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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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO TRISCHEL FABRIC (PRIVATE) LIMITED

(I) THE ASSETS SALE AND PURCHASE AGREEMENT (II) THE GIRIULLA SUB-LEASE AND THE LOT 39 SUB-LEASE AND (III) EXTENSION OF THE TERM OF THE LOGIWIZ SUB-LEASE AND THE WEFT SUB-LEASE

The Assets Sale and Purchase Agreement

The Board is pleased to announce that on 29 January 2021, the JV Company (a non-wholly owned subsidiary of the Company) as buyer and transferee entered into the Assets Sale and Purchase Agreement with Textprint as seller and transferor in relation to the sale and purchase of the Assets.

Certain employees of Textprint will also be transferred to the JV Company upon Completion.

The Giriulla Sub-Lease and the Lot 39 Sub-Lease

The Board is also pleased to announce that on 29 January 2021, the JV Company (as lessee) entered into the Giriulla Sub-Lease and the Lot 39 Sub-Lease with MAS Fabric Park (as lessor) for a term of one year and eleven months commencing on 1 February 2021 to 31 December 2022.

Extension of the term of the Logiwiz Sub-Lease and the Weft Sub-Lease

The Board is further pleased to announce that on 29 January 2021, the JV Company (as lessee) entered into the Logiwiz Supplemental Agreement and the Weft Supplemental Agreement with MAS Fabric Park (as lessor) in relation to the extension of the term of the Logiwiz Sub-Lease and the Weft Sub-Lease from 1 August 2022 to 31 December 2022.

Implications under the Listing Rules

As at the date of this announcement, Textprint and MAS Fabric Park are indirect wholly-owned subsidiaries of MAS Holdings, which is the holding company of the JV Partner and indirectly holds 49% of the issued share capital of the JV Company. Accordingly, Textprint and MAS Fabric Park are connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules, and the transaction contemplated under each of the Assets Sale and Purchase Agreement and the Sub-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 in respect of the transactions contemplated under the Assets Sale and Purchase Agreement and the Sub-Lease Agreements (on the basis of the estimated value of the right-of-use asset), upon aggregation with the Existing Sub-Leases and Related Agreements, exceeds 5% but all of them are below 25%, the Assets Sale and Purchase Agreement and the Sub-Lease Agreements constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As (i) the Board has approved the Assets Sale and Purchase Agreement and the Sub-Lease Agreements; and (ii) the independent non-executive Directors have confirmed that the respective terms of the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

Reference is made to the Announcements.

THE ASSETS SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 29 January 2021, the JV Company (a non-wholly owned subsidiary of the Company) entered into the Assets Sale and Purchase Agreement with Textprint, principal terms of which are summarised below.

Date

29 January 2021

Parties

- (i) JV Company (as buyer and transferee)
- (ii) Textprint (as seller and transferor)

Assets to be purchased

The Assets to be purchased under the Assets Sale and Purchase Agreement consist of (i) fixed assets which mainly include printing machines, washing machines, boilers, steamers, fabric inspection machines, dryers and other equipment for printing synthetic fabrics and the associated finishing processes currently used at the Plant, as well as (ii) inventory of Textprint for printing business as recorded in the management accounts of Textprint as at 31 January 2021.

Textprint shall hand over vacant possession of the Plant to the JV Company upon the date of execution of the Assets Sale and Purchase Agreement.

Transfer of the Transferring Employees

Pursuant to the Assets Sale and Purchase Agreement, Textprint shall transfer up to 252 of its employees employed at the Plant to the JV Company. These Transferring Employees have already signed resignation letters with Textprint resigning their positions at Textprint and will be, subject to the approvals of the board of the JV Company, BOI and the Labour Department of Sri Lanka, employed by the JV Company with effect from the date of Completion.

In connection with the transfer of the Transferring Employees, Textprint shall transfer to the JV Company an amount equivalent to the gratuity accruing to the Transferring Employees up to 31 January 2021, which shall be netted off against the consideration payable by the JV Company to Textprint under the Assets Sale and Purchase Agreement on the date of Completion.

