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You are cautioned not to place undue reliance on the forward-looking statements contained herein. There is no assurance that these forward-looking statements will prove to have been correct. Expectations reflected in these forward-looking statements are subject to change and we undertake no obligation to update or revise any forward-looking statements herein.

[For Immediate Release]



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Announces Details of Proposed Listing on the Main Board of the Stock Exchange of Hong Kong Limited

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**Global Offering of 500,000,000 Shares
Ranging from HK\$1.03 to HK1.33 per Offer Share**

Investment Highlights

- Among the top five knitwear manufacturers in the PRC* providing one-stop in-house solutions for knitwear products with strong product design and development capability and manufacturing expertise
- Long-term relationships from eight to 20 years with international apparel brands customers such as UNIQLO, Tommy Hilfiger and Lands' End
- One of the production bases is strategically located on the outskirts of Ho Chi Minh City to take advantage of Vietnam's low-cost environment and favourable trade arrangements
- Proven financial track record: In FY2015, revenue rose 10.6% year-on-year to HK\$2.57 billion; while net profit rose 24.6% year-on-year to HK\$273.3 million
- Expansion plan: Expand production facilities in Vietnam and increase the total designed annual production capacity by 36.7% to 46.9 million units of knitwear by the first half of 2016
- Cornerstone investors secured include Fast Retailing Co., Ltd. (TSE: 9983; SEHK: 6288), Shima Seiki MFG., Ltd., Shima Seiki (Hong Kong) Ltd. and Talent Charm Limited, a wholly owned subsidiary of K-Boxing Investment Holdings Co., Ltd.
- Dividend policy: At least 35% of its distributable profit annually

(Hong Kong, 29 March 2016) **Nameson Holdings Limited** ("Nameson" or the "Group"), one of the top five knitwear manufacturers in the PRC, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

Offering Details

Nameson intends to offer an aggregate of 500,000,000 shares (subject to the Over-allotment Option) for its Global Offering, of which 90% will be for International Offering (subject to adjustment and the Over-allotment Option) and 10% will be for Hong Kong Public Offer (subject to adjustment). The indicative Offer Price range is set between HK\$1.03 and HK\$1.33 per Offer Share. Net proceeds from the Global Offering are estimated to be approximately HK\$466.8 million to HK\$613.0 million.

* Source: Euromonitor – by manufacturers' revenue in 2014

The Hong Kong Public Offer will begin at 9:00 am on 30 March 2016 (Wednesday) and ends at 12:00 noon on 5 April 2016 (Tuesday). The final Offer Price and allotment results will be announced on 11 April 2016 (Monday). Dealing of Nameson's shares will commence on the Main Board of SEHK on 12 April 2016 (Tuesday) under the stock code 1982. Shares will be traded in board lots of 2,000 shares.

Within the International Offering, Fast Retailing Co., Ltd., a Japanese retail holding company (TSE: 9983; SEHK: 6288); Shima Seiki MFG., Ltd. and its wholly-owned subsidiary Shima Seiki (Hong Kong) Ltd., as well as Talent Charm Limited, have agreed to subscribe at the Offer Price for an aggregate amount of JPY1 billion, US\$5 million and US\$5 million respectively.

CITIC CLSA Capital Markets Limited is the Sole Sponsor of this listing, while CLSA Limited is the Sole Global Coordinator and Sole Bookrunner. CLSA Limited and Mizuho Securities Asia Limited are the Joint Lead Managers.

Corporate Highlights

Long-term Relationships with International Apparel Brand Customers

Nameson has established long-term business relationships with international apparel brands and its five largest customers are all such brands, including UNIQLO, Tommy Hilfiger and Lands' End. Such relationships have ranged from eight to 20 years. In particular, the Group's relationship with UNIQLO, its largest customer, started in 1995, and with Tommy Hilfiger, its second-largest customer, since 2001. Such long-standing relationships are a testament to its consistently high quality products, strong research and development and design capabilities, and cannot be easily replicated by other knitwear manufacturers. The Group was presented by UNIQLO with the "UNIQLO Quality Supplier Award" and also certified by this customer to produce products under the "UNIQLO" label as a trusted business partner for 2012, 2013, 2014 and 2015. The Group believes that its long-term relationship with major customers greatly enhances its reputation in the knitwear industry and hence increases its ability to attract new customers globally, as reflected from 2014 to the Latest Practicable Date, during which it has gained 13 international and PRC apparel brands as new customers.

One-stop In-house Solutions Provider with Strong Design and Development Capability

Nameson provides its customers with one-stop in-house solutions and value-added services ranging from product concept and specification designs, raw material procurement, yarn and sample development to production. Its ability to provide a comprehensive range of services to customers gives it a sustainable competitive edge by enhancing its ability to accommodate needs of customers and allowing it to provide timely services to customers in a cost efficient manner. The Group also creates trend boards with knitwear designs or knitting patterns approximately a year in advance of individual seasons to serve as a source of inspiration for its customers. Its strong capability to develop samples together with its large scale and highly automated production capabilities means that the Group is able to shorten production lead time and is highly flexible in adjusting its design and production, which enables it to maintain economies of scale and respond to customers' needs and market demands within a short period of time.

