind, Quick Mind shall pay an amount to the extent that the aggregate amount paid to the Contractor for the Dormitories and ancillary construction equal to 97% of the total sum per such items.

The warranty period shall be two (2) years, commencing from the date of final completion and acceptance of the relevant Dormitories or ancillary construction. Provided that no quality issues arise during the warranty period, or any such issues have been properly resolved by the Contractor to the satisfaction of Quick Mind, Quick Mind shall pay the Contractor remaining 2% of the total contract price for such item after the first year of the warranty period. The remaining 1% as warranty retention shall be paid (without interest) within 5 working days after the expiry of the two-year warranty period in respect of the relevant items.

REASON FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT AND THE CONSTRUCTION AGREEMENT

The Group experienced sustained business growth, and in order to accommodate increasing orders, the Group believe entering into the Lease Agreement and Construction Agreement allows the Group to effectively expand its production capacity. The Directors believe that the Facilities will contribute to the Group's operational efficiency and cater to its future development and expansion.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Lease Agreement and Construction Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

(a) The Lease Agreement

The Lessor is a director of Wah Sun HK Factory (Cambodia) Co., Ltd, an indirect wholly-owned subsidiary of the Company, and hence a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As (i) the Lessor is a connected person at the subsidiary level of the Company; (ii) the transaction contemplated under the Lease Agreement is on normal commercial terms or better; and (iii) the Board (including all independent non-executive Directors) has approved the transactions contemplated under the Lease Agreement and confirmed that the terms of the Lease Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, according to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Lease Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into the Lease Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors have a material interest in the Lease Agreement and the transaction contemplated thereunder, and hence no Director is required to abstain from voting on the relevant resolutions of the Board approving the same.

(b) The Construction Agreement

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Construction Agreement is more than 5% but less than 25%, the entering into the Construction Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION OF THE PARTIES

The Group principally manufactures and trades handbag products. Quick Mind is an indirect wholly-owned subsidiary of the Group incorporated in Cambodia and its principal business activity is investment holding.

The Lessor is a Hong Kong citizen and a director of Wah Sun HK Factory (Cambodia) Co., Ltd, an indirect wholly-owned subsidiary of the Company.

The Contractor is a company incorporated in Cambodia and principally engaged in providing construction services. To the best of the Directors' knowledge, information, and belief having made all reasonable enquiries, the Contractor is ultimately owned by Hong Jiang Han and Xue Zhu Lin, both of whom are Independent Third Parties.

DEFINITIONS

In this announcement, save as the context otherwise requires, capitalised terms shall have the following meanings:

“Board”	the board of Directors
“Cambodia”	Kingdom of Cambodia
“Company”	Wah Sun Handbags International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2683)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Construction Agreement”	the construction agreement dated 23 June 2026 entered into between Quick Mind and the Contractor for the services provided in relation to the construction works of the Facility
“Contractor”	Borey Royal Heng Co., Ltd., a company incorporated in Cambodia, an Independent Third Party

“Director(s)”	the director(s) of the Company
“Facilities”	five (5) Factories for a total gross floor area of 57,378.5 sq.m. and two (2) Dormitories (together with the relevant ancillary construction) for a total gross floor area of 2,749.68 sq.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
“Land”	parcel of land located in Damnak Smach Village, O Commune, Phnom Sruoch District, Kampong Speu Province, Cambodia with a total area of 98,440 sq.m., on which the Facility will be constructed
“Lease Agreement”	the lease agreement dated 23 June 2026 and entered into between the Lessor (as landlord) and Quick Mind (as tenant) for the lease of the Land
“Lessor”	Ms. Dong Yan
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“Quick Mind”	Quick Mind (Cambodia) Co., Limited, an indirect wholly owned subsidiary of the Company and a company incorporated in Cambodia
“Shareholder”	holder of the shares of the Company
“sq.m.”	square metre

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board

Wah Sun Handbags International Holdings Limited

Ma Hing Man

Chairman and Executive Director

Hong Kong, 23 June 2026

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.