



南旋控股有限公司

NAMESON HOLDINGS LIMITED

Stock Code : 1982.HK

# FY2024 Annual Results

June 2024



# Disclaimer

- This presentation was prepared by Nameson Holdings Limited (the “Company”) for reference only. This presentation may not be reproduced or redistributed to any persons without explicit authorisation from the Company.
- Neither the Company nor any of its respective subsidiaries, directors, employees or advisors, directly or indirectly, gives any representation or warranty as to the completeness and accuracy of all the information contained in this presentation (including all forward-looking statements). The information contained in this presentation should be considered in the context of the circumstances prevailing at the time of presentation and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation.
- This presentation contains statements that reflect the Company’s beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the Company’s operations and factors which are beyond the Company’s control, and accordingly, actual results may differ materially from these forward-looking statements. The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.
- The Company expressly disclaims all liability (in negligence or otherwise) for any loss incurred or sustained by the participants of this presentation, their employers, entities, agents or any of their related parties as a result of using the information contained in this presentation.
- The materials and information in this presentation are for informational purposes only and do not constitute an offer or solicitation for the purchases or sale of any securities or financial instruments or to provide any investment service or investment advice.

# Presenters



 **Benny Wong**  
Chairman &  
Executive Director



 **Stephen Tao**  
CFO &  
Company Secretary

# Agenda

- 1 Results Overview
- 2 Financial Highlights
- 3 Business Review
- 4 Outlook
- 5 Q&A





南旋控股有限公司  
NAMESON HOLDINGS LIMITED

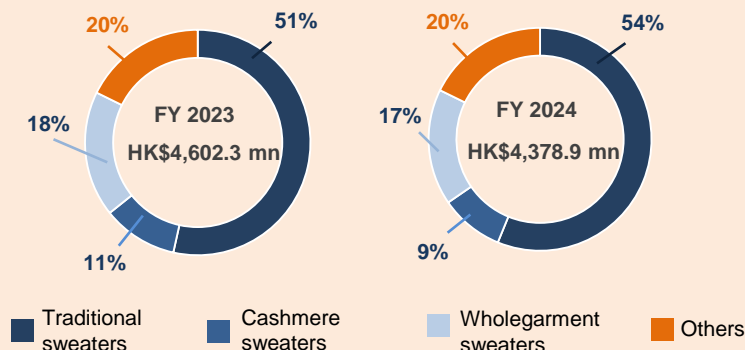
# RESULTS OVERVIEW



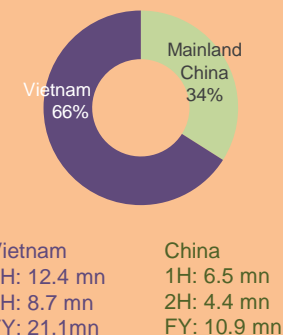
# Results Overview

- Sales volume increased in 2H 2024 due to increased fast orders, higher than initially expected
- Average selling price dropped due to product mix and raw material price
- Cashmere yarn business continue to take shape, increased external customers
- Fabric business more prone to economic fluctuation

## REVENUE BY BUSINESS BREAKDOWN (HK\$)



## CAPACITY BY LOCATION



Location	1H	2H	FY
Vietnam	12.4 mn	8.7 mn	21.1 mn
China	6.5 mn	4.4 mn	10.9 mn

## RECORD HIGH



## REVENUE (HK\$)

4,378.9 mn - 4.9%

## GROSS PROFIT (HK\$)

774.2 mn + 3.8%

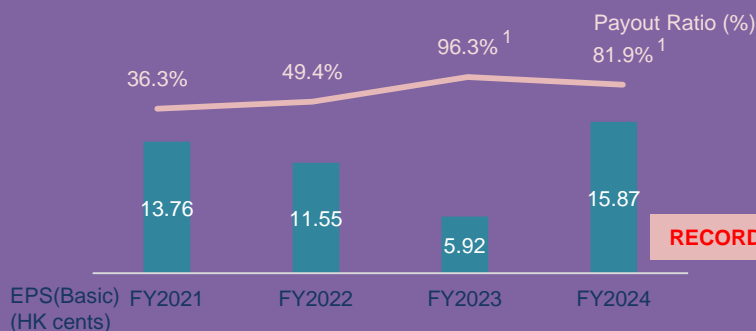
GROSS PROFIT MARGIN  
17.7% + 1.5%pt

## EARNINGS PER SHARE (HK¢)

15.87 + 168.3%

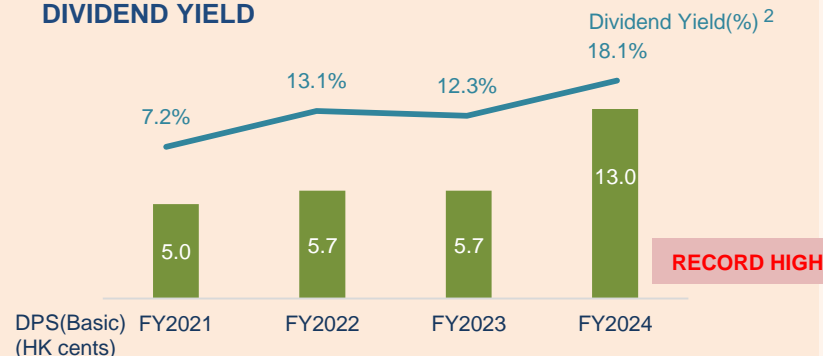
DIVIDEND PER SHARE (HK¢)  
13.0 + 128.1%