Consideration and payment terms

The consideration for the transactions contemplated under the Assets Sale and Purchase Agreement shall be determined based on the total net book value of the Assets as at 31 January 2021, after deducting the gratuity accruing to the Transferring Employees up to 31 January 2021 and any inter-company balances between the JV Company and Textprint as at 31 January 2021, which is estimated to be no more than US\$4,000,000 (equivalent to approximately HK\$31,200,000). The consideration shall also be subject to deduction on account of unpaid utility bills relating to the Plant, outstanding staff related costs, wages and/or existing or pending claims of the Transferring Employees.

Pursuant to the Assets Sale and Purchase Agreement, the JV Company shall pay US\$2,199,650.33 (equivalent to approximately HK\$17,157,000) to Textprint on the date of Completion.

In the event where the total net book value of the Assets as at 31 January 2021, after deducting the gratuity accruing to the Transferring Employees up to 31 January 2021 and the inter-company balances between the JV Company and Textprint as at 31 January 2021 (if any), is higher than the initial consideration paid by the JV Company to Textprint on the date of Completion, the JV Company shall pay such shortfall to Textprint within 15 working days from the date of Completion.

In the event where the total net book value of the Assets as at 31 January 2021, after deducting the gratuity accruing to the Transferring Employees up to 31 January 2021 and the inter-company balances between the JV Company and Textprint as at 31 January 2021 (if any), is lower than the initial consideration paid by the JV Company to Textprint on the date of Completion, Textprint shall refund such overpaid amount to the JV Company within 15 working days from the date of Completion.

Completion

Completion shall take place on 1 February 2021 (or such other date as the JV Company and Textprint may mutually agree).

THE GIRIULLA SUB-LEASE AND THE LOT 39 SUB-LEASE

The Board is also pleased to announce that on 29 January 2021, the JV Company entered into the Giriulla Sub-Lease and the Lot 39 Sub-Lease with MAS Fabric Park, principal terms of which are summarised below.

The Giriulla Sub-Lease

Date	:	29 January 2021
Parties	:	(i) MAS Fabric Park (as lessor) (ii) JV Company (as lessee)
Term	:	One year and eleven months commencing on 1 February 2021 to 31 December 2022
Leased premises	:	MAS Fabric Park shall sub-lease the Giriulla Premises to the JV Company. The Giriulla Premises are situated at MAS industrial park in Mattegama Village in the District of Kurunegala, North-Western Province, Sri Lanka with an area of approximately 144,493 sq. ft., which will be used by the JV Company for production and as a warehouse.
Rentals and premium	:	The JV Company shall pay the following rentals and premium to MAS Fabric Park: (i) total ground rental of US\$40,013.87 calculated on the basis of US\$4,660 per acre per annum, payable in the first instalment of US\$3,479.47 on 1 February 2021 and seven instalments of US\$5,219.2 each on the first day of January, April, July and October each year during the remaining term; (ii) total building rental of US\$415,417.38 calculated on the basis of US\$1.50 per sq. ft. per annum, payable in the first instalment of US\$36,123.22 on 1 February 2021 and seven instalments of US\$54,184.88 each on the first day of January, April, July and October each year during the remaining term; and

- (iii) up-front premium of US\$8,586.67 calculated on the basis of US\$1,916.67 per acre, payable on the date of the agreement.

Other terms and conditions

- (i) The JV Company may, prior to expiry of the agreement, give a 3-month notice in writing to MAS Fabric Park requesting for renewal of the sub-lease and MAS Fabric Park may, subject to the terms of the original leases between BOI and itself and at its discretion, grant a renewal of the sub-lease on terms and conditions to be agreed between the parties.
- (ii) MAS Fabric Park is obligated to provide the environmental clearance certificate for the Giriulla Premises to the JV Company within 45 days from the date of the agreement.

