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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)

INSIDE INFORMATION ANNOUNCEMENT PROFIT UPDATE

This announcement is made by the board of Directors (the “**Board**”) of Best Pacific International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Following a preliminary review of the information currently available to the Board, which includes, but without limitation to, the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**2020 Interim Period**”), the Board wishes to inform the shareholders of the Company and potential investors that, it is expected that the net profit attributable to owners of the Company for the 2020 Interim Period shall decline significantly by approximately 30%, as compared to the corresponding period in 2019. The decline in net profit is mainly attributable to:

1. the outbreak of the 2019 novel coronavirus disease (“**COVID-19**”) and the various public health measures put in place in many countries to curb the spread of the disease, causing temporary disruption to the Group’s production at its different production base at different times during the six months ended 30 June 2020; and
2. the forced operations restructuring of some key lingerie and sportswear and apparel retailers. The lockdowns and restrictions on public life in many cities around the world have resulted in temporary and permanent closure of stores by various retailers, which in turn have caused delays in shipment and/or cancellation of sales orders of the Group by some of its customers. With the deteriorating financial position as experienced by these and probably some other customers, the Group expects to recognise a degree of credit loss allowance on trade receivables for the 2020 Interim Period.

Despite the COVID-19 impact on the overall performance of the Group in the 2020 Interim Period and the difficult operating environment, the Group has seen some rebound in sales orders in May 2020. Moreover, the Group has sufficient cash on hand and credit facilities to meet its current business needs. It is estimated that the Group will have not less than approximately HK\$800 million of cash and cash equivalents as at 30 June 2020, as compared to that of approximately HK\$673 million as at 31 December 2019. In terms of the Group’s internationalisation plan, the Vietnam operation continues to perform according to the management’s expectation.

The information contained in this announcement is only based on the management's preliminary assessment with reference to the unaudited consolidated management accounts of the Group and the information currently available to the Board, which have neither been confirmed nor reviewed by the Company's auditors or its audit committee. Such accounts have not been reviewed by the Company's auditors, and are subject to possible adjustments upon further review.

Detailed financial information and performance of the Group will be disclosed in the Company's interim results announcement for the 2020 Interim Period which is expected to be published by the end of August 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Best Pacific International Holdings Limited
Chan Yiu Sing
Company Secretary

Hong Kong, 23 July 2020

As at the date of this announcement, the Board comprises Mr. Lu Yuguang, Mr. Zhang Haitao, Mr. Wu Shaolun, Ms. Zheng Tingting, Mr. Cheung Yat Ming, Mr. Ding Baoshan* and Mr. Sai Chun Yu*.*

** Independent non-executive Director*