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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)

DISCLOSEABLE TRANSACTION — PURCHASE OF MACHINERY

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, entered into the Machinery Purchase Contract with the Vendor on 13 August 2019, pursuant to which the Purchaser agreed to purchase fully-automated knitting machines at a total consideration of US\$3,300,000 (equivalent to approximately HK\$25,740,000).

The Machinery Purchase Contract when aggregated with the Previous Machinery Purchase Contracts (involving the purchase of fully-automated machines from the same Vendor) constitute a discloseable transaction of the Company under the Listing Rules as the highest of all applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Machinery Purchase Contract and the Previous Machinery Purchase Contracts together (and not either of them singly) is more than 5% but less than 25%, and therefore is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE MACHINERY PURCHASE CONTRACT

Date

13 August 2019

Parties involved

- (1) the Vendor as vendor
- (2) the Purchaser as purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its controlling shareholders are third parties independent of the Company and the Company's connected persons (as defined under the Listing Rules). The Vendor is a wholly-owned subsidiary of Shima Seiki MFG., Ltd., a company listed on the Tokyo Stock Exchange (TYO: 6222). The Vendor is principally engaged in manufacturing of computerised flat knitting machine.

Assets to be purchased

Fully-automated knitting machines

Consideration

The consideration under the Machine Purchase Contract is US\$3,300,000 (equivalent to approximately HK\$25,740,000) which will be satisfied by cash. The payment terms are as follows:

1. the initial deposit of 25% of the consideration, being US\$825,000 (equivalent to approximately HK\$6,435,000), shall be payable in cash to the Vendor one month before the planned shipment dates of the fully-automated knitting machines;
2. 25% of the consideration, being US\$825,000 (equivalent to approximately HK\$6,435,000), shall be payable in cash to the Vendor within 360 days from the bill of lading dates for shipment of the fully-automated knitting machines;
3. 25% of the consideration, being US\$825,000 (equivalent to approximately HK\$6,435,000), shall be payable in cash to the Vendor within 720 days from the bill of lading dates for shipment of the fully-automated knitting machines; and
4. 25% of the consideration, being US\$825,000 (equivalent to approximately HK\$6,435,000), shall be payable in cash to the Vendor within 1,080 days from the bill of lading dates for shipment of the fully-automated knitting machines.

The consideration will be funded by internal resources of the Group. The terms of the Machinery Purchase Contract have been determined after arm's length commercial negotiation between the Vendor and the Purchaser with reference to the current market value of similar machinery in the market.

REASONS FOR AND BENEFITS OF THE PURCHASE OF MACHINERY

The Group is principally engaged in the manufacturing of knitwear products, knitted upper for footwear and knitted upper shoes.

The purchase of the fully-automated knitting machines is in the ordinary course of business of the Group and is to satisfy the increasing demand of knitwear products from its customers. The Directors consider that the terms of the Machinery Purchase Contract are fair and reasonable and in the interests of the Company and its shareholders as a whole.

BOARD'S APPROVAL

The Board has approved the Machinery Purchase Contract. Since no Director is materially interested in the transactions contemplated under the Machinery Purchase Contract, none of the Directors abstained from voting on the Board resolutions approving the Machinery Purchase Contract.

LISTING RULES IMPLICATIONS

The Group purchased fully-automated knitting machines from the same Vendor under the Previous Machinery Purchase Contracts for a total consideration of approximately US\$4,662,000 (equivalent to approximately HK\$36,363,000). The terms of the Previous Machinery Purchase Contracts are substantially the same to those set out in the Machinery Purchase Contract as described above, save as to the identity of the purchaser (which are all wholly-owned subsidiaries of the Company), the payment terms of the consideration, the delivery schedule, and the number of the fully-automated knitting machines to be purchased.

The Machinery Purchase Contract when aggregated with the Previous Machinery Purchase Contracts (involving the purchase of fully-automated knitting machines from the same Vendor) constitute a discloseable transaction of the Company under the Listing Rules as the highest of all applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Machinery Purchase Contract and the Previous Machinery Purchase Contracts together (and not either of them singly) is more than 5% but less than 25%, and therefore is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company may purchase more machineries from the Vendor for the production of knitwear products, knitted upper for footwear and knitted upper shoes in its ordinary course of business. If and when the Company purchases more machineries from the Vendor and such transactions, upon aggregation in accordance with Rule 14.22 of the Listing Rules, constitute a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules, the Company will comply with all applicable requirements under the Listing Rules and further announcement will be made by the Company as and when necessary.

DEFINITIONS

In this announcement, unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

“Board”	the board of Directors
“Company”	Nameson Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Machinery Purchase Contract”	the contract dated 13 August 2019 entered into between the Purchaser and the Vendor in relation to the purchase of fully-automated knitting machines
“Previous Machinery Purchase Contracts”	the contracts entered into between the Purchaser and the Vendor dated 17 June 2019 and 2 July 2019 in relation to the purchase of fully-automated knitting machines
“Purchaser”	First Team (HK) Limited (創匯添(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Vendor”	Shima Seiki (Hong Kong) Ltd. (島精機(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability
“%”	per cent

In this announcement, amounts in US\$ have been translated into HK\$ at the rate of US\$1 = HK\$7.8. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at the above rate or at any other rates at all.

By order of the Board of
Nameson Holdings Limited
Mr. Wong Ting Chung *BBS, JP*
Chairman

13 August 2019

As at the date of this announcement, the Board comprises Mr. Wong Ting Chung BBS, JP (Chairman and chief executive officer), Mr. Wong Wai Yue (Vice Chairman), Mr. Wong Wai Wing, Raymond, Mr. Wong Ting Chun and Mr. Li Po Sing, as executive Directors; Mr. Tam Wai Hung, David and Mr. Wong Ting Kau, as non-executive Directors; 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.