The Lot 39 Sub-Lease

- Date** : 29 January 2021
- Parties** :
 - (i) MAS Fabric Park (as lessor)
 - (ii) JV Company (as lessee)
- Term** : One year and eleven months commencing on 1 February 2021 to 31 December 2022
- Leased premises** : MAS Fabric Park shall sub-lease the Lot 39 Premises to the JV Company. The Lot 39 Premises are the site of the Plant and situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province, Sri Lanka with an area of approximately 89,963.48 sq. ft., which will be used by the JV Company for production.
- Rentals and premium** : The JV Company shall pay the following rentals and premium to MAS Fabric Park:
 - (i) total ground rental of US\$45,051.29 calculated on the basis of US\$5,130 per acre per annum, payable in the first instalment of US\$3,917.54 on 1 February 2021 and seven instalments of US\$5,876.25 each on the first day of January, April, July and October each year during the remaining term;
 - (ii) total building rental of US\$396,589.01 calculated on the basis of US\$2.30 per sq. ft. per annum, payable in the first instalment of US\$34,486.01 on 1 February 2021 and seven instalments of US\$51,729 each on the first day of January, April, July and October each year during the remaining term; and

- (iii) up-front premium of US\$10,538.31 calculated on the basis of US\$2,300 per acre, payable on the date of the agreement.

Other terms and conditions : The JV Company may, prior to expiry of the agreement, give a 3-month notice in writing to MAS Fabric Park requesting for renewal of the sub-lease and MAS Fabric Park may, subject to the terms of the original lease between BOI and itself and at its discretion, grant a renewal of the sub-lease on terms and conditions to be agreed between the parties.

EXTENSION OF THE TERM OF THE LOGIWIZ SUB-LEASE AND THE WEFT SUB-LEASE

The Board is further pleased to announce that on 29 January 2021, the JV Company (as lessee) entered into the Logiwiz Supplemental Agreement and the Weft Supplemental Agreement with MAS Fabric Park (as lessor) in relation to the extension of the term of the Logiwiz Sub-Lease and the Weft Sub-Lease from 1 August 2022 to 31 December 2022.

Pursuant to the Logiwiz Supplemental Agreement, the JV Company shall pay the following rentals and premium to MAS Fabric Park for the extended term of the sub-lease:—

- (i) total ground rental of US\$5,343.75 calculated on the basis of US\$5,130 per acre per annum, payable in two instalments of US\$2,671.88 each on the first day of August and November 2022; and
- (ii) total building rental of US\$67,522.25 calculated on the basis of US\$2.30 per sq. ft. per annum, payable in two instalments of US\$33,761.13 each on the first day of August and November 2022.

Pursuant to the Weft Supplemental Agreement, the JV Company shall pay the following rentals and premium to MAS Fabric Park for the extended term of the sub-lease:—

- (i) total ground rental of US\$3,072.21 calculated on the basis of US\$5,130 per acre per annum, payable in two instalments of US\$1,536.11 each on the first day of August and November 2022; and
- (ii) total building rental of US\$42,583.54 calculated on the basis of US\$2.30 per sq. ft. per annum, payable in two instalments of US\$21,291.77 each on the first day of August and November 2022.

Save for the extension of the term from 1 August 2022 to 31 December 2022, all other terms of the Logiwiz Sub-Lease and the Weft Sub-Lease remain unchanged, details of which please refer to the Announcement dated 1 August 2019.

BASIS FOR DETERMINATION OF THE CONSIDERATION UNDER THE ASSETS SALE AND PURCHASE AGREEMENT AND THE FEES UNDER THE SUB-LEASE AGREEMENTS

The consideration for the transactions contemplated under the Assets Sale and Purchase Agreement was determined after arm's length negotiations between the JV Company and Textprint with reference to, among other things, the total net book value of the Assets as at 31 December 2020 of approximately US\$4,247,367 (equivalent to approximately HK\$33,129,000), the estimated total net book value of the Assets as at 31 January 2021, and the market value of similar equipment as well as the gratuity accruing to the Transferring Employees up to 31 January 2021. Based on the management accounts of Textprint for the year ended 31 December 2020, the total original acquisition cost of the Assets was approximately US\$12,854,000 (equivalent to approximately HK\$100,261,000).

