



南旋控股有限公司  
NAMESON HOLDINGS LIMITED

## Nameson Announces 2018 Annual Results

(Hong Kong, 22 June 2018) **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 2018 (“FY2018” or the “Review Year”).

During the Review Year, the trade imbalance between China and the United States has continuously impeded the global consumption value chain as a whole. The Group’s revenue in the Review Year increased steadily by 23.2% year-on-year to HK\$3,446.4 million, mainly due to the higher sales volume as well as higher average selling price resulting from changes in product mix. Nevertheless, the Renminbi’s appreciation coupled with a substantial increase of raw material prices in the second half of the FY2018 exerted pressure on the Group’s operating costs. Consequently, the Group’s gross profit increased by 7.5% to HK\$712.1 million but net profit decreased slightly by 0.3% to HK\$327.0 million respectively. Basic earnings per share were HK15.32 cents (FY2017: HK15.97 cents).

The Group’s financial position remained solid. As at 31 March 2018, the Group’s cash and cash equivalents amounted to approximately HK\$1,009.5 million (As at 31 March 2017: HK\$643.2 million). To reward the continuous support of shareholders, the Board of Directors recommended annual dividend of HK5.6 cents (FY2017: HK5.8 cents), representing a dividend ratio of 35.9% for FY2018 (FY2017: 36.3%).

Amidst the continued consolidation in the global manufacturing industry and the high value-added trend in the knitwear industry, Nameson stands out from the rest, as “technique” and “innovation” have been the key to its success. The Group has spearheaded the deployment of advanced whole garment knitting machines and streamlined the linking production process, catering to a large variety of customer demands, at the same time, reducing labour cost while producing more stylish product offerings. Thus, the Group maintains its competitive advantages aimed at gaining the recognition of more international apparel brand customers. The Group is also amongst the first manufacturers to set up a production base in Vietnam. Its production facilities in Vietnam commenced full operation during FY2018. Thus, the Group’s business is well-positioned in spite of the global uncertainties.

During the Review Year, the Group’s revenue attributable to the European market increased significantly by 36.2% to HK\$638.5 million compared with last year. The revenue attributable to the Chinese and Japanese markets grew by 45.8% and 20.2% respectively. The Group has also successfully extended its reach to the knitted shoes upper and knitted footwear business in December 2017, in order to further enhance its leading position in the knitwear industry.

**Mr Wong Ting Chung, Chairman, Executive Director and Chief Executive Officer of Nameson**, said, “With knitted footwear becoming a new fashion trend in recent years, by leveraging its existing resources and technical advantages, the Group has extended its business reach to the knitted shoe uppers and knitted footwear business at the end of 2017. In spite of the recent exacerbated competition in the industry, the Group believes that this new business segment will benefit overall business development driven by its growth potential and synergies with its knitwear business in the long run”.

Following the introduction of whole garment knitting machines, the Group will create a wider variety of stylish knitwear product series with clients through its innovative design concepts and state-of-the-art production techniques. In order to tap the diverse needs of its customers, it will continue to devote resources to enhance product design, market research and analytics, develop innovative functional materials and product designs, and seek to further implement automation and improve the technical level of other knitting-related solutions.

Looking ahead, despite the uncertainties including the anticipated interest rate hikes in the United States and rising exchange rate of the Renminbi, the Group will leverage its first-mover advantage in Vietnam and strive to increase production utilisation, so as to strengthen the overall profitability by improving production and operational efficiencies and imposing stringent cost control measures. The Group will also actively explore opportunities in developing the upstream business, in order to achieve sustainability and effective control over raw material supply and costs.

**Mr Wong** concluded, “As an industry leader, the Group will continue to closely monitor the changes in the market, and will make use of our advantages of economies of scale and combine our scalable production capacity with our advanced R&D so as to boost the overall business performance and strive for enhanced returns to shareholders”.

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

Nameson Holdings Limited is one of the leading knitwear manufacturers in China.\* 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. The Group extended its reach to knitted upper for footwear via acquiring V. Success Group from 15 December 2017. Currently, the Group operates four production facilities, two in China and two 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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