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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)

(1) COMPLETION OF THE ACQUISITION OF 51% OF THE ENTIRE ISSUED SHARE CAPITAL OF TRISCHEL FABRIC (PRIVATE) LIMITED AND (2) CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Announcement.

Completion of the Acquisition

The Board is pleased to announce that Completion took place on 1 August 2018. Following the Completion, the JV Company has become a non-wholly owned subsidiary of the Company and is owned as to 51% and 49% by BPSL (Thulhiriya) and the JV Partner respectively.

Continuing connected transactions

The Board is also pleased to announce that on 1 August 2018, the JV Company entered into the MAS Capital Framework Agreement, the MAS Fabrics Framework Agreement and the MAS Legato Framework Agreement with the JV Partner, MAS Fabrics and MAS Legato respectively for a term of three years commencing on 1 August 2018 to 31 July 2021 in respect of the Shared Services.

Following the Completion, the JV Partner, holding 49% of the issued share capital of the JV Company, is a substantial shareholder of the JV Company. Accordingly, members of MAS Group (including the JV Partner, MAS Fabrics and MAS Legato) become connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules, and the transactions contemplated under the MAS Capital Framework Agreement, the MAS Fabrics Framework Agreement and the MAS Legato Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Listing Rules implications

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the transactions contemplated under the Framework Agreements, after aggregating with the Other CCT Agreements (details of which were disclosed in the Announcement), exceeds 1% but less than 5%, the Framework Agreements are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the service fees under the MAS Fabrics Framework Agreement will be charged on a cost basis and the charging out rate will be determined in proportion to the JV Group and other service recipients involved on a fair and equitable basis, pursuant to Rule 14A.98 of the Listing Rules, the MAS Fabrics Framework Agreement and the transactions contemplated thereunder are fully exempt from all the disclosure, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the Announcement.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that Completion took place on 1 August 2018. Following the Completion, the JV Company has become a non-wholly owned subsidiary of the Company and is owned as to 51% and 49% by BPSL (Thulhiriya) and the JV Partner respectively.

CONTINUING CONNECTED TRANSACTIONS FOLLOWING COMPLETION

Background

As disclosed in the Announcement, prior to the date of the JV Agreement, the JV Company (i) entered into the Previous Master Services Agreement with the JV Partner in relation to the procurement of certain assistance services and advice from the JV Partner which are necessary for the operation of the JV Company, and (ii) made the Arrangements with three subsidiaries of MAS Holdings, namely, MAS Fabrics, MAS Innovations and MAS Legato in relation to provision of certain shared services to the JV Company.

Taking into consideration of the operation and business scale of the JV Company and in order to ensure a smooth transition of the JV Company following the Completion, the Company decided that the JV Company will continue to use some of the Shared Services as previously agreed under the Previous Master Services Agreement and the Arrangements from the JV Partner, MAS Fabrics and MAS Legato, but will not continue to use the shared services from MAS Innovations.

After negotiations with the relevant members of MAS Group, on 1 August 2018, the JV Company entered into the MAS Capital Framework Agreement, the MAS Fabrics Framework Agreement and the MAS Legato Framework Agreement with the JV Partner, MAS Fabrics and MAS Legato respectively for a term of three years commencing on 1 August 2018 to 31 July 2021 in respect of the Shared Services to supersede the Previous Master Services Agreement and the Arrangements.

Under the MAS Fabrics Framework Agreement, MAS Fabrics shall provide centralised group services to the JV Group in various areas, including but not limited to finance, human resources, automation, sustainability, innovation, information technology and digital services, consultancy services on implementation of lean systems, design and development, planning and strategy, and the service fees will be charged on a cost basis and the charging out rate will be determined in proportion to the JV Group and other service recipients involved on a fair and equitable basis. Pursuant to Rule 14A.98 of the Listing Rules, the MAS Fabrics Framework Agreement and the transactions contemplated thereunder are fully exempt from all the disclosure, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Principal terms of the MAS Capital Framework Agreement and the MAS Legato Framework Agreement are summarised below.

