



**MAINLAND HEADWEAR HOLDINGS LIMITED**

飛達帽業控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**Mainland Headwear's Net Profit for H1 2025 Surges Nearly 70% to  
HK\$59.92 Million  
Interim Dividend of 3 HK Cents Per Share**

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**Bangladesh Factory Secures Significant Transferred Orders,  
Driving Manufacturing Business Growth  
Dutch Company Leverages Extensive Licensed Brands to Extend  
Global Trade Footprint**

(26 August 2025, Hong Kong) **Mainland Headwear Holdings Limited** ("Mainland Headwear" or the "Group") (HKEX: 1100), a renowned designer, manufacturer and distributor of headwear and accessories, today announced its interim results for the six months ended 30 June 2025 (the "Period").

During the Period, the Group's revenue increased by 23.1% year-on-year to HK\$845,629,000 (2024 interim: HK\$687,114,000), and gross profit rose by 16.2% to HK\$255,104,000 (2024 interim: HK\$ 219,510,000). Profit attributable to shareholders increased by 69.9% to HK\$59,918,000 (2024 interim: HK\$35,269,000).

The Board of Directors has resolved to declare an interim dividend of 3 HK cents per share (2024 interim: 3 HK cents).

**Mr. Ngan Hei Keung, Chairman of Mainland Headwear**, said, "In the first half of 2025, geopolitical tension persisted, economic growth in major markets remained sluggish, and the repeated adjustments to tariff policies by the United States further heightened uncertainties in the international trade environment. Faced with these challenges, the Group actively optimized its global production layout and timely seized market opportunities brought about by the tariff turmoil. The Bangladesh factory undertook vast orders transferred from regions affected by high tariffs, which significantly boosted the growth of the manufacturing business. Furthermore, the newly acquired Dutch company has been instrumental in expanding the Group's global trading business. Although it recorded a loss during the Period, its robust design capabilities, extensive experience, and established network in trading licensed products across Europe, Middle East, and Africa region provide considerable advantages to the Group. By integrating the resources

\* For identification purpose only

of other subsidiaries in the trading segment, it is expected to provide fresh impetus for the growth of the trading business.”

### **Manufacturing: Flexibly managed factory production; Operating profit grew by 28.9% year-on-year**

In the first half of 2025, successive revisions to US tariff policies severely impacted the global trade market. The cost of cross-regional supply chain increased sharply, and the massive outflow of orders from high-tariff regions accelerated. The Group proactively overcame challenges with its strong adaptability. It negotiated with customers and suppliers to formulate response plans, and flexibly managed production from its factories in Bangladesh and Mexico to quickly complete order deliveries, which not only mitigated the risk of tariffs, but also boosted the operating profit of the manufacturing business by nearly 30%.

During the Period, the Bangladesh factory performed particularly well, receiving a large number of orders transferred from high-tariff regions. At the same time, its production scale and profitability improved significantly through streamlining, improvement in production efficiency, and optimization of cost control measures. Regarding the Mexican factory, the operation has performed in a more stable manner and started producing high-end styles of headwear to enrich the product mix. Furthermore, the Group pushed forward the preparation work for headwear production at a leased facility in Cambodia during the Period.

Benefiting from the increase in orders and the improvement in operational efficiency, revenue of the Group's manufacturing business soared 20.6% during the Period to HK\$537,720,000 (2024 interim: HK\$445,769,000), accounting for 63.6% of the Group's total revenue. Segment operating profit increased significantly by 28.9% year-on-year to HK\$120,152,000 (2024 interim: operating profit of HK\$93,178,000).

### **Trading: Revenue increased by 27.6% year-on-year when taking into account the sales from the Dutch company**

Throughout the period, global economic instability prompted consumers to cut back on non-essential spending, leading to a decline in demand for headwear and accessories. In response, retailers significantly reduced their purchases to manage inventory levels, intensifying market competition. Despite these challenges, the trading business has leveraged its brand portfolio advantage and rapid response to market changes to meet the needs of customers requiring quick orders, allowing for business stability as a whole. Taking into account the sales from the Dutch company, revenue from the trading business increased by 27.6% year-on-year to HK\$307,909,000 (2024 interim: HK\$241,345,000), accounting for approximately 36.4% of the Group's total revenue.