## HISTORICAL DIVIDEND



RECORD HIGH

## DIVIDEND YIELD



RECORD HIGH

<sup>1</sup> FY2023 and FY2024: Reported net profit included non-cash impairment loss of HK\$243.4 million and HK\$34.0 million respectively, if based on adjusted net profit which excluded non-recurring items, payout ratio would be 34.3% and 74.8% respectively

<sup>2</sup> Dividend yield calculated based on closing share price on corresponding announcement dates



南旋控股有限公司  
NAMESON HOLDINGS LIMITED

## FINANCIAL HIGHLIGHTS



# Financial Review

<i>(HK\$ 'mn)</i>	FY 2023	<b>FY 2024</b>	Change
Revenue	4,602.3	<b>4,378.9</b>	-4.9%
Gross Profit	745.5	<b>774.2</b>	+3.8%
<i>Gross Profit Margin</i>	16.2%	<b>17.7%</b>	+1.5 <i>ppt</i>
Other income	48.9	<b>13.3</b>	-72.8%
Other gains, net	76.5	<b>78.2</b>	+2.2%
Selling and distribution expenses	(37.1)	<b>(32.4)</b>	-12.7%
General and administrative expenses	(348.6)	<b>(331.8)</b>	-4.8%
Impairment loss on the production base in Myanmar	(243.4)	<b>(34.0)</b>	-86.0%
Operating Profit	241.7	<b>467.5</b>	+93.4%
<i>Operating Profit Margin</i>	5.3%	<b>10.7%</b>	+5.4 <i>ppt</i>
Finance Expenses, net	(33.1)	<b>(35.2)</b>	+6.3%
Profit before Tax	209.4	<b>433.9</b>	+107.2%
Net Profit	158.3	<b>380.7</b>	+140.5%
<i>Net Profit Margin</i>	3.4%	<b>8.7%</b>	+5.3 <i>ppt</i>
Profit attributable to the owners of the Company	134.8	<b>361.7</b>	+168.3%
Adjusted Net Profit <sup>1</sup>	379.3	<b>396.5</b>	+4.5%
<i>Adjusted Net Profit Margin</i>	8.2%	<b>9.1%</b>	+0.9 <i>ppt</i>

<sup>1</sup> Adjusted net profit is derived from profit attributable to the owners of the Company excluding (i) impairment loss on the production base in Myanmar; and (ii) realised and unrealised losses from derivative financial instruments, which are expenses not considered as recurring in nature.



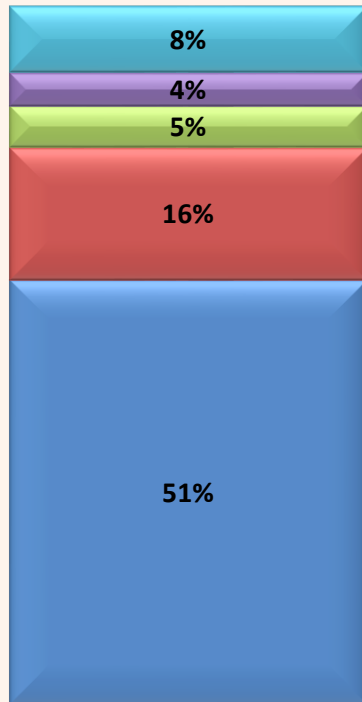
# Financial Review

(HK¢ cents)	FY 2023	<b>FY 2024</b>	Change
Basic Earnings Per Share (EPS)	5.92	<b>15.87</b>	+168.3%
Interim Dividend Per Share	5.1	<b>9.5</b>	
Second Interim Dividend Per Share	0.6	<b>3.5</b>	
Total Dividend Per Share	5.7	<b>13.0</b>	+128.1%

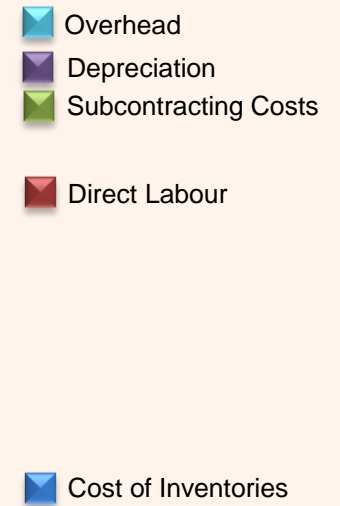
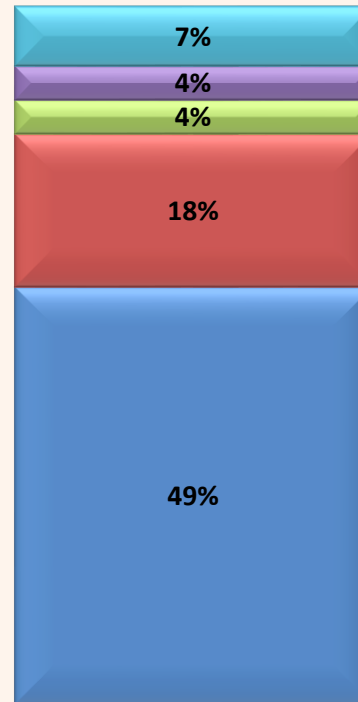
# Cost of Sales Breakdown