Leading Knitwear Manufacturer with strong manufacturing expertise, extensive product know-how, efficient production, stringent quality control and good market reputation

Since its establishment in 1990, Nameson has accumulated extensive expertise and know-how in knitwear manufacturing. Together with its advanced and highly automated production, the Group is able to consistently produce quality products efficiently. As at 30 September 2015, the Group had 5,876 and 1,500 sets of linking machines, and 3,765 and 662 sets of fully automated knitting machines sourced from German and Japanese manufacturers at its PRC Factory and Vietnam Factory respectively. It also had six sets of computerized embroidering machines and 11 sets of cashmere spinning machines at the PRC Factory. These machines enable it to produce finished pieces of complicated designs in short spans of time, ensuring time and cost efficiency while reducing its exposure to labour costs and labour shortage risks. Thanks to its comprehensive and stringent quality control regime, the Group was able to maintain the defect rates of its finished knitwear products at close to zero. The Group's reputation for timely delivery of products is also one of the core competitive strengths enabling it to maintain loyal relationships with existing customers and to attract new customers.

Strategically-located Production Bases

Nameson's PRC Factory is located in Huizhou, Guangdong Province, PRC, in close proximity to the facilities of most of its key suppliers. This strategic location minimises its operating costs and enables it to better respond to its customers' needs. In addition, with another factory in Vietnam, the Group not only enjoys the lower cost of labour and favourable trade arrangement for Vietnam, but also attracts other customers to share the benefits of its Vietnam Factory. For example, under the Japan-Vietnam Economic Partnership Agreement, custom duty was eliminated for import of knitwear products, subject to certain conditions, from Vietnam into Japan, making the Group's Vietnam Factory more attractive to its customers in Japan. Vietnam's entry into the WTO in 2007 has also led to certain trade advantages such as low tariffs by the US and elimination of trade quotas for garments and textiles by all WTO member countries. And the conclusion of negotiations for the Trans-Pacific Partnership ("TPP") is likely to result in lower tariffs and fewer trade barriers, hence giving Vietnam greater market access to major TPP countries such as US and Japan. All of these favourable terms and conditions present more business opportunities to the Group's Vietnam Factory.

Future Strategies

According to Euromonitor, from 2015 to 2017, the Group's two largest markets – Japan and the US will continue stable growth, while the China knitwear market will grow at a CAGR of 8.9% in the same period. To capture business opportunities arising from the growth in the global knitwear market, Nameson will expand its production capacity by establishing new production facilities in Vietnam. It has commenced construction of the second phase of its Vietnam Factory and expects the construction to be completed in the first half of 2016 with a designed annual production capacity of approximately 12.6 million units of knitwear. When combined with its PRC Factory and the first phase of its Vietnam Factory, the total designed annual production capacity will be 46.9 million units of knitwear.

Apart from further developing relationships with its existing customers, the Group will also enlarge and diversify its customer base by increasing the number of sales staff and its sales and merchandising team. Moreover, Nameson will continue to strengthen its design and development capabilities to improve and evolve its product offerings. To achieve this, it will continue to work closely and collaborate frequently with its customers and suppliers to develop more innovative and sophisticated yarn blends and knitting patterns. The Group will also provide its customers with a state-of-the-art design platform and services, engage additional design and development staff to offer greater support for value-added services, as well as to create more opportunities for its design and development staff to attend international trade fairs, fashion shows and conferences to ensure that Nameson stays informed on the latest market trends.

Mr. Wong Ting Chung, Nameson's Chairman, Executive Director and Chief Executive Officer, said, "After dedication of our effort in our knitwear manufacturing business for decades, we are delighted to announce the proposed listing of Nameson, marking another milestone in our Group's development. With a strengthened capital base to fuel our development plan and led by our experienced, visionary and knowledgeable management team, the Group is well-positioned to further strengthen its leading position in the knitwear market, and confident of achieving sustainable growth and maximising returns for our shareholders."

- End -

Use of Proceeds

Assuming the over-allotment option is not exercised at an Offer Price of HK\$1.18 per Share (being the mid-point of the Offer Price range), after deducting the total estimated listing related expenses payable in the Global Offering, net proceeds are estimated to be approximately HK\$539.9 million and will be used as:

Purpose	Approximately
Construction of second phase of the Vietnam Factory	30%
Purchase of machines for the second phase of the Vietnam Factory	25%
Repayment of part of outstanding bank loans	15%
Enhancement of design and product development capabilities	10%
Enhancement of the existing enterprise resource planning system	10%
Working capital and general corporate purposes	10%

Dividend Policy

The Group intends to adopt, after its listing, a general dividend policy of distributing dividends to its shareholders of at least 35% of its distributable profit on an annual basis.

Financial Highlights

<i>(HK\$'000)</i>	Year ended 31 Mar			Six months ended 30 Sep	
	2013	2014	2015	2014	2015
Revenue	2,542,805	2,322,265	2,567,667	1,625,996	1,756,432
Gross Profit	647,774	553,980	573,368	359,137	359,509
Profit for the Year / Period	368,398	219,368	273,346	215,565 [#]	155,430 [#]
Gross Profit Margin	25.5%	23.9%	22.3%	22.1%	20.5%
Net Profit Margin	14.5%	9.4%	10.6%	13.3%	8.8%

[#] Excluding the realised and unrealised (gains)/losses from derivative financial instruments and listing expenses, the adjusted net profits for the six months ended 30 September 2014 and 2015 would be HK\$196.0 million and HK\$182.7 million respectively, while the respective adjusted profit margins for the periods would be 12.1% and 10.4%.

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 in-house solution for its customers comprising design orientation, raw material procurement, sample product development, quality products and timely delivery. 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 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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