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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
JOINT VENTURE COOPERATION

THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that on 26 April 2024 (after trading hours), South Champion, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Hebei Yuteng in relation to, among others, the management of the Joint Venture Company for the production of cashmere yarn in Vietnam.

Pursuant to the Joint Venture Agreement, South Champion and Hebei Yuteng shall make capital injection of US\$4.4 million (equivalent to approximately HK\$34.3 million) and US\$3.6 million (equivalent to approximately HK\$28.1 million) respectively to the Joint Venture Company by 25 April 2027, in proportion to their respective shareholding in the Joint Venture Company, representing 55% and 45% of the issued share capital of the Joint Venture Company respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hebei Yuteng is (i) a substantial shareholder of each of Nanguan Tech and Moro International (both being indirect non-wholly owned subsidiaries of the Company); and (ii) ultimately beneficially owned as to approximately 51% by Mr. Ma Haitao (a director of each of Nanguan Tech and Moro International) and approximately 49% by Mr. Ma Jiangtao (a director of Nanguan Tech), it is a connected person of the Company at the subsidiary level under the Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Joint Venture Agreement would constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the transaction contemplated under the Joint Venture Agreement exceeds 1% but is less than 5%, the transaction contemplated under the Joint Venture Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that on 26 April 2024 (after trading hours), South Champion, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Hebei Yuteng in relation to, among others, the management of the Joint Venture Company for the production of cashmere yarn in Vietnam.

The principal terms of the Joint Venture Agreement are as follows:

Date: 26 April 2024

Parties: (1) South Champion; and
(2) Hebei Yuteng.

Shareholding structure

The Joint Venture Company was incorporated in the BVI with limited liability on 13 December 2023. As at the date of this announcement, the Joint Venture Company is an indirect non-wholly owned subsidiary of the Company with an issued share capital of US\$100, which is owned as to 55% by South Champion and 45% by Hebei Yuteng.

Purpose

As at the date of this announcement, the Joint Venture Company is an investment holding company which has not been engaged in any business operations since its incorporation. Pursuant to the Joint Venture Agreement, M.C. (Vietnam), shall be incorporated in Vietnam as a direct wholly-owned subsidiary of the Joint Venture Company (collectively, the Joint Venture Group). M.C. (Vietnam) will be principally engaged in the manufacturing of cashmere yarn in Vietnam. It has an expected designed production capacity of 500 tonnes of cashmere yarn per annum with an aim of coming into full production within 3 years.

Capital injection

Pursuant to the Joint Venture Agreement, South Champion and Hebei Yuteng shall make capital injection of US\$4.4 million (equivalent to approximately HK\$34.3 million) and US\$3.6 million (equivalent to approximately HK\$28.1 million) respectively to the Joint Venture Company by 25 April 2027, in proportion to their respective shareholding in the Joint Venture Company, representing 55% and 45% of the issued share capital of the Joint Venture Company respectively.

The amount of capital injection of the Parties in the Joint Venture Company was determined after arm's length negotiations with reference to the capital requirements of the Joint Venture Group. The capital contribution to be made by South Champion will be funded by the Group's internal resources.

Boards of directors

The board of directors of each of the Joint Venture Company and M.C. (Vietnam) will comprise three directors, of whom two directors will be nominated by South Champion, and one director will be nominated by Hebei Yuteng.

Restrictions on issue and transfer of shares

Issue of new shares

The Joint Venture Company may issue new shares on a pro-rata basis or any basis to be determined by its shareholders with prior written consent of its shareholders.

Right of first refusal

In the event a shareholder proposes to transfer its shares in the Joint Venture Company to a third party, the other shareholder shall have the right of first refusal to acquire such shares.

Tag-along right

In the event a shareholder (the "Intending Shareholder") proposes to transfer its shares in the Joint Venture Company to a third party, the other shareholder shall have the right to transfer its shares to the third party together with the Intending Shareholder at the same price, terms and conditions as proposed by the Intending Shareholder. If the third party does not agree to acquire additional shares from the other shareholder, the Intending Shareholder shall reduce its number of shares to be transferred to ensure the shares transferred to the third party together with the other shareholder is on a pro-rata basis.