(as % of revenue)

FY 2023



FY 2024



# Financial Position

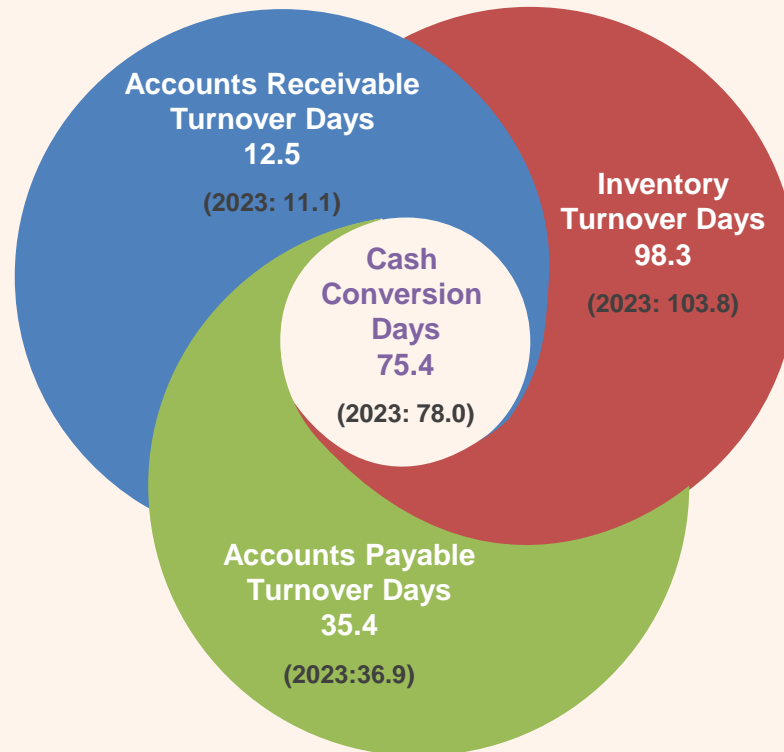
(HK\$ 'mn)	As at 31 Mar 2023	As at 31 Mar 2024	Change
Cash and cash equivalents	717.0	<b>717.4</b>	+0.1%
Inventories	1,032.0	<b>910.6</b>	-11.8%
Trade Receivables	132.7	<b>167.1</b>	+25.9%
Trade and Bills Payables	363.4	<b>335.5</b>	-7.7%
Current Assets	2,046.8	<b>2,048.9</b>	+0.1%
Total Assets	4,429.1	<b>4,448.1</b>	+0.4%
Total Bank Borrowings and Lease Liabilities	1,094.5	<b>971.0</b>	-11.3%
Net Debt	377.5	<b>253.6</b>	-32.8%
Total Equity	2,477.7	<b>2,599.0</b>	+4.9%
Gearing Ratio (%) #	13.2%	<b>8.9%</b>	-4.3 ppt
Return on Equity (%)	6.4%	<b>14.6%</b>	
Return on Assets (%)	3.6%	<b>8.6%</b>	

# Calculation of Gearing Ratio: Net debt divided by total capital. Net debt is calculated as total bank borrowings and lease liabilities less cash and cash equivalents. Total capital is the sum of equity and net debt

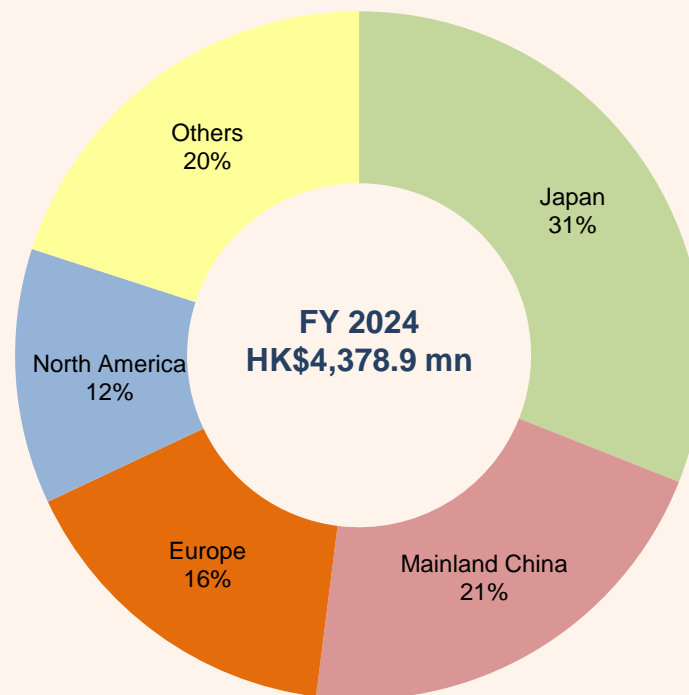
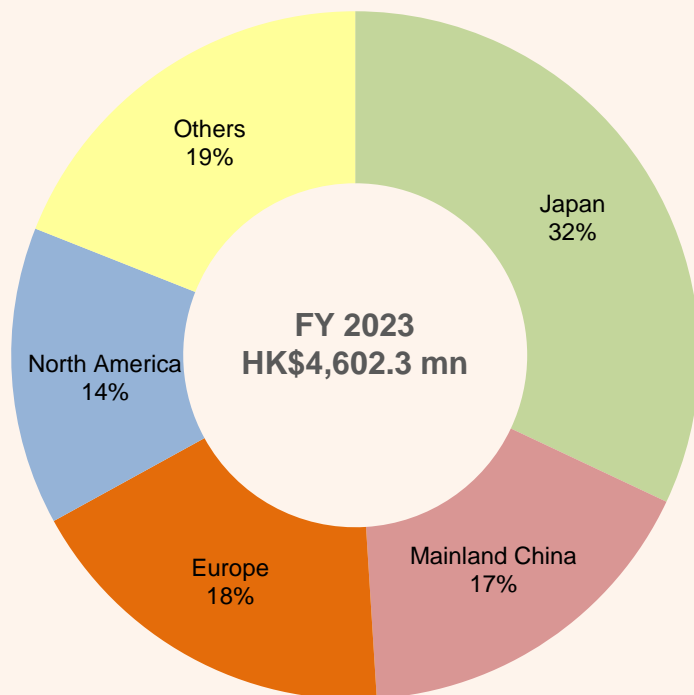
# Summary of Cash Flow

