

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

BEST PACIFIC

Best Pacific International Holdings Limited

超盈國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2111)

CONNECTED TRANSACTION RENEWAL OF BAIHAO LEASE AGREEMENTS

Renewal of Baihao Lease Agreements

Reference is made to the Announcement relating to the Previous Baihao Lease Agreements entered into between Dongguan NHE and Mr. Lu. To ensure the continuous use of the Baihao Buildings as the Group's administration offices, production plants and staff dormitories, the Board announces that on 31 March 2026, Dongguan NHE entered into the Baihao Lease Agreements with Mr. Lu, pursuant to which Mr. Lu has agreed to lease the Baihao Buildings for a term of three years commencing from 1 April 2026 to 31 March 2029.

Implications under the Listing Rules

Dongguan NHE is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Mr. Lu is the Chairman, executive Director and controlling shareholder of the Company, holding the direct and indirect interests in 640,500,000 Shares, representing approximately 61.59% of the issued share capital of the Company. Accordingly, Mr. Lu is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules and the transaction contemplated under the Baihao Lease Agreements constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the transactions contemplated under the Baihao Lease Agreements, on the basis of the estimated values of the right-of-use asset in respect of the Baihao Lease Agreements, are more than 0.1% but less than 5%, the Baihao Lease Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Announcement relating to the Previous Baihao Lease Agreements entered into between Dongguan NHE and Mr. Lu. Pursuant to the Previous Baihao Lease Agreements, the lease term between Dongguan NHE (as lessee) and Mr. Lu (as lessor) commenced on 1 April 2023 and expired on 31 March 2026. To ensure the continuous use of the Baihao Buildings as the Group's administration offices, production plants and staff dormitories, the Board announces that on 31 March 2026, the relevant parties entered into the Baihao Lease Agreements to renew the Previous Baihao Lease Agreements.

Principal terms of the Baihao Lease Agreements are summarised below.

THE BAIHAO LEASE AGREEMENTS

The Baihao Lease Agreements consist of two agreements, one of which covers a gross floor area of approximately 10,370 sq.m. among the Baihao Buildings for use as administration offices and production plants whereas the other of which covers a gross floor area of approximately 7,000 sq.m. among the Baihao Buildings for use as a staff dormitory of the Group. Save as the aforesaid, the terms of the Baihao Lease Agreements are substantially the same.

Date	: 31 March 2026
Parties	: (i) Dongguan NHE, an indirect wholly-owned subsidiary of the Company, as lessee (ii) Mr. Lu, as lessor
Term	: Three years commencing from 1 April 2026 to 31 March 2029.
Details of the Baihao Buildings	: The Baihao Buildings consist of certain buildings situated at Baihao Industrial Zone, Houjie Town, Guangdong Province, the PRC with a total gross floor area of approximately 17,370 sq.m..
Use of the Baihao Buildings	: Among the Baihao Buildings, approximately 10,370 sq.m. will be used as administration offices and production plants and approximately 7,000 sq.m. will be used as a staff dormitory of the Group.

Rent : Under the Baihao Lease Agreements, based on monthly rent of RMB16 per square meter, the total monthly rent during the financial year ending 31 December 2026 shall be RMB277,920 (equivalent to approximately HK\$314,744). The parties may re-negotiate the amount of the rents for the financial year(s) ending 31 December 2027, 2028 and/or 2029 with reference to the prevailing market rents for similar premises in the same or nearby areas or similar locations in the PRC, provided that the total monthly rent payable during the financial years ending 31 December 2027, 2028 and 2029 shall not exceed RMB305,712, RMB336,978 and RMB369,981 respectively (equivalent to approximately HK\$346,219, HK\$381,628 and HK\$419,003 respectively), and the terms shall be on normal commercial terms and no less favourable to the Group than those available from Independent Third Parties.

Dongguan NHE shall pay the rent to Mr. Lu in cash on or before the tenth day of the next calendar month.

Other charges : Dongguan NHE shall be responsible for all the utility charges and insurance in respect of the Baihao Buildings.

Other terms and conditions : Pursuant to the Baihao Lease Agreements, either party may terminate the agreement by giving three months prior notice to the other party.

Mr. Lu has agreed to give priority to Dongguan NHE over other third parties for leasing the Baihao Buildings upon expiry of the Baihao Lease Agreements.

PRICING BASIS FOR THE BAIHAO LEASE AGREEMENTS

The rental under the Baihao Lease Agreements was determined after arm's length negotiations between the respective parties thereto and with reference to (i) the historical rents of the Baihao Buildings; (ii) the prevailing market rents for similar premises in the same or nearby areas or similar locations in the PRC; (iii) the terms and conditions of the Baihao Lease Agreements; and (iv) the historical trend and the expected increase in the rents in the PRC property market and inflation.

