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南旋控股有限公司

NAMESON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1982)

CONNECTED TRANSACTION ASSETS TRANSFER AGREEMENT

THE ACQUISITION

The Board is pleased to announce that on 31 January 2019, the Vendor and Nanguan Tech (a non-wholly owned subsidiary of the Company) entered into the Assets Transfer Agreement, pursuant to which Nanguan Tech has agreed to acquire and the Vendor has agreed to sell the Assets.

LISTING RULES IMPLICATIONS

Nanguan Tech is a non-wholly owned subsidiary of the Company and the directors of Nanguan Tech are connected persons of the Company at the subsidiary level. As the controlling shareholder of the Vendor is a relative of two of the directors of Nanguan Tech, the Vendor is also a connected person of the Company at the subsidiary level under the Listing Rules and the transaction under the Assets Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules that is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

ASSETS TRANSFER AGREEMENT

The principal terms of the Assets Transfer Agreement are set out as follows:

Date

31 January 2019

Parties

- (a) The Vendor; and
- (b) Nanguan Tech (a non-wholly owned subsidiary of the Company) as purchaser.

Subject matter

The Vendor agreed to sell, and Nanguan Tech agreed to acquire the Assets comprising yarn, spinning equipment, trademarks and customer list owned by the Vendor as at the date of the Assets Transfer Agreement in accordance with the terms of the Assets Transfer Agreement.

Consideration

The consideration for the Assets (apart from the consideration for the yarn) is RMB865,000 (equivalent to approximately HK\$1,006,000).

The consideration for the yarn is RMB46,672,000 (approximately HK\$54,270,000). The Vendor and Nanguan Tech agreed Nanguan Tech will pay the consideration in respect of the relevant yarn to the Vendor within 5 business days after Nanguan Tech has completed the sale of the yarn to third party(ies). In relation to the yarn that cannot be sold to third party, the Vendor and Nanguan Tech will discuss how to resolve such matter.

The consideration was determined after arm's length negotiations between the Company and the Vendor with reference to the market price of the yarn and spinning equipment. The book value of the Assets as at 31 December 2018 was RMB58,430,000 and the original acquisition costs of the Assets to the Vendor was RMB58,430,000.

Prior to the entering into of the Assets Transfer Agreement, Nanguan Tech has purchased yarn and spinning equipment from the Vendor for a total consideration of RMB574,000 (approximately HK\$667,000), which constitute fully exempted connected transaction under Rule 14A.76 of the Listing Rules.

Delivery of the Assets

Pursuant to the Assets Transfer Agreement, the Vendor shall:

- (a) deliver the yarn and spinning equipment to Nanguan Tech within 14 days after the signing of the Assets Transfer Agreement;

- (b) deliver all documents in relation to the trademarks to be transferred to Nanguan Tech within 7 days after the signing of the Assets Transfer Agreement and to complete all relevant procedures to effect the transfer of the trademarks within 180 days after the signing of the Assets Transfer Agreement; and
- (c) deliver the customer list to Nanguan Tech within 7 days after the signing of the Assets Transfer Agreement.

Nanguan Tech shall pay the total consideration for the Assets (apart from the consideration for the yarn) in the total amount of RMB865,000 to the Vendor in cash within 30 days after the Vendor has completed all of its obligations mentioned in the paragraph above.

Non-competition undertaking by the Vendor

The Vendor also undertakes to Nanguan Tech that it will terminate its cashmere yarn trading business and to procure all of its related parties not to directly or indirectly participate in the cashmere yarn trading business or hold any rights or interests or otherwise participate in any business related to cashmere yarn trading, unless otherwise agreed by Nanguan Tech.

INFORMATION OF THE PARTIES

Nanguan Tech

Nanguan Tech is a joint venture company owned as to 55% and 45% by the Company and Hebei Yuteng respectively. The principal activities of Nanguan Tech is the production of cashmere yarn.

The Vendor

The Vendor is a limited liability company established under the laws of the PRC and as at the date of the Assets Transfer Agreement is principally engaged in the production and trading of cashmere yarn.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the manufacture of knitwear products, knitted upper for footwear and knitted upper shoes. The Group also produces cashmere yarn for the production of cashmere knitwear.

The acquisition of spinning machines allows the Group to gradually expand the capability of Nanguan Tech to produce cashmere yarn. Furthermore, as the subject matter of the Acquisition also includes yarn, trademarks and customer list owned by the Vendor, the Acquisition provides the Group with an opportunity to expand the business of Nanguan Tech and step into the yarn trading business.

In view of the above, the Directors are of the view that the terms of the Assets Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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The Board has approved the Assets Transfer Agreement and none of the Directors had a material interest in the transactions under the Assets Transfer Agreement or was required to abstain from voting on the relevant board resolutions. Given that the Board has approved the Assets Transfer Agreement and the independent non-executive Directors have confirmed that the terms of the Assets Transfer Agreement are fair and reasonable and the transaction under the Assets Transfer Agreement is on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole, the transaction under the Assets Transfer Agreement is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms have the following meanings:

“Acquisition”	the acquisition of the Assets under the Assets Transfer Agreement
“Assets”	comprising yarn, spinning equipment, trademarks and customer list owned by the Vendor as at the date of the Assets Transfer Agreement as specified under the Assets Transfer Agreement
“Assets Transfer Agreement”	the assets transfer agreement dated 31 January 2019 entered into between the Vendor and Nanguan Tech in relation to the Acquisition
“Board”	board of directors of the Company
“Company”	Nameson Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company

“Group”	the Company and its subsidiaries
“Hebei Yuteng”	河北宇騰羊絨製品有限公司 (Hebei Yuteng Cashmere Products Co., Ltd.*), a limited liability company established under the laws of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanguan Tech”	河北南冠科技有限公司 (Hebei Nanguan Technology Co., Ltd.*), a limited liability company established under the laws of the PRC
“PRC”	the People’s Republic of China
“RMB”	the lawful currency of the PRC
“Vendor”	河北美織羊絨紡織科技有限公司 (Hebei Meixian Cashmere Textile Technology Co., Ltd.*), a limited liability company established under the laws of the PRC
“%”	per cent

For illustration purposes only, HK\$ has been translated at HK\$1 to RMB0.86.

English translations of company names in Chinese which are marked with “*” are for identification purposes only.

By order of the Board of
Nameson Holdings Limited
Mr. Wong Ting Chung *BBS, JP*
Chairman

31 January 2019

As at the date of this announcement, the Board comprises Mr. Wong Ting Chung BBS, JP (Chairman and chief executive officer), Mr. Wong Wai Yue (Vice Chairman), Mr. Wong Wai Wing, Raymond, Mr. Wong Ting Chun and Mr. Li Po Sing as executive Directors; Mr. Tam Wai Hung, David and Mr. Wong Ting Kau, as non-executive Directors; Ms. Fan Chiu Fun, Fanny GBM, GBS, JP, Mr. Kan Chung Nin, Tony SBS, JP, Mr. Ong Chor Wei, Mr. Fan Chun Wah, Andrew JP, Ms. Lee Bik Kee, Betty and Mr. Ip Shu Kwan, Stephen GBS, JP, as independent non-executive Directors.