<i>(HK\$ 'mn)</i>	FY2023	FY2024
<b>Net cash generated from operating activities</b>	<b>593.2</b>	<b>582.9</b>
<i>Profit before income tax</i>	209.4	433.9
<i>Adjusted for:</i>		
<i>Income tax paid, net</i>	(22.6)	(51.5)
<i>Depreciation</i>	230.8	226.0
<i>Increase in prepayment, deposits, other receivable and other assets</i>	(53.0)	(69.5)
<i>Decrease in inventories</i>	121.5	120.5
<i>Impairment loss on the production base in Myanmar</i>	243.4	34.0
<i>Net gains on disposal of property, plant and equipment</i>	(32.5)	(28.6)
<i>Decrease in trade and bills payable</i>	(53.2)	(27.8)
<i>(Decrease) / Increase in accruals and other payables</i>	(15.4)	43.2
<i>Others</i>	(35.2)	(97.3)
<b>Net cash generated from / (used in) investing activities</b>	<b>0.1</b>	<b>(145.1)</b>
<i>Purchases of property, plant and equipment</i>	(75.6)	(216.3)
<i>Proceeds from disposals of property, plant and equipment</i>	65.6	41.6
<i>Others</i>	10.1	29.6
<b>Net cash used in financing activities</b>	<b>(483.8)</b>	<b>(435.9)</b>
<i>Decrease in bank borrowings and lease liabilities</i>	(336.6)	(203.4)
<i>Dividend payment</i>	(150.4)	(230.2)
<i>Capital contribution from non-controlling interests</i>	1.1	-
<i>Proceeds from / (Repayment of) non-controlling shareholders of subsidiaries</i>	2.1	(2.3)
<b>Net Inflow of Cash</b>	<b>109.5</b>	<b>2.0</b>

# Cash Conversion Cycle



# Geographical Breakdown by Revenue



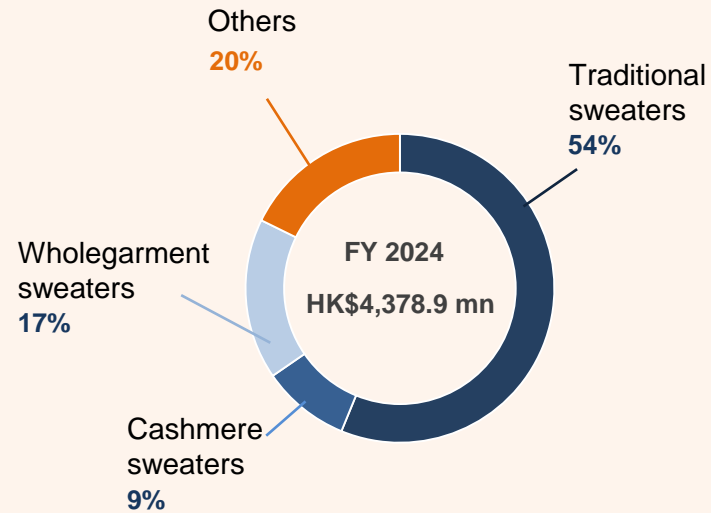


南旋控股有限公司  
NAMESON HOLDINGS LIMITED

# BUSINESS REVIEW



# Breakdown by Business



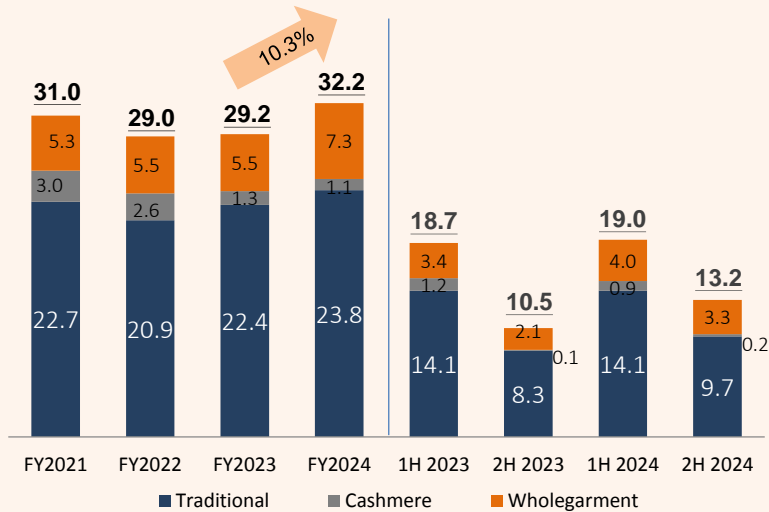
	2023	2024
 <b>Men's and Women's Knitwear Products</b>	80%	80%
 <b>Others</b>	20%	20%

"Others" includes cashmere yarn, fabric, knitted upper for footwear, children's wear, scarfs, hats, gloves, etc.



