

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



南旋控股有限公司
NAMESON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1982)

CONTINUING CONNECTED TRANSACTION

FABRIC PURCHASE AGREEMENT

On 28 March 2022, the Sellers (being subsidiaries of the Company) and the Purchasers entered into the Fabric Purchase Agreement in respect of the sale of fabric by the Sellers to the Purchasers for a term of one year from 1 April 2022 to 31 March 2023.

LISTING RULES IMPLICATIONS

As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

As at the date of this announcement, each of the Purchasers is ultimately beneficially owned as to 35% by Mr. Wong Ting Chung, Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau together and as to 40% by Mr. Shum Ho Chi (being a director of each of the Sellers). As such, each of the Purchasers is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Fabric Purchase Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (other than profits ratio) in respect of the annual cap of the Fabric Purchase Agreement are less than 5%, the transactions contemplated under the Fabric Purchase Agreement are subject to reporting, annual review and announcement requirement but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

FABRIC PURCHASE AGREEMENT

On 28 March 2022, the Sellers (being subsidiaries of the Company) and the Purchasers entered into the Fabric Purchase Agreement in respect of the sale of fabric by the Sellers to the Purchasers for a term of one year from 1 April 2022 to 31 March 2023.

The principal terms of the Fabric Purchase Agreement are set out as follows:

- Date: 28 March 2022
- Parties: (1) Each of Sumtex Industrial and Xinyixin Huizhou as sellers; and
(2) Each of Sunicon Apparel and Huizhou Jiayu as purchasers
- Subject matter: Each of the Purchasers agreed to purchase, and each of the Sellers agreed to sell, fabric pursuant to orders placed from time to time.
- Term: Effective from 1 April 2022 and ending on 31 March 2023.
- Pricing of fabric: The Sellers agreed to ensure that the price for fabric they charge the Purchasers will not be lower than (i) the market price, which is the price offered to the Purchasers by independent third parties for the same or similar fabric; or (ii) the price they offer to their other third party customers. For the avoidance of doubt, such pricing mechanism should apply to any orders issued during the term of the Fabric Purchase Agreement.
- Delivery and payment of fabric: The Sellers should deliver the fabric to the Purchasers at the designated time and place in accordance with the written order forms placed by the Purchasers. If the Purchasers are satisfied with the quality of the fabric delivered, they should issue a delivery note to the Sellers. Within a reasonable time after the issuance of the delivery note, the Sellers should issue an invoice to the Purchasers for the transaction amount of each batch of fabric delivered by the Sellers to the Purchasers. The Purchasers should then arrange for payment in accordance with the payment terms as set out in the order forms.

Annual cap: The annual cap in respect of the sale of fabric by the Sellers to the Purchasers under the Fabric Purchase Agreement for the financial year ending 31 March 2023 is US\$3.0 million (equivalent to approximately HK\$23.4 million). The above annual cap was determined after taking into account the following factors:

- (i) the price of fabric sold by the Sellers to their existing customers during the 10-month period from 1 April 2021 to 31 January 2022;
- (ii) the current market price of fabric;
- (iii) the volume of fabric purchased by the Purchasers from its other suppliers during the 10-month period from 1 April 2021 to 31 January 2022; and
- (iv) the expected volume of fabric required by the Purchasers for its production during the term of the Fabric Purchase Agreement based on the Purchasers' sales forecasts and fabric requirements.

INFORMATION OF THE PARTIES

The Purchasers

Sunicon Apparel is a company incorporated in Hong Kong with limited liability and is principally engaged in the manufacturing and trading of clothing products.

Huizhou Jiayu is a limited liability company established under the laws of the PRC and its entire equity interest is owned by Sunicon Apparel. It is principally engaged in the manufacturing of clothing products.

As at the date of this announcement, each of the Purchasers is ultimately beneficially owned as to 15% by Mr. Wong Ting Chung, 10% by Mr. Wong Ting Chun (an executive Director), 10% by Mr. Wong Ting Kau, 10% by Mr. Wong Wai Yue (an executive Director), 5% by Ms. Wong Wai Ling (sister of Mr. Wong Ting Chung), 40% by Mr. Shum Ho Chi (a director of Sumtex Industrial and a director and authorised representative of Xinyixin Huizhou) and 10% by an individual who is an Independent Third Party.

