



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Nameson Announces 2021 Annual Results

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**Operating Profit improved impressively by 55.5% to HK\$367.6 Million
Attributable to Owners of the Company surged by 99.8% to HK\$313.7 Million**

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Demonstrating Operational Efficiency Despite Challenging Times

(Hong Kong, 25 June 2021) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in China, today announced its annual results for the year ended 31 March 2021 (“FY2021” or the “Review Year”).

During the Review Year, the continued uncertainties on trade relations between China and the United States coupled with the extended global outbreak of the novel coronavirus (COVID-19), the overall market condition has seen profound impact on the landscape of manufacturing, trade, retail sentiment and consumption behaviors. The lockdowns in the United States of America and Europe for the first few months of the Review Year impeded orders for the first few months. Orders have revived to normalized levels towards the latter half of the year. Nevertheless, the Group’s revenue recorded a drop of 14.1% to HK\$3,848.6 million (FY2020: HK\$4,480.7 million).

Despite the decrease of the Group’s revenue due to lower sales volume and average selling prices of men’s and women’s knitwear products, the Group exercised better allocation of resources, mitigating raw material risks and effectively lowering direct labour cost and subcontracting charges. Hence, gross profit increased by 1.6% to HK\$701.4 million in the Review Year (FY2020: HK\$690.1 million), and gross profit margin improved to 18.2% (FY2020: 15.4%) which testifies to the effectiveness of its production and operations management.

Amidst the global economic challenges brought by COVID-19, the operations of its Vietnam factory even went the extra mile to succeed in further improving operational efficiency by careful allocation of orders and the production ratio of our Group’s Vietnam production base continued to increase as planned. In addition to its cost savings achievement in selling, general and administrative expenses as well as a downward trend of financial cost resulting from lower market interest rates and the Group’s prudent cash management directives, allowing its operating profit to lift impressively by 55.5% to HK\$367.6 million (FY2020: HK\$236.4 million) and enhancing its operating profit margin to 9.6% (FY2020: 5.3%). The profit attributable to the owners of the Company surged 99.8% to HK\$313.7 million (FY2020: HK\$157.0 million). The growth of adjusted net profit* would still have been respectable at 25.2% at HK\$305.5 million (FY2020: HK\$244.0 million); adjusted net profit margin also enhanced 7.9% (FY2020: 5.4%).

Basic earnings per share was HK\$13.76 cents (FY2020: HK\$6.89 cents). The Board recommend a final dividend of 1.2 HK cents per share in second half of FY2021, including the interim dividend of HK3.4 cents per share, the annual dividend is HK5.0 cents (FY2020: HK4.3 cents), to thanks shareholders for their continued unwavering support.

Mr. Benny Wong Wai Yue, Chairman and Executive Director of Nameson, said, “We are appreciative that our operations were not only running smoothly amidst global concern for the pandemic, our professional production management worked in favour to customers’ fluid sales plans, which reaffirms our position as their supplier of choice. We have fostered tighter working relationships with customers to overcome challenges together, which marks another important milestone for us to grow together in the years to come.

In view of the strong potential demand of local fabric in the apparel industry in Vietnam, we are confident that our devotion of resources in developing the business of weaving, printing and dyeing of fabric will contribute to the apparel industry and fill in the gap for shortage of local fabric supply. We expect that our fabric business will begin to contribute to the Group in next financial year.”

Mr. Wong concluded, “With our motivation to continue to lead the industry, the new management led by myself, will be open-minded to accomplish new breakthroughs for our customers’ new generation sales channels. We will also focus on bringing new energy, continue to develop on lean manufacturing and embark on digitalization and automation where appropriate. We will continue to further enhance our product design, material development ability, and production efficiency to boost the overall profitability and strive for greater returns to our shareholders.”

***Remarks**

Adjusted net profit excludes (a) costs and expenses directly or indirectly related to the restructuring of V. Success Group and (b) realized (gain) / losses from derivative financial instruments, which are expenses not considered as recurring in nature.

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About Nameson Holdings Limited (Stock code: 1982)

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, development of raw materials, sampling production, quality products and other value-added services. Its knitwear products include sweaters, cashmere garments, seamless knitted garments. Leveraging its high product quality, design development capability, timely delivery, and important one-stop solution services, Nameson has established longstanding and strong relationships with many renowned international apparel brands, including UNIQLO, Tommy Hilfiger and Lands’ End. Currently, the Group operates its production facilities in China and Vietnam.

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