# Core Product: Sweaters

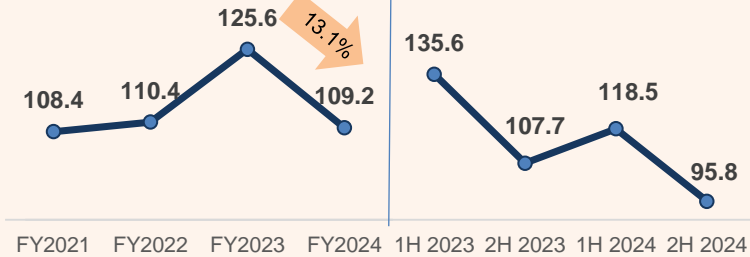
Sales Volume ('mn pieces)



Note: The figures above include men's and women's knitwear products only

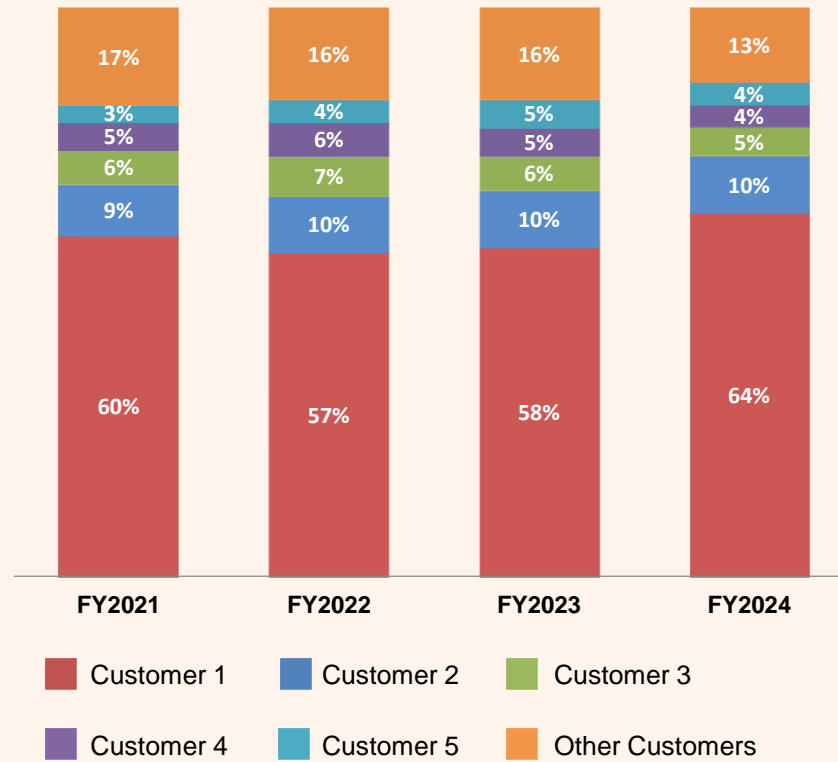
- Volume increase driven by more replenish fast orders in 2H
- Vietnam increased production capacity, well in advance for procurement shift
- Balanced customer portfolio, domestic demand recovery offsetting softer markets
- Showed resilience despite global sentiment

Average Selling Price (HK\$)



- ASP was higher in previous year due to raw material prices
- There is also a strategic product mix change, and mutually agreed price adjustment on Wholegarment with customer

# Sweaters: Customer Mix



# Capacity by Location

## Vietnam Factory

- Operating since 1Q 2015
- GFA of > 130,000m<sup>2</sup>
- Machinery: ≈ 3,900
- Labor: ≈ 9,200 employees
- Manufactured 66% of total sweaters in FY 2024
- Increased capacity by expanding in Central Vietnam



## China Factory

- Operating since 2002
- GFA of >350,000m<sup>2</sup>
- Machinery: ≈ 3,700
- Labor: ≈ 4,700 employees
- Manufactured 34% of total sweaters in FY 2024

<b>Volume ('mn)</b> <i>(Mens' and womens' knitwear products only)</i>												
	2019 1H	2019 2H	2020 1H	2020 2H	2021 1H	2021 2H	2022 1H	2022 2H	2023 1H	2023 2H	2024 1H	2024 2H
<b>VN</b>	8.0	5.5	7.9	6.0	9.7	7.3	8.9	4.7	9.5	6.0	12.4	8.7
<b>CN</b>	15.3	8.0	13.5	7.1	8.6	5.4	9.0	6.4	9.2	4.5	6.5	4.4

# Other Developments: Myanmar for Knitwear

- In FY2024, an impairment based on market approach of HK\$34.0 million was recognised as an impairment loss for the production base in Myanmar
- Still facing challenges due to political considerations. Will maintain an open mind and continue to examine possibilities to improve the current situation



*Myanmar plant*

# Other Products: Cashmere Yarn

- 13 production lines, totaling approx. 900 tons of annual design production capacity, FY2024 running at close to full capacity
- Satisfy internal usage and external customers
- Provides a variety of blends, sales to external customers: HK573.5mn, contributing positively to the Group's revenue and profitability



Cashmere Spinning Factory (Hebei)



Scalable production



Cashmere spinning machines

# Other Products: Fabric



Fabrics

Content: Cotton-based, Polyester, Rayon, Modal, Tencel, Recycled fiber, Organic, etc

Finishing: Fleece, Singeing, Shearing, Enzyme, Sueding, Brushing, etc.

