



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Nameson Announces 2017 Annual Results

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Adjusted Net Profit Up 20.7% to HK\$329.5 million
Diversifying Business Leveraging on Vietnam Advantages
Competitiveness Further Improved

(Hong Kong, 22 June 2017) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in China, today announced its annual results for the year ended 31 March 2017 (“FY2017” or the “Review Year”).

During the year under review, the global economy continued to be ridden with uncertainties, creating a challenging operating environment for the knitwear industry in China. However, adhering to its development strategies that embrace continuous pursuit of technological innovation and enhancement of production efficiency, revenue of the Group increased by 0.8% to HK\$2,797 million (FY2016 : HK\$2,775 million). Thanks to the lower labour costs of its Vietnam Factory and timely expansion of production capacity, the Group was able to reap boosted economies of scale and synergistic benefits, which translated into lower overall costs. Its gross profit thus increased by 9.7% year-on-year to HK\$663 million (FY2016 : HK\$604 million), while gross profit margin also rose by 8.9% to 23.7% against the previous year. During the Review Year, adjusted net profit¹ surged 20.7%, relative to last year, to HK\$ 330 million (FY2016 : HK\$273 million), and adjusted net profit margin was also up, by 2.0 percentage points, to 11.8%. Basic earnings per share were HK15.97 cents (FY2016 : HK15.46 cents).

The Group’s financial status remained solid. As at 31 March 2017, the Group’s bank deposits, balances and cash amounted to approximately HK\$693 million (As at 31 March 2016: HK\$222 million). To reward the continuous support of shareholders, the Board of Directors recommended a final dividend of HK2.0 cents per share (FY2016: N/A), together with the interim dividend of HK3.8 cents per share already paid, representing a dividend ratio of 36.7% for FY2017.

As the Group’s top three markets, Japan, North America (mainly the United States of America) and Europe brought in revenue of around 40.0%, 22.1% and 16.8%, respectively, of the Group’s total revenue for the Review Year. The Group’s internationalised production layout, highly efficient productivity and flexible design and production arrangement have enabled it to provide quality services and products to customers, thus helped to generate more orders. During the Review Year, revenue attributable to the Chinese and European markets increased by 67.7% and 12.5% to HK\$286 million and HK\$469 million respectively, which pushed the Group’s overall sales up to HK\$2,797 million. The Group offers timely one-stop services to customers cost-effectively, which enables it to maintain its competitive edge for gaining recognition from more international apparel brand customers.

¹ Adjusted net profit did not take into account realized and unrealized (losses)/gains from derivative financial instruments and listing expenses incurred in connection with the Company’s listing on the Stock Exchange.

Mr. Wong Ting Chung, Chairman, Executive Director and Chief Executive Officer of Nameson, said, “As a leading knitwear manufacturer in the industry, the Group has over the years gained the trust of various international apparel brand customers with its quality services and products allowing it to stand out among industry peers. That plus the timely expansion of production capacity of our Vietnam Factory, have helped us capture business opportunities and achieve steady growth in overall business performance in the Financial Year 2017 despite the challenging business and global economic environment.”

With foothold in Vietnam and a blueprint for expansion, Nameson boasts first-mover advantage and by applying its strong production capability and rich market experience, it has been able to rally more orders from existing and new customers. With the second phase of its Vietnam Factory to gradually commence operation and commercial production in the second half of Financial Year 2017, and first phase of the factory improving in production efficiency, the Group can handle more orders. When second phase of the factory is in full operation, the Group’s total design production capacity will increase to 45 million pieces a year. Meanwhile, Nameson will also continue to devote resources to strengthen its designs as well as market research and analysis capabilities, and keep developing new designs for existing customers.

Given the Vietnamese government’s active effort in encouraging foreign investments in the country’s garment manufacturing industry in recent years, the midstream apparel manufacturing sector there has tremendous growth potential. Therefore, while focusing on its principal business of knitwear manufacturing, the Group intends to capitalise on its established network and resource advantages in Vietnam to extend its business to cover fabric weaving, printing and dyeing. Product diversification is expected to help the Group broaden its revenue base as well as customer base.

Mr. Wong concluded, “Despite that global socio-political and economic instability is likely to persist, the Group will continue to closely monitor market changes. We will continue to push forward our internationalisation plan while looking for promising business opportunities. By continuously exploring potential opportunities to diversify and widen its existing business scope, the Group can look forward to having a broader revenue base and delivering better returns to our shareholders in the long term.”

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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, raw material procurement, sample product development, quality products and value-added production services. Its knitwear products include pullovers, cardigans, vests and accessories. 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 two production facilities, one in the PRC and the other in Vietnam. The Group has been included as MSCI Hong Kong micro-cap index constituents since 31 May 2017.

* Source: Euromonitor – by manufacturers’ revenue in 2014

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