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**NAMYUE HOLDINGS LIMITED**

**南粵控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 01058)**

**UNAUDITED FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “Board”) of Namyue Holdings Limited (the “Company”) announces the unaudited financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2023 together with comparative figures. This announcement is made by the Company on a voluntary basis in order to further enhance the level of corporate governance and transparency.

**FINANCIAL HIGHLIGHTS**

	<b>For the nine months ended 30 September</b>		<b>Change</b>
	<b>2023</b>	<b>2022</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>63,593</b>	<b>75,074</b>	<b>-15.3</b>
<b>Consolidated loss attributable to shareholders of the Company</b>	<b>(29,635)</b>	<b>(30,772)</b>	<b>+3.7</b>
	<b>At 30 September</b>	<b>At 31 December</b>	
	<b>2023</b>	<b>2022</b> <i>Note</i>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	
<b>Total assets</b>	<b>168,250</b>	<b>174,007</b>	
<b>Shareholders' equity</b>	<b>88,337</b>	<b>120,013</b>	

Note:

*The financial information relating to the year ended 31 December 2022 included in this announcement as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:*

*The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622). The auditor's report has been prepared on the consolidated financial statements for the year ended 31 December 2022. The independent auditor's report was unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).*

## **PERFORMANCE HIGHLIGHTS**

For the nine months ended 30 September 2023, the market recovery was weaker than expected. With the poor economic environment and the downturn in the consumer market, the market became sluggish again. Market development was difficult. In addition, with the increasing number of substitutes, the proportion of demand for genuine leather for footwear decreased. As a result, the Group's production and sales decreased compared with the same period last year. During the period under review, with a decrease in administrative expenses, the Group's operating loss was slightly reduced as compared for the same period of last year.

For the nine months ended 30 September 2023, the total production volume of cowhides was 3,831,000 sq. ft., representing a decrease of 13,000 sq. ft. or 0.3% as compared to 3,844,000 sq. ft. for the same period of last year. The production volume of grey hides was 1,796 tons, representing a decrease of 0.3% as compared to 1,801 tons for the same period of last year. The total sales volume of cowhides was 4,365,000 sq. ft., representing a decrease of 596,000 sq. ft. or 12.0% as compared to 4,961,000 sq. ft. for the same period of last year. The sales volume of grey hides was 1,796 tons, representing a decrease of 0.3% as compared to 1,801 tons for the same period of last year.

For the nine months ended 30 September 2023 the consolidated turnover of the Group was HK\$63,593,000, representing a decrease of HK\$11,481,000 or 15.3% from HK\$75,074,000 for the same period of last year, of which the sales value of cowhides amounted to HK\$54,573,000 (nine months ended 30 September 2022: HK\$64,283,000), representing a decrease of 15.1%, and that of grey hides and other products amounted to HK\$9,020,000 (nine months ended 30 September 2022: HK\$10,791,000), representing a decrease of 16.4%. The decrease in revenue was mainly due to the weak demand for cowhide products and thus declining sales.

The consolidated loss attributable to shareholders of the Company for the nine months ended 30 September 2023 was HK\$29,635,000, representing a decrease of loss of HK\$1,137,000 or 3.7% as compared to HK\$30,772,000 for the same period of last year. Such decrease of the consolidated loss attributable to the shareholders was mainly due to a decrease in administrative expenses mainly attributable to the decrease in research and development expenses compared to the same period of last year.

## CAUTION STATEMENT

Shareholders of the Company and potential investors should note that the above financial information is based on the Company's internal records and management accounts. The above financial information for the nine months ended 30 September 2023 have not been reviewed or audited by the independent auditor of the Company. Accordingly, the information contained in this announcement shall in no way be regarded as to provide any indication of or assurance on the financial results of the Group for the nine months ended 30 September 2023.

Shareholders of the Company and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board  
**Zhou Hao**  
*Chairman and Managing Director*

Hong Kong, 30 October 2023

*As at the date of this announcement, the Board comprises one Executive Director, namely, Mr. Zhou Hao; two Non-Executive Directors, namely, Mr. Huang Junfeng and Mr. Kuang Hu; and three Independent Non-Executive Directors, namely, Mr. Yeung Man Lee, Mr. Leung Luen Cheong and Mr. Yang Ge.*