Hand feel & function: Super soft, Anti-odor, Cool effect, Anti-wrinkle, Smooth, Touch Cotton, Cool-dry, Anti-bacteria, Anti-static, Anti-UV, Water repellent, Moisture wicking



Single Jersey



Interlock



French Terry



Ponti De-Roma



Pique



Rib



Jacquard

- Global demand saw a decrease since 2H 2023, sharp decline in fabric market, more prone to economic downturn and excess inventory
- Meanwhile we spent continuous effort on enriching customer relationship and enhancing our own product quality to pave way for further growing the business
- Order flows gradually improving towards the end of FY2024, targets to reach more normalised level in FY2025
- Seeing more competition coming into the market
- Have become nominated suppliers of certain global brands
- Working on smoothening out production procedures, targets to continuously improve product mix, to gradually move up the value chain
- Building second phase to tap early potentials

# Other Products: Fabric



Total Plot Size: 140,000 m<sup>2</sup>  
 Production Area (Phase 1): 33,500 m<sup>2</sup>  
 Water Treatment Facility: 1500 m<sup>2</sup>  
 Chemical Warehouse: 1,800 m<sup>2</sup>  
 Wastewater Treatment Capacity: 5000 m<sup>3</sup>



Laboratory workshop

Laboratory

700 m<sup>2</sup> standard Lab, equipped with advanced devices and strictly follow international standards for product quality



Knitting machines

Greige Fabric Inspection

Knitting

Air-conditioned workshops, and latest machines from Germany & China:

- 2 yarn winding machines
- 54 knitting machines
- 20 collar rib knitting machines
- 4 greige fabric inspection machines



Dyeing tube machine

Continuous open-width machine

Dyeing

5600 m<sup>2</sup> dyeing workshop with eco-friendly hybrid dyeing machines:

- 27 dyeing tube machines
- 4 sample dyeing machines
- 4 continuous open-width (washing / bleaching) machines