The Group and the Sellers

The Group is principally engaged in the manufacture of knitwear products.

Sumtex Industrial is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. The principal business of Sumtex Industrial is investment holding and trading of fabric.

Xinyixin Huizhou is a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company. The principal business of Xinyixin Huizhou is trading of fabric.

REASONS FOR AND BENEFITS OF THE FABRIC PURCHASE AGREEMENT

As the Purchasers are principally engaged in the business of manufacturing and trading of clothing products, they require a stable access to a reliable supply of high quality fabric which will allow them to better manage quality control and its production lead time.

Given the Purchasers' requirement of fabric and that the price it charges the Purchasers for the fabric will not be lower than the market price or the price it offers to its other third party customers, it is expected that the sale to the Purchasers will attribute to a stable source of income for the Sellers and the Directors believe that the sale to the Purchasers is commercially sound and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

In view of the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the terms of the Fabric Purchase Agreement (including the annual cap thereunder) are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL MEASURES

The Company has internal control measures to ensure that the transactions contemplated under the Fabric Purchase Agreement are implemented in accordance with the terms and conditions thereunder.

The Group would obtain and compare quotations from independent third parties for similar or comparable fabric to determine if the prices offered by the Sellers are in accordance with the terms and conditions of the Fabric Purchase Agreement and are comparable to or not less favourable than the price offered to unrelated third party customers. The senior management of the Group will review the transactions under the Fabric Purchase Agreement from time to time to ensure that the relevant members of the Group have not exceeded the annual cap under the Fabric Purchase Agreement.

LISTING RULES IMPLICATIONS

As Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust (which is a controlling shareholder of the Company), and Mr. Wong Ting Chun and Mr. Wong Ting Kau are beneficiaries of the Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

As at the date of this announcement, each of the Purchasers is ultimately beneficially owned as to 35% by Mr. Wong Ting Chung, Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau together and as to 40% by Mr. Shum Ho Chi (being a director of each of the Sellers). As such, each of the Purchasers is a connected person of the Company under

the Listing Rules. Accordingly, the transactions contemplated under the Fabric Purchase Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the Purchasers is ultimately beneficially owned as to 10% by Mr. Wong Wai Yue and 10% by Mr. Wong Ting Chun (both being executive Directors), each of Mr. Wong Wai Yue and Mr. Wong Ting Chun has a material interest in the transactions contemplated under the Fabric Purchase Agreement, and has therefore abstained from voting on the Board resolutions approving the Fabric Purchase Agreement. Save as disclosed above, none of the other Directors had a material interest in the transactions contemplated under the Fabric Purchase Agreement (including the annual cap thereunder) or was required to abstain from voting on the relevant board resolutions.

As all of the applicable percentage ratios (other than profits ratio) in respect of the annual cap of the Fabric Purchase Agreement are less than 5%, the transactions contemplated under the Fabric Purchase Agreement are subject to reporting, annual review and announcement requirement but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

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

“Board”	board of Directors
“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 director(s) of the Company
“Fabric Purchase Agreement”	the fabric purchase agreement dated 28 March 2022 entered into between the Sellers and the Purchasers in respect of the sale and purchase of fabric for a term of one year from 1 April 2022 to 31 March 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Jiayu”	Huizhou Jiayu Clothing Co., Ltd.* (惠州市佳譽製衣有限公司), a limited liability company established under the laws of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchasers”	collectively, Sunicon Apparel and Huizhou Jiayu, the purchasers to the Fabric Purchase Agreement
“RMB”	the lawful currency of the PRC
“Sellers”	collectively, Sumtex Industrial and Xinyixin Huizhou, the sellers to the Fabric Purchase Agreement
“Sumtex Industrial”	Sumtex Industrial Limited (益新實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sunicon Apparel”	Sunicon Apparel Limited (佳譽(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Xinyixin Huizhou”	Xinyixin (Huizhou) Trading Co., Ltd.* (新益新(惠州)貿易有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“%”	per cent

For illustration purposes only, HK\$ has been translated at US\$1 to HK\$7.8.

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 Wai Yue
Chairman

28 March 2022

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; Mr. Tam Wai Hung, David, as non-executive director of the Company; 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 of the Company.