FINANCIAL INFORMATION OF THE BAIHAO BUILDINGS

The rental amounts under the Previous Baihao Lease Agreements for the financial years ended 31 December 2023, 2024 and 2025 and for the period from 1 January to 31 March 2026 are set out below:

Rental amount (RMB)	For the financial year ended 31 December			For the period
	2023 (from 1 April 2023 to 31 December 2023)	2024 (from 1 January 2024 to 31 December 2024)	2025 (from 1 January 2025 to 31 December 2025)	from 1 January 2026 to 31 March 2026
Previous Baihao Lease Agreements	1,891,596	3,783,192	3,783,192	945,798

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

In view of (i) the expiry of the Previous Baihao Lease Agreements; (ii) the operational need to ensure the continuous use of the Baihao Buildings as the Group's administration offices, production plants and staff dormitories to avoid unnecessary relocation costs and potential disruption to the Group's daily operations and production schedules; and (iii) the reduction in base rent of the Baihao Buildings, Dongguan NHE entered into the Baihao Lease Agreements with Mr. Lu to renew the Previous Baihao Lease Agreements for another term of three years up to 31 March 2029.

The Directors (including the independent non-executive Directors) consider that the terms of the Baihao Lease Agreements are fair and reasonable, on normal commercial terms, and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

ESTIMATED VALUE OF THE RIGHT-OF-USE ASSET IN RESPECT OF THE BAIHAO LEASE AGREEMENTS

Pursuant to HKFRS 16, the Group is required to recognise a right-of-use asset representing its right to use for the underlying leased Baihao Buildings in relation to the Baihao Lease Agreements. Based on the information currently available to the Company, the estimated values of the right-of-use asset in respect of the Baihao Lease Agreements is approximately RMB10,374,987 (equivalent to approximately HK\$11,749,673).

Payment of the rents under the Baihao Lease Agreements will be funded by internal resources of the Group.

INFORMATION ON THE GROUP AND DONGGUAN NHE

The Group is principally engaged in the manufacture and trading of elastic fabric, elastic webbing and lace.

Dongguan NHE is an indirect wholly-owned subsidiary of the Company principally engaged in the manufacture and trading of elastic webbing.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Lu is the Chairman, executive Director and controlling shareholder of the Company, holding the direct and indirect interests in 640,500,000 Shares, representing approximately 61.59% of the issued share capital of the Company. Accordingly, Mr. Lu is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules and the transaction contemplated under the Baihao Lease Agreements constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the transactions contemplated under the Baihao Lease Agreements, on the basis of the estimated values of the right-of-use asset in respect of the Baihao Lease Agreements, are more than 0.1% but less than 5%, the Baihao Lease Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In view of Mr. Lu's interests in the Lease Agreements, Mr. Lu, Mr. Wu Shaolun (the brother-in-law of Mr. Lu, the uncle of Mr. Lu Libin and executive Director of the Company) and Mr. Lu Libin (the Chief Strategy Officer and executive Director of the Company and the son of Mr. Lu), have abstained from voting on the board resolutions approving the Lease Agreements and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 31 March 2023
“Baihao Buildings”	certain buildings situated at Baihao Industrial Zone, Houjie Town, Guangdong Province, the PRC with a total gross floor area of approximately 17,370 sq.m., of which approximately 10,370 sq.m. will be used as administration offices and production plants and approximately 7,000 sq.m. will be used as a staff dormitory of the Group

“Baihao Lease Agreements”	the two lease agreements both dated 31 March 2026 entered into between Dongguan NHE (as lessee) and Mr. Lu (as lessor) in relation to the lease of the Baihao Buildings for a term of three years commencing from 1 April 2026 to 31 March 2029
“Board”	the board of Directors
“Company”	Best Pacific International Holdings Limited (Stock Code: 2111), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to this term under the Listing Rules
“controlling shareholder”	has the meaning as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dongguan NHE”	Dongguan New Horizon Elastic Fabric Company Limited [^] (東莞潤信彈性織物有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lu”	Mr. Lu Yuguang, the Chairman, executive Director and controlling shareholder of the Company, holding the direct and indirect interests in 640,500,000 Shares, representing approximately 61.59% of the issued share capital of the Company as at the date of this announcement
“percentage ratio(s)”	has the meaning as ascribed to this term under the Listing Rules

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Baihao Lease Agreements”	the two lease agreements entered into between Dongguan NHE (as lessee) and Mr. Lu (as lessor) on 31 March 2023 in relation to the lease of the Baihao Buildings for a term of three years commencing from 1 April 2023 to 31 March 2026, details of which were disclosed by the Company in the Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For illustration purpose in this announcement only, amounts in RMB have been translated into HK\$ at the rate of RMB1.00 = HK\$1.1325.

By Order of the Board
Best Pacific International Holdings Limited
Chan Yiu Sing
Executive Director, Chief Financial Officer and Company Secretary

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Lu Yuguang, Mr. Zhang Haitao, Mr. Wu Shaolun, Ms. Zheng Tingting, Mr. Chan Yiu Sing, Mr. Lu Libin, Mr. Cheung Yat Ming, Mr. Kuo Dah Chih, Stanford* and Mr. Lam Yin Shing, Donald*.*

* *Independent non-executive Director*

^ *For identification purposes only*