The rentals and/or premiums under the Sub-Lease Agreements were determined after arm's length negotiations between the JV Company and MAS Fabric Park and with reference to, among other things, (i) the historical rentals of the leased premises; (ii) the prevailing market rents of similar properties in the same or nearby areas or similar location in Sri Lanka; and (iii) the condition of the leased premises, including but not limited to the location and the facilities associated with the leased properties.

The consideration and the fees payable under the Assets Sale and Purchase Agreement as well as the Sub-Lease Agreements will be funded by internal resources of the JV Company.

REASONS FOR ENTERING INTO THE ASSETS SALE AND PURCHASE AGREEMENT AND THE SUB-LEASE AGREEMENTS

With a view to further cementing the Group's unique position as a one-stop solutions provider, the Board intends to expand the Group's business in fabric printing.

Since the Group has acquired the 51% shareholding in the JV Company from the JV Partner in August 2018, the JV Company has been engaging in the same business as before the acquisition, i.e. the manufacture of warp and weft knitted fabric, and the importation of yarn and greige fabric and complementary accessories for dyeing and finishing for export. Considering the Group's strategic partnership with MAS Holdings and the fabric printing capability of Textprint, the Board is of the view that acquiring the Assets from Textprint for fabric printing would enable the JV Company and therefore the Group to offer a comprehensive service range and provide further added value to its clients. Accordingly, the JV Company entered into the Assets Sale and Purchase Agreement as well as the Giriulla Sub-Lease and the Lot 39 Sub-Lease.

Separately, in order to better manage and monitor the connected transactions of the JV Company, the JV Company entered into the Logiwiz Supplemental Agreement and the Weft Supplemental Agreement such that their term will expire on the same date as that of the Giriulla Sub-Lease and the Lot 39 Sub-Lease.

The terms of each of the Assets Sale and Purchase Agreement and the Sub-Lease Agreements were determined after arm's length negotiations between the respective parties thereto. The Directors (including the independent non-executive Directors) consider that the entering into of the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are in the ordinary and usual course of business of the Group, the respective terms of the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

ESTIMATED VALUES OF THE RIGHT-OF-USE ASSET IN RESPECT OF THE SUB-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 assets in respect of the Sub-Lease Agreements. Based on the information currently available to the Company, the approximate estimated values of the right-of-use asset in respect of the Sub-Lease Agreements are as follows:—

Sub-lease	Approximate estimated value of the right-of-use asset
Giriulla Sub-Lease	US\$434,000 (equivalent to approximately HK\$3,385,000)
Lot 39 Sub-Lease	US\$423,000 (equivalent to approximately HK\$3,299,000)
Logiwiz Supplemental Agreement	US\$313,000 (equivalent to approximately HK\$2,441,000) (<i>Note</i>)
Weft Supplemental Agreement	US\$197,000 (equivalent to approximately HK\$1,537,000) (<i>Note</i>)

Note: The estimated value of the right-of-use asset in respect of the Logiwiz Supplemental Agreement or the Weft Supplemental Agreement (as the case may be) is calculated based on the lease term commencing on 1 February 2021 to 31 December 2022.

INFORMATION ON THE GROUP AND THE JV COMPANY

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

The JV Company is an indirect non-wholly owned subsidiary of the Company principally engaged in the manufacture of warp and weft knitted fabric, and the importation of yarn and greige fabric and complementary accessories for dyeing and finishing for export.

INFORMATION ON TEXTPRINT AND MAS FABRIC PARK

Textprint is a company incorporated under the laws of Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings. As at the date hereof, Textprint is principally engaged in fabric printing.

MAS Fabric Park is a company incorporated under the laws of Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings. As at the date hereof, MAS Fabric Park is principally engaged in operation of the MAS industrial park.

MAS Holdings, the holding company of the JV Partner, is positioned as one of the world's most recognised design-to-delivery solution providers in the realm of apparel and textile manufacturing. It is also one of the largest apparel and textile manufacturer in South Asia. The organisation is headquartered in Sri Lanka with over 53 manufacturing facilities placed across more than 16 countries, with design locations placed in key style centers across the globe and over 99,000 people involved in its operation. The seamlessly integrated supply chain that is balanced to perfection with the organisations strategically placed design houses gives MAS Holdings the knowledge, the means and the speed to deliver what is demanded by the industry. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, MAS Holdings is held under a trust by the name of Jacey Trust Services (Private) Limited as trustee.