The trading segment continued to implement cost control measures, but the cost of sales remained high during the Period, and administrative expenses increased due to the merger of the Dutch company, resulting in an operating loss of HK\$43,834,000 (2024 interim: operating loss of HK\$37,739,000).

### **Prospects: Cambodia production line set to begin operation in the third quarter; Mexico duty-free zone project to start warehouse construction**

Looking ahead, the international situation will remain complex and intertwined with geopolitical rivalry and a changing trading landscape. The Group will adapt to current trends and advance steadily within the framework of globalization, actively seizing opportunities while prudently managing risks, and striving to achieve sustainable growth amid change.

With respect to the manufacturing business, the Group is further reinforcing the competitiveness of its global manufacturing network through precise deployment. The Group is continuing preparatory work at the production line in Cambodia and expediting the training of workers to meet its planned production schedule. The production line is expected to commence operation in the third quarter of this year with a target annual production capacity of 10 million pieces. With an appropriate cost structure and ease of delivery, the Cambodia production line is expected to complement the Bangladesh factory, jointly optimizing the Group's production network in Southeast Asia and enhancing the overall flexibility of the supply chain and resistance to risks.

Subsequent to the completion of staff training and process adjustments, the Mexico factory has steadily improved its production efficiency. The plant is close to the US market and can quickly respond to the needs of US customers. It is also entitled to zero tariff under the preferential US-Mexico-Canada Agreement (USMCA). In response to the growing number of orders from the North American market, the Group plans to expand its production capacity to consolidate its leading position in the North American supply chain.

In regard to the trading business, the Group is advancing the planned duty-free zone project in the Mexican industrial park, leveraging the location and tariff advantages of the Mexican factory and aligning with the national directive to "develop cross-border e-commerce and optimize overseas warehouse network." Warehouse construction will soon commence, with the strategic value of this project receiving strong market recognition. Many customers clearly expressed their intention to enter and cooperate. In the future, this project, coupled with the transformation of the Shenzhen factory into a cross-border e-commerce industrial park, is expected to fully harness the advantages of cross-border logistics and greatly enhancing the operational efficiency of trading business.

As for the Dutch company, it has an extensive portfolio of licensed brands. Since joining Mainland Headwear, it has not only helped the Group become one of the largest licensed product design and trading companies in the world, but has also further expanded its trading business from Europe and the United States to emerging markets such as the Middle East and Africa, filling the gaps that the Group had not covered.

In the future, it will provide solid product support for the trading business based on its stable manufacturing business, while the trading business will promote market expansion of the manufacturing business through its global sales network. Both segments will complement each other and jointly drive Mainland Headwear towards brighter development prospects.

**Madam Ngan Po Ling, Pauline, BBS, JP, Deputy Chairman and Managing Director of Mainland Headwear**, said, "Over the past 39 years, Mainland Headwear has weathered various economic cycles and challenges in becoming a market leader in the headwear manufacturing industry. With its leading market position, global production layout, diversified product mix spanning headwear to accessories, and keen business acumen, the Group is confident in its

ability to overcome various challenges, capitalize on business growth opportunities, and create long-term value for its customers and shareholders.”

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**About Mainland Headwear Holdings Limited (HKEX: 1100)**

Mainland Headwear Holdings Limited was established in 1986 and listed on the Main Board of The Stock Exchange of Hong Kong in 2000. The Group is principally engaged in the design, manufacture and distribution of quality headwear and accessories. Headquartered in Hong Kong, with factories in Bangladesh, and Mexico, the Group manufactures an exclusive and wide range of licensed casual headwear products and accessories. The Group has established a long-term business partnership with New Era Cap, LLC. by entering into a manufacturing agreement. Company website: [www.mainland.com.hk](http://www.mainland.com.hk)

**For more information:**

**Strategic Financial Relations Limited**

Heidi So	Tel: +852 2864 4826	Email: <a href="mailto:heidi.so@sprg.com.hk">heidi.so@sprg.com.hk</a>
Phoebe Leung	Tel: +852 2114 4172	Email: <a href="mailto:phoebe.leung@sprg.com.hk">phoebe.leung@sprg.com.hk</a>