



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Nameson Announces FY2020 Interim Results

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**Net Profit Increased by 14.8% to HK\$270.9 Million
Demonstrating Operational Efficiencies**

(Hong Kong, 22 November 2019) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in China, today announced its interim results for the six months ended 30 September 2019 (“FY2020 1H” or the “Review Period”).

During the Review Period, the ongoing discussions between the US-China trade deal inevitably cast an unpredictable shadow on the overall global sentiment and end-customer consumption. The Group’s revenue increased by 5% to HK\$3,026.7 million arising from an increase in average selling price despite a slight decrease in sales volume in knitted sweaters due to more prudent customer orders. Furthermore, an increase in sales of other products in its knitwear products segment has contributed to the overall growth.

With the continued trend for customers shifting manufacturing preference to Southeast Asian regions, the Group favourably benefits from its early entrance into Vietnam which enabled it to make better planning and allocation at its manufacturing facilities. The Group has strategically increased its utilisation rate and designed capacity at its Vietnam factory. In addition, the Group’s effort in increasing sales to the domestic market resulted in a notable growth in the Group’s revenue attributable to Chinese market which recorded a surge of 79.2%. Gross profit increased by 6.1% to HK\$527.6 million in the Review Period (FY2019 1H: HK\$497.3 million), while gross profit margin was 17.4% (FY2019 1H: 17.3%) despite the contribution from lower margin cashmere yarn products, demonstrating the Group’s strenuous efforts in enhancing operational efficiencies. Despite higher finance costs due to higher interest rates during the Review Period, the Group meticulously managed other costs such as selling, distribution and administrative expenses. As such, the Group’s profit attributable to owners of the company improved by 14.8% to HK\$270.9 million (FY2019 1H: 236.0 million).

The Group has maintained a sound financial position. As at 30 September 2019, it had cash and cash equivalents of approximately HK\$587.9 million (31 March 2019: HK\$414.8 million). The Board of Directors recommended the payment of an interim dividend of 4.3 HK cents per share (FY2019 1H: 3.6 HK cents) to shareholders for their unwavering support.

Mr. Wong Ting Chung, Chairman, Executive Director and Chief Executive Officer of Nameson, said, “In response to the trend of customers seeking to shift their orders to Southeast Asian regions, we have tactfully increased our utilisation rate of the Vietnam factory and the construction of our new factory in Myanmar is underway. We aim to increase the production ratio of overseas factories, while better utilising domestic capacity for increasing Chinese orders. All these demonstrate our leadership position in the industry.”

Looking ahead, the Group’s expansion into the upstream business and its jointly established cashmere spinning factory with a quality cashmere manufacturer is expected to further smoothen the Group’s production of cashmere knitwear and further drive operational efficiencies.

The Group also devoted resources in developing the business projects of weaving, printing and dyeing of fabric for production. It is expected that trial production will commence toward the beginning of the next financial year. The Group is confident that developing a diversified product portfolio will be accretive to its income source and customer base, as well as contribute to its leading position in the industry.

Mr Wong concluded, “We stay committed to continuously improving our design and material development ability, tap into ever changing customer demand and end user preferences, be persistent in further enhancing operational efficiencies and generate greater returns to shareholders.”

About Nameson Holdings Limited (Stock code: 1982)

Nameson Holdings Limited is one of the leading knitwear and knitted upper for footwear manufacturers in the PRC.* The Group offers a one-stop in-house solution for its customers comprising design orientation, development of raw materials, sampling production, quality products and other value-added services. Its knitwear products include sweaters, cashmere garments, seamless knitted garments. Leveraging its high product quality, design development capability, timely delivery, and important one-stop solution services, Nameson has established longstanding and strong relationships with many renowned international apparel brands, including UNIQLO, Tommy Hilfiger and Lands’ End. Currently, the Group operates its production facilities in China and Vietnam.

* Source: Euromonitor – by manufacturers’ revenue in 2014

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