Singeing machine

Raising machine

Relaxing machine

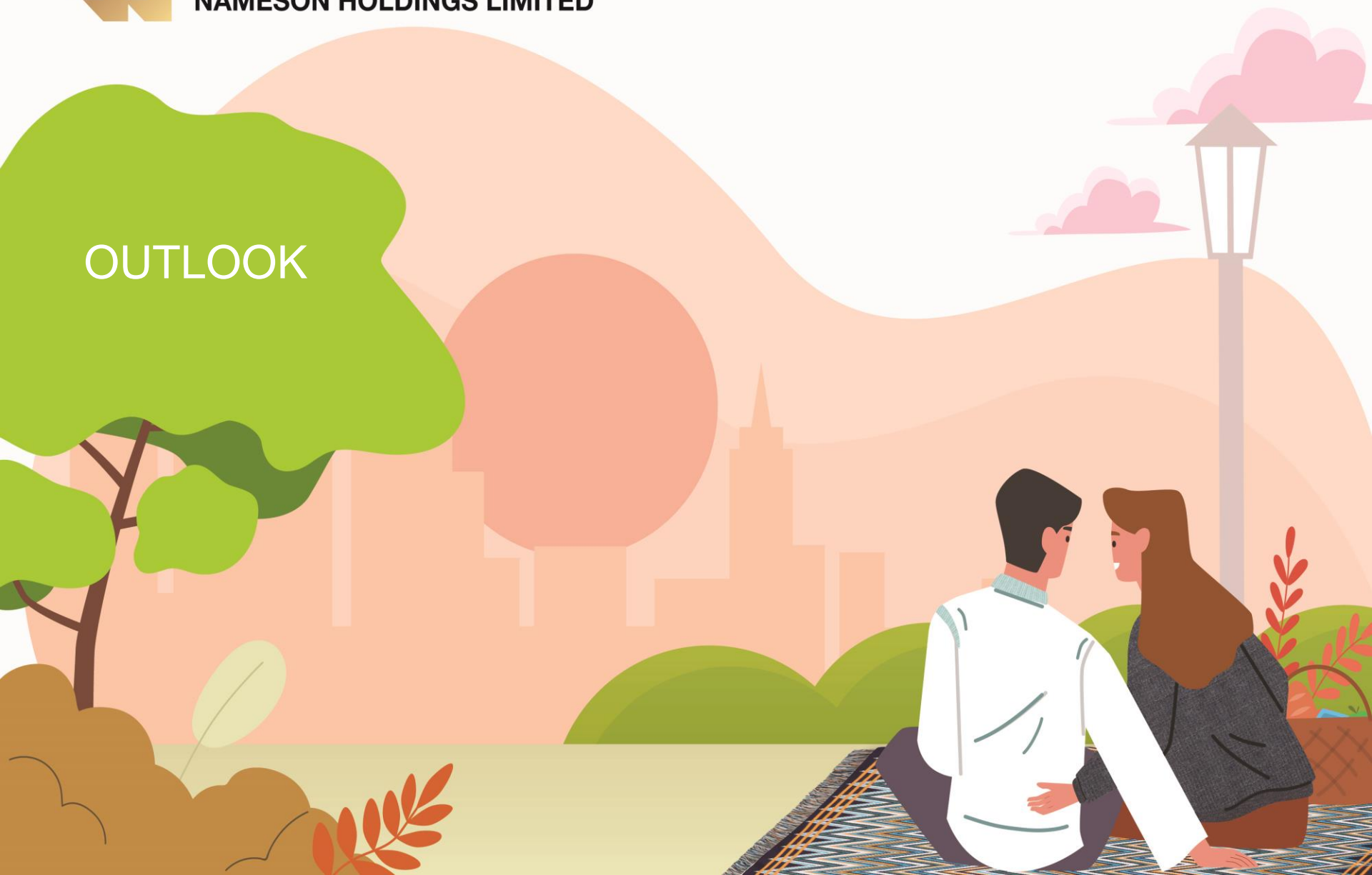
Setting / Finishing / QC & QA

- Setting machines and pre-shrinking machines from Italy
- Special finishing: Singing, Brushing, Raising, Sueding, Shearing, Flat dry collar, Relaxing
- QC 100% Fabric inspection
- QA Spot checks
- Automatic packing machine



南旋控股有限公司  
NAMESON HOLDINGS LIMITED

# OUTLOOK





# Outlook

End-consumer sentiment:  
Concerns for global economy,  
especially driven by global  
conflicts

## CHALLENGES

## OPPORTUNITIES

Production Ratio: Further grow in Vietnam:

- Strengthen customer service functions in Vietnam
- Flex productivity to service increased demand; further grow capacity in VN

Fabric manufactured in VN highly demanded:  
Observe and expand as appropriate

Tapping and growing with customers:  
Continue to lead in material development, uncompromised quality tapping and deepening cooperation with quality customers



南旋控股有限公司  
NAMESON HOLDINGS LIMITED

## QUESTION & ANSWER



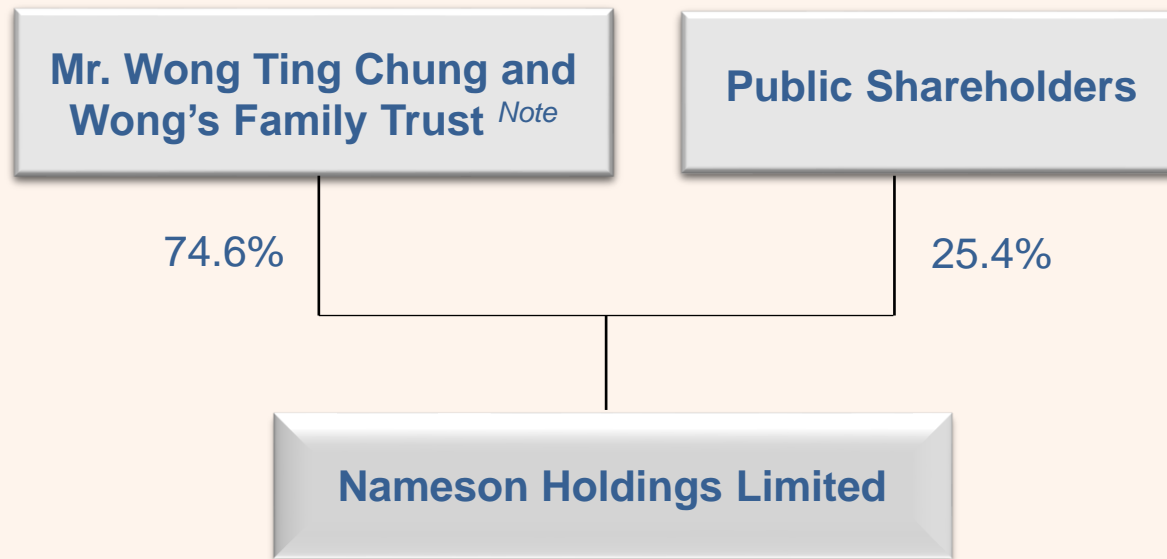


南旋控股有限公司  
NAMESON HOLDINGS LIMITED

# APPENDIX



# Shareholding Structure



*Note: The above diagram is a simplified shareholding structure. The family trust is a trust established by Founding Chairman Mr. Wong Ting Chung as the settlor with the beneficiaries being Mr. Wong Ting Chung and certain family members of the Wong's family.*

# Sustainability Strategies

Embodied in five key areas, formulated with reference to the United Nations Sustainable Development Goals (UNSDGs)

## Environmental Protection and Energy Efficiency Deployed

- Study possibility of enhancing the use of reclaimed water
- Installation of solar power generation on rooftop of Huizhou production sites; and in Vietnam (expected completion by FY2025)
- Replace energy-consuming machinery with more efficient ones
- Online 3D catalogues instead of traditional sampling
- Explore material recycling across production procedures
- Use of more sustainable and recycled materials
- Evaluation of reducing carbon footprint across all business units