CONNECTED RELATIONSHIP AND IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Textprint and MAS Fabric Park are indirect wholly-owned subsidiaries of MAS Holdings, which is the holding company of the JV Partner and indirectly holds 49% of the issued share capital of the JV Company. Accordingly, Textprint and MAS Fabric Park are connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules, and the transaction contemplated under each of the Assets Sale and Purchase Agreement and the Sub-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 in respect of the transactions contemplated under the Assets Sale and Purchase Agreement and the Sub-Lease Agreements (on the basis of the estimated value of the right-of-use asset), upon aggregation with the Existing Sub-Leases and Related Agreements, exceeds 5% but all of them are below 25%, the Assets Sale and Purchase Agreement and the Sub-Lease Agreements constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As (i) the Board has approved the Assets Sale and Purchase Agreement and the Sub-Lease Agreements; and (ii) the independent non-executive Directors have confirmed that the respective terms of the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Assets Sale and Purchase Agreement and the Sub-Lease Agreements are subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

To avoid any potential conflict of interests, Mr. Zhang Haitao, being the director of the Company and the JV Company, has abstained from voting on the Board resolutions approving the Assets Sale and Purchase Agreement and the Sub-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(s)”	the announcement(s) of the Company dated 4 December 2017, 1 August 2019 and/or 8 January 2020
“Assets”	the assets to be purchased by the JV Company from Textprint pursuant to the terms and conditions of the Assets Sale and Purchase Agreement, details of which please refer to the paragraph headed “Assets to be purchased” of this announcement
“Assets Sale and Purchase Agreement”	<p>the formal and definitive agreement in relation to, among other things, the sale and purchase of the Assets of Textprint pursuant to the MOU to the JV Company dated 29 January 2021 entered into between the JV Company and Textprint</p> <p>Certain employees of Textprint will also be transferred to the JV Company upon Completion</p>
“Board”	the board of Directors
“BOI”	Board of Investment of Sri Lanka, a governmental authority in Sri Lanka
“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
“Completion”	the completion of the transactions contemplated under the Assets Sale and Purchase Agreement
“connected person(s)”	has the meaning as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing MOU”	the memorandum of understanding for services provided in relation to a biomass thermic oil heater dated 15 July 2016 entered into between MAS Fabric Park and the JV Company, details of which were disclosed in the Announcement dated 4 December 2017 (defined as “MOU” therein)

“Existing Services Agreement”	the services agreement dated 22 December 2006 entered into between MAS Fabric Park and the JV Company, pursuant to which MAS Fabric Park shall provide the JV Company with electricity, steam, water, effluent discharge and fire hydrant water supply, details of which were disclosed in the Announcement dated 4 December 2017 (defined as “Services Agreement” therein)
“Existing Sub-Leases”	(i) the sub-lease agreement dated 22 December 2006; (ii) the Logiwiz Sub-Lease; and (iii) the Weft Sub-Lease, all of which were entered into between MAS Fabric Park and the JV Company, details of which were disclosed in the Announcements dated 4 December 2017 (defined as “Sub-Lease Agreement” therein) and 1 August 2019 respectively
“Existing Sub-Leases and Related Agreements”	(i) the Existing Sub-Leases; (ii) the Existing Services Agreement; and (iii) the Existing MOU
“Giriulla Premises”	the premises situated at MAS industrial park in Mattegama Village in the District of Kurunegala, North-Western Province in Sri Lanka with an area of approximately 144,493 sq. ft., to be sub-leased to the JV Company pursuant to the Giriulla Sub-Lease
“Giriulla Sub-Lease”	the sub-lease dated 29 January 2021 entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee), in relation to the sub-lease of the Giriulla Premises for a term of one year and eleven months commencing on 1 February 2021 to 31 December 2022
“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
“JV Company”	Trischel Fabric (Private) Limited, a company incorporated in Sri Lanka with limited liability and an indirect non-wholly owned subsidiary of the Company

