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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
TENANCY AGREEMENT

THE TENANCY AGREEMENT

The Board is pleased to announce that on 25 March 2024, the Tenants (being wholly-owned subsidiaries of the Company) and Hanyi Investments entered into the Tenancy Agreement in relation to the leasing of the Properties by the Tenants from Hanyi Investments for a term of three years from 1 April 2024 to 31 March 2027.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hanyi Investments was ultimately beneficially owned by Happy Family Trust (a controlling shareholder of the Company). Mr. Wong Ting Chung (a former chairman, chief executive officer and executive Director, who resigned with effect from 1 April 2021) is the settlor, the protector and one of the beneficiaries of Happy Family Trust, and Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau (a former non-executive Director who resigned with effect from 1 April 2021) are beneficiaries of Happy Family Trust. Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau are therefore controlling shareholders of the Company.

Accordingly, Hanyi Investments is an associate of each of Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau, and Hanyi Investments is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the value of the right-of-use assets to be recognised by the Company in connection with the Tenancy Agreement pursuant to HKFRS 16 exceeds 0.1% but are less than 5%, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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The principal terms of the Tenancy Agreement are as follows:

Date : 25 March 2024

Parties : (1) Hanyi Investments;
(2) Nameson Industrial;
(3) Winner Way; and
(4) FTHK.

(Nameson Industrial, Winner Way and FTHK collectively being the Tenants)

Term : Three years from 1 April 2024 to 31 March 2027

Deposit : HK\$900,000, which is payable upon signing of the Tenancy Agreement and refundable within 14 days of the expiration of the tenancy term

Rent and utility fees : A monthly rent of HK\$300,000, which is payable quarterly. Hanyi Investments is responsible for the relevant property tax, land tax, rates, government rent and management fee, while the Tenants are responsible for the utility fees such as water, electricity and telephone charges.

The rent payable under the Tenancy Agreement was determined after arm's length negotiations between Hanyi Investments and the Tenants after taking into consideration, among other things, the prevailing market rental value of the Properties based on the valuation report under market approach issued by an independent valuer engaged by the Company.

RIGHT-OF-USE ASSETS

In accordance with HKFRS 16, the Group is required to recognise the Tenancy Agreement as a right-of-use asset, and, as a result, the entering into of the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group pursuant to the Listing Rules. The value of the right-of-use assets to be recognised by the Group under the Tenancy Agreement is estimated to be approximately HK\$9,800,000, being the present value of the aggregate rent and the fees payable under the Tenancy Agreement in accordance with HKFRS 16. Shareholders of the Company should note that the above figures are unaudited and may be subject to adjustment in the future.

INFORMATION ABOUT THE GROUP AND THE TENANTS

The Company is an investment holding company. The Group is principally engaged in the manufacturing of knitwear products. Each of Nameson Industrial, Winner Way and FTHK is (i) a wholly-owned subsidiary of the Company; (ii) incorporated in Hong Kong with limited liability; and (iii) principally engaged in the manufacturing of knitwear products.

INFORMATION ABOUT HANYI INVESTMENTS

Hanyi Investments is a company incorporated in the British Virgin Island with limited liability and is principally engaged in property holding. As at the date of this announcement, Hanyi Investments was ultimately beneficially owned by Happy Family Trust (a controlling shareholder of the Company). Mr. Wong Ting Chung (a former chairman, chief executive officer and executive Director, who resigned with effect from 1 April 2021) is the settlor, the protector and one of the beneficiaries of Happy Family Trust, and Mr. Wong Ting Chun (an executive Director) and Mr. Wong Ting Kau (a former non-executive Director who resigned with effect from 1 April 2021) are beneficiaries of Happy Family Trust.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Properties have been used as the offices and factory of the Group, which is considered as a strategic location for the Group to operate its business. The Directors consider that it will be beneficial for the Group to continue to operate its business in the Properties and to avoid any interruption to the Group's operations incurred in the case of a relocation.

The Directors (including the independent non-executive Directors) are of the opinion that the transaction contemplated under the Tenancy Agreement is entered into in the ordinary and usual course of business of the Group, and the Tenancy Agreement (together with the rent and other fees payable) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transaction contemplated under the Tenancy Agreement (together with the rent and other fees payable) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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Accordingly, Hanyi Investments is an associate of each of Happy Family Trust, Mr. Wong Ting Chung, Mr. Wong Ting Chun and Mr. Wong Ting Kau, and Hanyi Investments is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the value of the right-of-use assets to be recognised by the Company in connection with the Tenancy Agreement pursuant to HKFRS 16 exceeds 0.1% but are less than 5%, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Wong Wai Yue (an executive Director) is the son of Mr. Wong Ting Chung, nephew of Mr. Wong Ting Chun and Mr. Wong Ting Kau. Mr. Man Yu Hin (an executive Director) is the son-in-law of Mr. Wong Ting Chung, brother-in-law of Mr. Wong Wai Yue and nephew-in-law of Mr. Wong Ting Chun and Mr. Wong Ting Kau. Mr. Wong Ting Chun (an executive Director) is one of the beneficiaries of Happy Family Trust and he is the brother of Mr. Wong Ting Chung and Mr. Wong Ting Kau, uncle of Mr. Wong Wai Yue and uncle-in-law of Mr. Man Yu Hin.

Accordingly, each of Mr. Wong Wai Yue, Mr. Man Yu Hin and Mr. Wong Ting Chun were considered to have a material interest in the transaction contemplated under the Tenancy Agreement and had abstained from voting on the board resolution(s) approving the transaction contemplated under the Tenancy Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall 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
“FTHK”	First Team (HK) Limited (創匯添(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hanyi Investments”	Hanyi Investments Limited (漢逸投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a connected person of the Company

“Happy Family Trust”	Happy Family Assets Limited, the holding vehicle incorporated in the British Virgin Islands used by East Asia International Trustees Limited as the trustee of the Happy Family Assets Limited, which is a trust established by Mr. Wong Ting Chung as the settlor and the protector, and a controlling shareholder of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“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
“Nameson Industrial”	Nameson Industrial Limited (南旋實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Properties”	Units A–C, 21/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong, with parking spaces No. 17 on the G/F and parking spaces No. 11 to 14 on the 1/F
“Tenancy Agreement”	the tenancy agreement dated 25 March 2024 and entered into between Hanyi Investments and the Tenants in relation to the leasing of the Properties by the Tenants from Hanyi Investments
“Tenants”	Nameson Industrial, Winner Way and FTHK
“Winner Way”	Winner Way Industrial Limited (力運實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

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

25 March 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.