



**南旋控股有限公司**  
**NAMESON HOLDINGS LIMITED**

**Nameson Announces FY2024 Interim Results**

**Sales Volume of Core Knitwear Business Increased By 1.6% to 19 million pcs**

\* \* \*

**Gross Profit Margin Increased by 160 Basis Points to 18.3%**

**Net Profit Increased by 19.8% to HK\$305.6mn**

\* \* \*

**Declares 9.5 HK Cents Dividend Per Share**  
**Payout Ratio increased To Approximately 75%**

(Hong Kong, 24 November 2023) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in China and Vietnam, today announced its interim results for the six months ended 30 September 2023 (the “Review Period”).

The global market sentiment continued to be pummeled by geopolitical conflicts that showed no signs of abating, causing fluctuating currencies, trade tensions that bring about repercussions for deteriorating consumer spending in Europe, the United States of America (“USA”) and Japan. In the absence of trade cooperation, the reliance on the People’s Republic of China (“Mainland China” or “PRC”) manufacturing persistently declined, while the post-COVID reopening of the PRC brings some restoration in domestic demand, the overall weak sentiment creates a vicious cycle in the slower growth of the global economy.

The Group maintains a healthy customer portfolio in all geographical locations to balance business risks. Seeing customer demand for production in Vietnam, the Group has increased its production capacity in Vietnam in the previous year. Despite the softer end-consumer demand, the Group’s sales volume of its core knitwear business managed to increase by 1.6% to 19 million pieces, displaying resilience despite the slower market.

Driven by the Group’s strategy to focus more on higher margin orders, the sales volume of cashmere sweaters has seen a drop in quantity. Moreover, some Wholgarment products also experienced a drop in selling prices mainly due to product mix and mutually agreed price adjustments, hence, the Group’s average selling price for men’s and women’s knitwear products declined by 12.9% to HK\$118.7 per piece (FY2023 1H: HK\$136.2 per piece) and the revenue for knitwear business saw a drop correspondingly.

Its cashmere yarn business expanded its customer reach and made more sales to external customers, which clearly indicates its flexibility to adjust to different market conditions. Nonetheless, its relatively new fabric business saw a sharper decline in its orders as customers in this segment were dealing with the excess inventory during the First Half of Financial Year 2024. The Group’s total revenue dropped by 12.0% to HK\$2,726.4 million (FY2023 1H: HK\$3,099.4 million). With its cost control efforts, the Group’s gross profit declined by 3.6%, which was a smaller magnitude as compared with the decline in revenue, its gross profit margin improved from 16.7% to 18.3% during the Review Period.

Selling and distribution, and administrative expenses in aggregate recorded a slight drop as a proportion to revenue, demonstrating its continuing attention on cost management. During the period, the Group recorded lower other gains as compared with the corresponding period mainly

due to the decrease in foreign exchange gains and the decrease in net gains on disposals of property, plant and equipment. In the absence of any impairment loss in the First Half of Financial Year 2024, compared with an impairment loss on the production base in Myanmar recorded in the last corresponding period, the Group's operating profit increased by 16.0% to HK\$ 371.1 million (FY2023 1H: HK\$305.9 million).

Even though the market interest rates have continued to increase during the First Half of Financial Year 2024, the Group's financial management efforts enabled its finance costs to stay at a healthy level. The Group's net profit recorded an increase of 19.8% to HK\$ 305.6 million (FY2023 1H: HK\$255.1 million). Basic earnings per share were HK12.7 cents (FY2023 1H: HK10.2 cents). To better reflect the Group's core operating results, if excluding the impairment losses recorded for the six months ended 30 September 2022, the Group's adjusted net profit would drop by 15.7% to HK\$ 289.1 million for the six months ended 30 September 2023 (FY2023 1H: HK\$232.8 million).

As at 30 September 2023, its cash and cash equivalents was HK\$1,121 million (31 March 2023: HK\$717.0 million). Considering the Group's prudent cash management directives, its healthy cash flow, as well as its improved gearing ratio at 3.1%, the Board is pleased to declare a payment of an interim dividend of 9.5 HK cents per share (FY2023 1H: 5.1 HK cents) to the Company's shareholders, which represents a 86.3% increase of dividend per share, as well as an increase of payout ratio to approximately 75%, in appreciation for our shareholders' trust and support throughout the testing times.

**Mr. Wong Wai Yue, Chairman and Executive Director of Nameson**, said, "In view of customers' preference to increase procurement in Southeast Asian countries, we have already put in place a larger focal point in our Vietnam manufacturing facilities. Step by step, we have already strengthened our functions in Vietnam including our merchandising team, customer services, sampling offices, testing laboratories, etc. as well as expanded our capacity in central Vietnam which has attracted extensive interest from global customers with vast potential. Our carefully selected location has placed emphasis on considering the ease of recruitment, logistics, close proximity to our necessary supplies, etc. Together with quality suppliers, Vietnam is now an established supply and manufacturing hub for many global brands, we believe we are extremely well-positioned to further tap into larger potentials with global customers."

**Mr. Wong** concluded, "Even though the demand for fabric is slower in the short-term, we continue to see vast potential in Vietnamese garment manufacturers' immense demand for raw materials. We took the effort to enhance our product quality, obtain international certifications, etc. and we are confident that we will be in a better position when the business revives from the economic cyclicity. We shall continue to observe opportunities with relevancy to this business."

Despite the fact that the remaining of the year and the upcoming year is still filled with uncertainty, especially driven by geopolitical conflicts, the management team will remain open-minded and respond to the changing conditions, as we have done so in the past couple of years, and remain focused on generating greater returns to our shareholders as a long-term commitment."

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#### **About Nameson Holdings Limited (Stock code: 1982)**

Nameson Holdings Limited is one of the leading knitwear 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, Lululemon and Ralph Lauren. Currently, the Group operates its production facilities in China and Vietnam.

\* Source: *Euromonitor – by manufacturers' revenue in 2014*

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