



南旋控股有限公司
NAMESON HOLDINGS LIMITED

Nameson Announces FY2025 Interim Results

Revenue Increased By 2.2% to 2786.2 million

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Gross Profit Margin Increased by 160 Basis Points to 19.9%

A record-high half-year Net Profit of HK\$312.8mn

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Declares 9.8 HK Cents Dividend Per Share
Payout Ratio Maintained at 74.8%

(Hong Kong, 22 November 2024) **Nameson Holdings Limited** (“Nameson” or the “Group”, stock code: 1982), one of the leading knitwear manufacturers in China and Vietnam, today announced its interim results for the six months ended 30 September 2024 (the “Review Period”).

The complex recovery trajectory of the global economy following an initial rebound after the post-pandemic period has resulted in brand customers’ increased shift in procurement to South East Asian countries. Trade tensions undoubtedly remain and persistently raises concerns in discretionary spending and optimism towards recovery.

The Group’s performance has demonstrated strong resilience during challenging times in the past few years, and this is exemplary of our endeavour in being adaptive to changing market dynamics. The Group’s timely strategic investment in increasing capacity in Central Vietnam has proven to be beneficial to its development. The sales volume of its men’s and women’s knitwear decreased by 5.3% to 18.0 million pieces (FY2024 1H: HK\$19.0 million piece). This decline was partly attributed to a softer economic recovery, resulting in more cautious order placements from customers compared to initial expectations. Additionally, delayed seasonal transitions also contributed to this slight decrease.

Despite an overall reduction in raw material prices, which led to lower like-for-like average selling prices, the blended average selling price remained stable due to an increase in the sales of cashmere products. Consequently, revenue for our men’s and women’s knitwear fell slightly by 5.0% to HK\$2,142.5 million (FY2024 1H: HK\$2,255.0 million).

The Group’s total revenue increased by 2.2% to HK\$2,786.2 million, contributed by an increase in both the cashmere yarn sales and fabrics businesses. The Group’s gross profit improved 11.1% to \$553.5 million (FY2024 1H: HK\$498.0 million) and gross profit margin increased from 18.3% to 19.9%.

Selling and distribution expenses, together with general and administrative expenses in aggregate remained fairly stable as a proportion to revenue. The Group recorded a 57.5% lower net gains on disposals of property, plant and equipment in the First Half of Financial Year 2025, yet the Group’s operating profit still recorded a 5.0% increase to HK\$390.4 million (FY2024 1H: HK\$371.7 million), and a record-high half-year net profit for the period of HK\$312.8 million (FY2024 1H: HK\$305.6 million), a 2.4% increase against the same period last year. Basic earnings per share were HK13.1 cents (FY2024 1H: HK12.7 cents).

As at 30 September 2024, its cash and cash equivalents was HK\$569.0 million (31 March 2024: HK\$717.4 million). Considering the Group's prudent cash management directives, its healthy cash flow and gearing ratio at 14.3% (FY2024 1H: 8.9%), the Board is pleased to declare a payment of an interim dividend of 9.8 HK cents per share (FY2024 1H: 9.5 HK cents) to the Company's shareholders, representing a payout ratio of approximately 75% as a gesture of appreciation for its shareholders' consistent trust and support.

Mr. Wong Wai Yue, Chairman and Executive Director of Nameson, said, "Vietnam has increasingly become a preferred destination for manufacturing due to its competitive costs, improving infrastructure and trade arrangements. Our strategic decision to expand the manufacturing facilities in Central Vietnam is set to benefit the Group in the coming years. With the support of quality suppliers, Vietnam has established itself as a key supply and manufacturing hub for numerous global brands. Our Group exceptionally well-positioned to capitalise on greater opportunities with international clients and we are confident in our ability to diversify our customer portfolio, driving more profitable business and returns for the Group.

With distinct advantages in creating sustainable materials that offer complete traceability, our cashmere yarn business is making a positive contribution to the Group as anticipated. Driven by demand, we will shift part of this business to Vietnam as a first-mover and are highly confident that it will continue to deliver positive results for the Group.

As demand for fabric increases, we recognise the significant potential in Vietnam's growing need for raw materials. We are confident that we will be well-positioned to continue to benefit when the business continues to ramp up. Meanwhile, as we immerse ourselves in the business, we remain vigilant in using existing resources and exploring more opportunities that align with the current market demand. For instance, we have established a collaboration for fabric printing. We are confident that we will successfully navigate the value chain and gradually establish ourselves as a key raw material solutions provider in Vietnam."

Mr. Wong concluded, "Our core business in sweaters has shown strong resilience with our dynamic management approach. Despite a slight drop in sales volume against initial expectations, we are still able to deliver strong performance reaching historical half-year high in profitability. We expect our core business to continue to propel, delivering stable and good returns to shareholders. On the other hand, we will continue our relentless efforts in expanding along the value chain in our other businesses."

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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, Lululemon and Ralph Lauren. Currently, the Group operates its production facilities in China and Vietnam.

* Source: *Euromonitor – by manufacturers' revenue in 2014*

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