



南旋控股有限公司  
NAMESON HOLDINGS LIMITED

## Nameson Announces 2016 Annual Results

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### Adjusted Net profit up 9.9% to HK\$273.0 million Expansion of Vietnam Production Facilities to Accelerate Growth

(Hong Kong, 27 June 2016) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in the PRC, today announced its annual results for the year ended 31 March 2016 (“FY2016” or the “Review Year”), after its successful listing on the Main Board of The Stock Exchange of Hong Kong Limited on 12 April 2016.

Despite the slowdown in global economic growth and various external challenges, the Group’s revenue increased by 7.7% to HK\$2,765.5 million during the Review Year (FY2015: HK\$2,567.7 million) as a result of the increase of the Group’s sales volume by 8.4% to 30.9 million pieces of knitwear products. With effective production cost control measures, gross profit of the Group increased by 6.4% to HK\$610.0 million for the Review Year (FY2015: HK\$573.4 million), with gross profit margin maintained at approximately 22%. The adjusted net profit<sup>1</sup> rose to HK\$273.0 million (FY2015: HK\$248.5 million), representing a satisfactory growth of 9.9%, with a 0.2 percentage point increase in adjusted net profit margin to 9.9% for FY2016. Basic earnings per share were HK15.46 cents.

Consistent with the Group’s geographical market distribution for the year ended 31 March 2015, Japan, North America (mainly the United States of America) and Europe remain as the Group’s top three markets. The revenue attributable to the Japanese market, North American market and European market accounted for 41.1%, 26.9% and 15.0% of the Group’s total revenue for FY2016 respectively. Compared with the last financial year, income from the Japanese market increased significantly by 22.3% to HK\$1,137.1 million while that from the European market saw an increase of 16.1% to HK\$415.1 million. The increase was underpinned by additional production in the Group’s Vietnam factory following completion of the first phase of expansion of the total production capacity in Vietnam, which enabled the Group to obtain more sales orders from the Japanese market. The Group is well-positioned to seize further business opportunities from both current and new customers in the future.

**Mr. Wong Ting Chung, Chairman, Executive Director and Chief Executive Officer of Nameson Holdings Limited**, said, “During the Review Year, the macro economy was still characterised by uncertainties, but Nameson managed to enhance its competitiveness by leveraging its high product quality, solid customer base, effective implementation of its development strategy as well as continuous improvement of operating efficiency.”

In order to meet the rising market demand, the Group has been strategically expanding its production facilities in Vietnam. With the first phase of its Vietnam factory commencing production in March 2015, the total designed production capacity of the Group has reached the expected level, increasing from approximately 29.9 million pieces of knitwear products for

<sup>1</sup> Adjusted net profit means net profit for the year without taking into account realised and unrealised (losses)/gains from derivative financial instruments and listing expenses incurred in connection with the Company’s listing on the Stock Exchange.

FY2015 to approximately 34.3 million pieces of knitwear products for FY2016. The construction of the second phase of the Vietnam factory is progressing as scheduled with production expected to commence gradually in the second half of 2016. The Group expects that the total production capacity to surge to 46.9 million pieces of knitwear products per annum upon the completion of the second phase of the Vietnam factory.

For products exported to Japan, the Group's Vietnam factory has been enjoying the zero tariffs under the Japan-Vietnam Economic Partnership Agreement. This will continue to facilitate the landing of new customers in Japan by the Group, which further enhance its competitive edges for exploring more business opportunities and achieving win-win with our existing and new customers. With the expansion in production capacity upon the completion of the second phase of the Vietnam factory, as well as benefiting directly from the factory enjoying tax benefits and the advantage of low production cost, the Group is better equipped to secure and handle more customer orders.

Looking to the future, the Group will further strengthen its design, research and development capabilities, so as to enhance knitwear designs and the development technology of yarn blends for producing higher quality knitwear, in its bid to attract more new international apparel brand customers. Moreover, the Group will optimise and improve its factory equipment and production efficiency to prepare for production capacity upgrades.

**Mr. Wong** concluded, "As a major apparel product category, knitwear has a huge and steady market demand. We thus remain confident in the outlook of the knitwear manufacturing industry and in maintaining the growth momentum of the Group's revenue. Looking ahead, Nameson will keep vigilance over the ever-changing landscape of the global economy, while continue to execute cautious yet promising expansion strategy, so as to enhance our production capacity and customer base. We believe that the endeavor will bode well for the prospect of the Group's business and deliver satisfactory returns to our shareholders."

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#### **About Nameson Holdings Limited (南旋控股有限公司)**

Nameson Holdings Limited is one of the leading knitwear manufacturers in the PRC\*. The Group offers a one-stop services for its customers comprising raw material development, product design, sample manufacturing, high-quality production, quality control and timely delivery of products. Its knitwear products include pullovers, cardigans, vests and accessories. Leveraging its high product quality, design development capability, timely delivery, and important one-stop services, Nameson has established long-standing and strong relationships with many renowned international apparel brands, including UNIQLO, Tommy Hilfiger and Lands' End. Currently, the Group operates two production bases, one in the PRC and the other in Vietnam.

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

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