



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Nameson Announces FY2023 Interim Results

**Taps Potential with New Athleisure Customer
Revenue Increased by 26.4% to HK\$3,099.4mn**

* * *

Net Profit Increased by 25.6% to HK\$255.1mn

Excluding Non-Recurring Items, Adjusted Net Profit Increased by 78.9% to HK\$342.9mn

* * *

Recommends 5.1 HK cents Interim Dividend Per Share, Payment Ratio 50%

(Hong Kong, 25 November 2022) **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 2022 (the “Review Period”).

The Group’s Vietnam factory has reverted to full-fledge productivity during the Review Period, enabling it to tap the temporary rebound of consumer sentiment when there was a relaxation of social distancing measures in regions such as Japan, United States of America (the “USA”) and Europe. In addition, the Group’s accumulated experience and strengthened mutual understanding with its business partners in the past few years, allowing it to adapt to the “new normal” hand-in-hand with its customers and suppliers.

The extended conflict between Russia and Ukraine which led to soaring energy and raw material prices, inflationary pressures and currency fluctuations negatively affected consumption. The Group was able to secure a prominent new athleisure customer which focuses on material functionality. Also, despite the city-wide lockdown due to the outbreak of the variants of COVID-19 cases in the People’s Republic of China (“Mainland China”) which led to significant activity disruption, the Group managed to increase its sales volume of its men’s and women’s knitwear products by 4.3% to 18.7 million pieces. Coupled with the stable contribution from its cashmere yarn and fabric business which is beginning to take shape, the Group’s revenue increased by 26.4% to HK\$3,099.4 million (FY2022 1H: HK\$2,452.5 million) during the Review Period.

With the increase of raw material and utility costs, transportation and logistic cost, there was an inevitable pressure on the Group’s cost during the six months ended 30 September 2022. However, with the increase in average selling price and sales volume for knitwear products, and its continuous efforts in cost control, the Group’s gross profit increased by 22.1% to HK\$516.4 million (FY2022 1H: HK\$422.8 million).

Selling and distribution, and administrative expenses in aggregate recorded a slight drop as a proportion to revenue, demonstrating its continuous cost controls efforts. Other gains increased significantly during the period due to (i) the increase of net gains on disposals of property, plant and equipment as the Group purchased some upgraded machines, while disposed of some aged machines under the ordinary course of business; and (ii) net foreign exchange gains due to currency fluctuations. The Group also recognised an impairment loss on the production base in Myanmar of HK\$109.0 million. The Group’s operating profit increased by 31.5% to HK\$320.5 million (FY2022 1H: HK\$243.7 million).

Despite the continuous fluctuating trading conditions, the Group's net profit recorded an increase of 25.6% to HK\$255.1 million (FY2022 1H: HK\$203.1 million). Basic earnings per share were HK10.2 cents (FY2022 1H: HK8.4 cents). By excluding the impairment loss on the production base in Myanmar and the net realised and unrealised gains or losses from derivative financial instruments, the Group's adjusted net profit improved notably by 78.9% to HK\$342.9 million (FY2022 1H: HK\$191.7 million) and adjusted net profit margin improved from 7.8% to 11.1%.

As at 30 September 2022, its cash and cash equivalents was HK\$778.9 million (31 March 2022: HK\$610.7 million), and in view of its prudent cash management directives and healthy cash flow, the Board of Directors recommended a payment of an interim dividend of 5.1 HK cents per share (FY2022 1H: 4.2 HK cents) to the Company's shareholders, representing a payout ratio of 50%, in appreciation of their unwavering support during such turbulent times.

Mr. Wong Wai Yue, Chairman and Executive Director of Nameson, said, "Based on the persisting trade tensions between Mainland China and the USA, brand customers are continuing to seek for production origins outside of Mainland China and hence the importance of Vietnam's manufacturing status has increased tremendously. More global customers have established sourcing offices in Vietnam and naturally more suppliers are also setting a footprint in Vietnam. We will continue to flex our productivity in our Vietnam production base, strengthen our functions related to customer services such as merchandising teams, sampling offices, test laboratories, etc. and expand productivity as appropriate, in order to be prepared to tap the increasing demand from the production front.

We continue to see vast potential in Vietnam's immense demand for raw materials. As our new business of weaving, printing and dyeing of fabric is beginning to take shape, we are confident that this business will continue to contribute positively to our Group's development as planned. We shall continue to grasp development opportunities relevant to this business."

Mr. Wong concluded, "In face to the market volatility and economic uncertainties ahead, the Group will continue to work closely with customers, to adapt and balance our mutual needs. We believe our accumulated experience and swift response led by our dynamic management team will succeed in bringing us forward under all kinds of circumstances in order to strive for greater returns to our shareholders."

- End -

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 and Lands' End. Currently, the Group operates its production facilities in China and Vietnam.

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

Enquiries:

Doris Chan	Tel: (852) 2689 1930	Email: dorisc@nameson.com.hk
Winnie Poon	Tel: (852) 2689 1890	Email: winniep@nameson.com.hk