“JV Partner”	MAS Capital (Private) Limited, a company incorporated in Sri Lanka with limited liability and a direct wholly-owned subsidiary of MAS Holdings
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logiwiz Premises”	the premises situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province in Sri Lanka with an area of approximately 70,458 sq. ft., being sub-leased to the JV Company pursuant to the Logiwiz Sub-Lease
“Logiwiz Sub-Lease”	the sub-lease dated 1 August 2019 entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee), in relation to the sub-lease of the Logiwiz Premises for a term of three years commencing on 1 August 2019 to 31 July 2022, details of which were disclosed in the Announcement dated 1 August 2019
“Logiwiz Supplemental Agreement”	the supplemental agreement to the Logiwiz Sub-Lease entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee) on 29 January 2021, in relation to extension of the term of the Logiwiz Sub-Lease to 31 December 2022
“Lot 39 Premises”	the premises situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province in Sri Lanka with an area of approximately 89,963.48 sq. ft., to be sub-leased to the JV Company pursuant to the Lot 39 Sub-Lease
“Lot 39 Sub-Lease”	the sub-lease dated 29 January 2021 entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee), in relation to the sub-lease of the Lot 39 Premises for a term of one year and eleven months commencing on 1 February 2021 to 31 December 2022
“MAS Fabric Park”	MAS Fabric Park (Private) Limited, a company incorporated in Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings

“MAS Holdings”	MAS Holdings (Private) Limited, a company incorporated in Sri Lanka with limited liability and the holding company of the JV Partner, which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is held under a trust by the name of Jacey Trust Services (Private) Limited as trustee
“MOU”	the legally binding memorandum of understanding dated 8 January 2020 entered into between the JV Company and Textprint in relation to the proposed acquisition of any or all of the assets thereunder (and subject to the terms and conditions of the Assets Sale and Purchase Agreement), details of which were disclosed in the Announcement dated 8 January 2020, and has been superseded and terminated upon the execution of the Assets Sale and Purchase Agreement
“percentage ratio(s)”	has the meaning as ascribed to this term under the Listing Rules
“Plant”	the manufacturing plant comprising of certain fixed assets which are to be purchased by the JV Company pursuant to the Assets Sale and Purchase Agreement and situated at the Lot 39 Premises which are to be sub-leased by the JV Company pursuant to the Lot 39 Sub-Lease
“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
“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. ft.”	square feet
“Sri Lanka”	the Democratic Socialist Republic of Sri Lanka
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Lease Agreements”	the Giriulla Sub-Lease, the Lot 39 Sub-Lease, the Logiwiz Supplemental Agreement and the Weft Supplemental Agreement
“Textprint”	Textprint Lanka (Private) Limited, a company incorporated in Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings

“Transferring Employees”	the employees of Textprint employed at the Plant to be transferred to the JV Company pursuant to the terms and conditions of the Assets Sale and Purchase Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“Weft Premises”	the premises situated at MAS industrial park in Nangalla and Thulhiriya Villages in the District of Kegalle, Sabaragamuwa Province in Sri Lanka with an area of approximately 44,435 sq. ft., being sub-leased to the JV Company pursuant to the Weft Sub-Lease
“Weft Sub-Lease”	the sub-lease dated 1 August 2019 entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee), in relation to the sub-lease of the Weft Premises for a term of three years commencing on 1 August 2019 to 31 July 2022, details of which were disclosed in the Announcement dated 1 August 2019
“Weft Supplemental Agreement”	the supplemental agreement to the Weft Sub-Lease entered into between MAS Fabric Park (as lessor) and the JV Company (as lessee) on 29 January 2021, in relation to extension of the term of the Weft Sub-Lease to 31 December 2022
“%”	per cent

For illustration purpose only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.80 and rounded to thousand. Such conversion should not be construed as a representation that any amount has been, could have been, or may be exchanged at this or any other rates.

By Order of the Board
Best Pacific International Holdings Limited
Lu Yuguang
Chairman and executive Director

Hong Kong, 29 January 2021

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*