UNSDGs



## Social Responsibility

- Donate to Community Chest and other NGOs
- Offer employment opportunities to new graduates and competent individuals, contributing to professional growth and development of individuals, addressing unemployment
- Traceability events, donate to and visit owners of meadows that supply raw materials to the Group

UNSDGs



## Governance

- Whistle-blowing mechanism, fostering fairness and accountability
- Regular training on anti-fraud, anti-bribery and anti-corruption
- Appointed INEDs of reputation for integrity and expertise, ensuring transparency, accountability, and effective risk management
- Sound audit cycle

UNSDGs



# Sustainability Strategies

Embodied in five key areas, formulated with reference to the United Nations Sustainable Development Goals (UNSDGs)

## Employee Care

- Compliance with local labour regulations, ensuring legal requirements, welfare and rights are met
- Recreational activities foster overall well-being
- Enhancing occupational health and safety
- Regular review of operating procedures to identify and mitigate potential risks
- Personal and professional development, enhancing job satisfaction and performance
- Gender equality

UNSDGs



## Responsible Production

- Invest continuously in design, research and development, improve products and meet evolving needs of customers
- Embrace latest cutting-edge technologies, deliver innovative solutions and maintain position as market leader
- Maintain regular open dialogues with customers to understand product preferences, gather feedback and adapt accordingly
- Enhance stakeholder engagement

UNSDGs



# Knitwear Production Process



# WholeGarment Knitting vs Traditional Knitting

	WholeGarment Knitwear	Traditional Knitwear
Knitting machine		
Output product	Whole piece of knitwear 	Panels (Front/Back/Sleeves) 
Linking process	Eliminated	Key Process



# Seamless Knitting Technology: WholeGarment

## Cost Effectiveness of Deploying WholeGarment Machinery

- Reduce production lead time by >50%
- Reduce labour in production process
- Reduce material wastage, especially beneficial for expensive raw materials



## Cater to Diverse Customer Needs

- Better fit and styles very well-received by end market since inception
- Customer driving up the speed of introducing more knitwear utilising WholeGarment Technology

## Enhances the Group's Production Planning

- Confirmed orders received early in the pipeline given the limited supply in the market, beneficial for production planning

# Consolidated Income Statement

Year ended 31 March

	2023 (HK\$ '000)	2024 (HK\$ '000)
<b>Revenue</b>	4,602,307	4,378,888
Cost of sales	(3,856,803)	(3,604,649)
<b>Gross profit</b>	745,504	774,239
Other income	48,896	13,270
Other gains, net	76,484	78,191
Selling and distribution expenses	(37,130)	(32,359)
General and administrative expenses	(348,604)	(331,839)
Impairment loss on the production base in Myanmar	(234,416)	(34,005)
<b>Operating profit</b>	241,734	467,497
Share of post-tax profit of a joint venture	735	1,561
Finance expenses, net	(33,047)	(35,153)
<b>Profit before income tax</b>	209,422	433,905
Income tax expenses	(51,095)	(53,201)
Profit for the year	158,327	380,704
<b>Profit for the year attributable to</b>		
- <b>Owners of the Company</b>	134,844	361,672
- <b>Non-controlling interests</b>	23,483	19,032
	158,327	380,704
<b>Earnings per share</b>		
- Basic and diluted (HK cents per share)	5.92	15.87

# Consolidated Balance Sheet

	<i>As at 31 March 2023 (HK\$ '000)</i>	<i>As at 31 March 2024 (HK\$ '000)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,780,432	1,785,060
Right-of-use assets	334,450	290,709
Investment properties	1,672	1,590
Interest in a joint venture	5,483	7,083
Financial assets at fair value through profit or loss	184,930	191,118
Prepayments, deposits, other receivables and other assets	74,632	122,908
Deferred income tax assets	676	704
	2,382,275	2,399,172
<b>Current assets</b>		
Inventories	1,032,006	910,552
Trade receivables	132,691	167,149
Prepayments, deposits, other receivables and other assets	165,041	253,826
Tax recoverable	61	-
Cash and cash equivalents	717,027	717,404
	2,046,826	2,4048,931
<b>Total assets</b>	4,429,101	4,448,103

# Consolidated Balance Sheet (Con'd)

	<i>As at 31 March 2023 (HK\$ '000)</i>	<i>As at 31 March 2024 (HK\$ '000)</i>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the owners of the Company</b>		
Share capital	22,794	22,794
Reserves	2,252,260	2,360,314
	2,275,054	2,383,108
Non-controlling interests	202,620	215,851
<b>Total equity</b>	2,477,674	2,598,959
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank borrowings	530,930	454,811
Loans from a non-controlling shareholders of subsidiaries	5,767	3,359
Lease liabilities	81,683	120,675
Provision for reinstatement costs	487	4,409
Deferred income tax liabilities	166	4,812
	619,033	588,066
<b>Current liabilities</b>		
Trade and bills payables	363,392	335,457
Accruals and other payables	224,636	255,832
Current income tax liabilities	262,475	274,275
Bank borrowings	405,825	353,129
Lease liabilities	76,066	42,385
	1,332,394	1,261,078
<b>Total liabilities</b>	1,951,427	1,849,144
<b>Total equity and liabilities</b>	4,429,101	4,448,103
<b>Net current assets</b>	714,432	787,853

Investor Contact

Doris Chan  
dorisc@nameson.com.hk