Profit and loss distribution

Any profits and losses shall be distributed to the shareholders pro-rata to their respective shareholdings in the Joint Venture Company.

FINANCIAL IMPACT

The Joint Venture Company will continue to be an indirect non-wholly owned subsidiary of the Company, and its consolidated financial results, assets and liabilities will be consolidated into the financial statements of the Group.

INFORMATION OF THE GROUP, SOUTH CHAMPION AND HEBEI YUTENG

The Group

The Company is an investment holding company and the Group is principally engaged in the manufacturing of knitwear products.

South Champion

South Champion is a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. It is an investment holding company as at the date of this announcement.

Hebei Yuteng

Hebei Yuteng is principally engaged in the production of dehaired cashmere and cashmere tops. It is located in Qinghe County, Xingtai City, Hebei Province, the PRC which is a region where high quality cashmere is found. So far as the Directors are aware, Hebei Yuteng is one of the largest cashmere processing factories in Hebei Province and is also well-known for its use of advanced technology in its production of high quality cashmere. As at the date of this announcement, Hebei Yuteng is (i) a substantial shareholder of each of Nanguan Tech and Moro International (both being indirect non-wholly owned subsidiaries of the Company); and (ii) ultimately beneficially owned as to approximately 51% by Mr. Ma Haitao (a director of each of Nanguan Tech and Moro International) and approximately 49% by Mr. Ma Jiangtao (a director of Nanguan Tech), and therefore it is a connected person of the Company at the subsidiary level under the Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The establishment of the Joint Venture Company with Hebei Yuteng will allow the Group to (i) leverage on Hebei Yuteng's expertise in the production of high quality cashmere; (ii) partly share the proportionate risks and rewards of investments in the production of cashmere yarn in Vietnam with Hebei Yuteng; and (iii) expand its business scope in Vietnam and enhance its overall competitiveness and customer base in the industry.

The Directors (including the independent non-executive Directors) consider the transaction contemplated under the Joint Venture Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors are deemed to have a material interest in the transaction contemplated under the Joint Venture Agreement and hence are not required to abstain from voting on the board resolutions approving the transaction contemplated under the Joint Venture Agreement.

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DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Nameson Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1982)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hebei Yuteng”	Hebei Yuteng Cashmere Products Co., Ltd.* (河北宇騰羊絨製品有限公司), a company established in the PRC with limited liability and a connected person of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Joint Venture Agreement”	the joint venture agreement dated 26 April 2024 entered into between South Champion and Hebei Yuteng in relation to, among others, the management of the Joint Venture Company for the production of cashmere yarn in Vietnam
“Joint Venture Company”	M.ORO Group Limited (美纖集團有限公司), a company incorporated in the BVI with limited liability and an indirect non-wholly owned subsidiary of the Company
“Joint Venture Group”	the Joint Venture Company and its direct wholly-owned subsidiary to be incorporated, namely M.C. (Vietnam)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M.C. (Vietnam)”	M.C. (Vietnam) Textile Limited, a company to be incorporated in Vietnam with limited liability

“Moro International”	M.ORO International Limited (美纖國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“Nanguan Tech”	Hebei Nanguan Technology Co., Ltd.* (河北南冠科技有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Parties”	South Champion and Hebei Yuteng
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the issued Shares
“South Champion”	South Champion Limited (南冠有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vietnam”	the Socialist Republic of Vietnam
“%”	per cent.

In this announcement, amounts in US\$ have been translated into HK\$ at the rate of US\$1 = HK\$7.8. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at the above rate or at any other rates at all.

English translation of company name in Chinese which is marked with “” is for identification purposes only.*

By Order of the Board
Nameson Holdings Limited
Mr. Wong Wai Yue
Chairman

26 April 2024

As at the date of this announcement, the Board comprises Mr. Wong Wai Yue (Chairman), Mr. Man Yu Hin (Chief Executive Officer), Mr. Wong Ting Chun and Mr. Li Po Sing, as executive Directors of the Company; and Ms. Fan Chiu Fun, Fanny GBM, GBS, JP, Mr. Kan Chung Nin, Tony SBS, JP, Mr. Fan Chun Wah, Andrew JP and Mr. Ip Shu Kwan, Stephen GBS, JP, as independent non-executive Directors of the Company.