(1) MAS Capital Framework Agreement

Date: 1 August 2018

Parties: (i) JV Partner (as service provider)
(ii) JV Company (for and on behalf of the JV Group, as service recipient)

Term: Three years commencing on 1 August 2018 to 31 July 2021

Subject matter: The JV Partner shall provide the centralised group services in relation to the operation of the JV Group in various areas, including legal, corporate finance, treasury, business strategy, risk and control, human resources, sustainability, corporate social responsibility, information technology, and consultancy services on implementation of lean systems, etc. as requested by the JV Company from time to time.

Fees: The service fees to be charged by the JV Partner in respect of the Shared Services under the MAS Capital Framework Agreement shall be determined as follows:

- (i) Where there is any standard charging rate at the JV Partner, the standard charging rate; or
- (ii) Where there is no charging rate applicable to a particular type of the service, the service fee shall be determined with reference to the costs incurred by the JV Partner plus a percentage mark-up, which shall be negotiated between the parties at arm's length basis,

and according to the pricing principles as stipulated under the agreement (details please refer to the paragraph headed "Pricing basis and principles for the Framework Agreements" below).

Based on the foregoing, the service fees for the Shared Services for the period from 1 August 2018 to 31 December 2018 shall be determined as follows:

- In respect of legal, corporate finance, treasury, business strategy, risk and control, human resources, sustainability, corporate social responsibility and consultancy services: cost incurred by the JV Partner plus a profit margin in the range of 3% and 8%; and

- In respect of information technology: cost incurred by the JV Partner plus a profit margin in the range of 11% and 16%.

Payment terms: The service fees shall be paid on a quarterly basis in the currency specified in the invoice issued by the JV Partner.

Other terms and conditions: The JV Group shall have priority over other third parties in the procurement of the Shared Services from the JV Partner and may at its sole discretion purchase any of the Shared Services from other suppliers.

(2) MAS Legato Framework Agreement

Date: 1 August 2018

Parties:

- (i) MAS Legato (as service provider)
- (ii) JV Company (for and on behalf of the JV Group, as service recipient)

Term: Three years commencing on 1 August 2018 to 31 July 2021

Subject matter: MAS Legato shall provide the centralised group services to the JV Group in relation to general ledger, accounts receivable and accounts payable accounting processes, etc. as requested by the JV Company from time to time.

Fees: The service fees to be charged by MAS Legato in respect of the Shared Services under the MAS Legato Framework Agreement shall be determined as follows:

- (i) Where there is any standard charging rate at MAS Legato, the standard charging rate; or
- (ii) Where there is no charging rate applicable to a particular type of the service, the service fee shall be determined with reference to the costs incurred by MAS Legato plus a percentage mark-up, which shall be negotiated between the parties at arm's length basis,

and according to the pricing principles as stipulated under the agreement (details please refer to the paragraph headed "Pricing basis and principles for the Framework Agreements" below).

Based on the foregoing, the service fees for the Shared Services for the period from 1 August 2018 to 31 December 2018 shall be determined as follows:

- In respect of general ledger, accounts payable, account receivable: cost incurred by MAS Legato plus a profit margin of 8.27%.

Payment terms: The service fees shall be paid on a monthly basis in the currency specified in the invoice issued by MAS Legato.

Other terms and conditions: The JV Group shall have priority over other third parties in the procurement of the Shared Services from MAS Legato and may at its sole discretion purchase any of the Shared Services from other suppliers.

Pricing basis and principles for the Framework Agreements

As confirmed by the JV Partner and MAS Legato, their charging rates in respect of the Shared Services under the Framework Agreements are the standard charging rates (if any) charged by the JV Partner and MAS Legato to all other parties in respect of the same Shared Services provided.

Pursuant to the Framework Agreements, the service fees and the terms (including profit margin, if applicable) in respect of the Shared Services shall be fair and reasonable with reference to the market price and terms (including profit margin, if applicable) in respect of the same or similar services provided by other comparable service providers in Sri Lanka (having regards to the size, quality of services and reputation, etc.) on normal commercial terms and comply with the applicable requirements under the Listing Rules.

HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS FOR THE FRAMEWORK AGREEMENTS

The historical transaction amounts in respect of the Shared Services provided by the JV Partner and MAS Legato to the JV Company for the financial years ended 31 December 2015, 2016 and 2017 and for the six months ended 30 June 2018 are set out below:

Transaction amount	For the financial year ended 31 December			For the six months ended
	2015	2016	2017	30 June 2018
Shared services provided by the JV Partner	US\$234,000 (equivalent to approximately HK\$1,825,000)	US\$293,000 (equivalent to approximately HK\$2,285,000)	US\$341,000 (equivalent to approximately HK\$2,660,000)	US\$144,000 (equivalent to approximately HK\$1,123,000)
Shared services provided by MAS Legato	US\$17,000 (equivalent to approximately HK\$133,000)	US\$23,000 (equivalent to approximately HK\$179,000)	US\$20,000 (equivalent to approximately HK\$156,000)	US\$14,000 (equivalent to approximately HK\$109,000)
Aggregate	US\$251,000 (equivalent to approximately HK\$1,958,000)	US\$316,000 (equivalent to approximately HK\$2,464,000)	US\$361,000 (equivalent to approximately HK\$2,816,000)	US\$158,000 (equivalent to approximately HK\$1,232,000)

The Annual Caps for the transaction amounts under the Framework Agreements for the financial years ending 31 December 2018, 2019, 2020 and 2021 are set out below:

	For the financial year ending 31 December			
	2018	2019	2020	2021
Annual Cap	(from 1 August 2018 to 31 December 2018)	(from 1 January 2019 to 31 December 2019)	(from 1 January 2020 to 31 December 2020)	(from 1 January 2021 to 31 July 2021)
MAS Capital Framework Agreement	US\$193,000 (equivalent to approximately HK\$1,505,000)	US\$533,000 (equivalent to approximately HK\$4,157,000)	US\$646,000 (equivalent to approximately HK\$5,039,000)	US\$441,000 (equivalent to approximately HK\$3,440,000)
MAS Legato Framework Agreement	US\$20,000 (equivalent to approximately HK\$156,000)	US\$54,000 (equivalent to approximately HK\$421,000)	US\$66,000 (equivalent to approximately HK\$515,000)	US\$45,000 (equivalent to approximately HK\$351,000)
Aggregate	US\$213,000 (equivalent to approximately HK\$1,661,000)	US\$587,000 (equivalent to approximately HK\$4,578,000)	US\$712,000 (equivalent to approximately HK\$5,554,000)	US\$486,000 (equivalent to approximately HK\$3,791,000)

The Annual Caps were determined based on (i) the historical transaction amounts in respect of the Shared Services provided by the JV Partner and MAS Legato to the JV Company for the last three financial years ended 31 December 2017 and the six months ended 30 June 2018, (ii) the standard charging rates of the JV Partner and MAS Legato for the Shared Services for the year 2018 and a compound annual growth rate of approximately 23.2% for the five financial years from 2017 to 2021 of the projected demand of the Shared Services based on the business scale of the JV Company, and (iii) certain buffers to allow for any increase in the charging rates of the Shared Services as anticipated by the management of the Company.

The service fees under the Framework Agreements will be funded by internal resources of the Group.

INTERNAL CONTROL AND PRICING POLICY

In order to ensure that the transactions contemplated under the Framework Agreements will be conducted on normal commercial terms, the Group has adopted the following measures:

- (a) Pursuant to the Framework Agreements, each December (or from time to time as may be necessary), the parties shall review the Shared Services provided during the year and shall negotiate and agree on a plan (the “Plan”) which should set out the specific terms for provision of the Shared Services for the next financial year, including (without limitation), the scope of the services to be provided, service period, fees, specifications (if any), payment arrangement and other requirements, provided always that such terms and conditions shall be consistent with the terms of the respective Framework Agreements (including the Annual Caps and the pricing principles as disclosed under the paragraph headed “Pricing basis and principles for the Framework Agreements” above), on normal commercial terms and in compliance with the applicable requirements under the Listing Rules;
- (b) Prior to negotiating the Plan, the Group will consider the potential costs for setting up the JV Group’s own department(s) or team(s) and decide, after taking into all the relevant factors (such as costs, work efficiency, etc.), whether to procure any or all of the Shared Services for the next financial year. In this connection, the Group will request the JV Partner and MAS Legato to provide the basis of their charging rates for the Shared Services, including the breakdown of their budgeted costs and profit margin, etc., and obtain relevant market data and/or quotations from other independent comparable service providers in Sri Lanka (if available), for the purpose of considering if the charging rates for the Shared Services charged by the JV Partner and MAS Legato are fair and reasonable and in accordance with the aforesaid pricing policy and decide whether to procure the Shared Services from the JV Partner and/or MAS Legato;
- (c) During the year, the Group will conduct regular checks to review and assess whether the transactions are conducted in accordance with the Plan and the terms of the respective Framework Agreements, and where necessary, the Group will obtain relevant market data and/or further quotations from other independent comparable service providers in Sri Lanka (if available) for the purpose of considering if the charging rates for the Shared Services charged by the JV Partner and MAS Legato are fair and reasonable and in accordance with the aforesaid pricing policy;
- (d) The Group has an internal audit system to trace, monitor and evaluate the transaction amount under each of the Framework Agreements regularly to ensure that the respective Annual Caps will not be exceeded; and
- (e) The Group will comply with the annual review requirements in respect of the transactions contemplated under the Framework Agreements in accordance with Chapter 14A of the Listing Rules, such as engaging the Company’s auditor to conduct annual review and having the independent non-executive Directors to review the transactions contemplated under the Framework Agreements and give opinions/confirmations in the Company’s annual reports.

By implementing the above measures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control and procedures to ensure that the transactions contemplated under the Framework Agreements will be in accordance with the terms thereunder and the above pricing principles, on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENTS

As disclosed above, prior to the date of the JV Agreement and Completion, the JV Partner, MAS Fabrics and MAS Legato had been providing certain Shared Services to the JV Company to facilitate its daily operation.

After taking into consideration of the operation and business scale of the JV Company, in particular the potential higher costs for the JV Company to set up its own legal, information technology, financial or human resources teams, etc., the Company considers that it would be more efficient for the JV Company to procure the Shared Services at this stage. Besides, under the Framework Agreements, the JV Group is not committed to procuring any of the Shared Services from the JV Partner and MAS Legato, but if any transaction is entered into between the parties, all such transactions will be on normal commercial terms. As such, in order to secure continuous provision of the Shared Services by the JV Partner and MAS Legato after Completion on terms in compliance with the requirements under Chapter 14A of the Listing Rules and give the JV Group flexibility to procure the Shared Services if it so wishes, the parties entered into the Framework Agreements on 1 August 2018 when the Completion took place to supersede the Previous Master Services Agreement and the Arrangements.

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

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.

Following Completion, the JV Company has become an indirect non-wholly owned subsidiary of the Company which is 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 THE JV PARTNER, MAS FABRICS AND MAS LEGATO

The JV Partner is a company incorporated under the laws of Sri Lanka. It is a direct wholly-owned subsidiary of MAS Holdings. It is a regional operating headquarter holding various subsidiaries carrying out manufacturing and export of garments and textiles.

MAS Fabrics is a company incorporated under the laws of Sri Lanka and an indirect wholly-owned subsidiary of MAS Holdings. As at the date hereof, its principal business activities include the manufacture of knitted footwear uppers and the provision of services including but not limited to operational finance, human resources, research and development, marketing and design services to companies in the textile and footwear industry.

MAS Legato is a company incorporated under the laws of Sri Lanka and an indirect wholly-owned subsidiary of MAS Holdings. As at the date hereof, its principal business activities include the provision of business process outsourcing services related to financial back office activities for the local and export markets.

CONNECTED RELATIONSHIP AND IMPLICATIONS UNDER THE LISTING RULES

Following the Completion, the JV Partner, holding 49% of the issued share capital of the JV Company, is a substantial shareholder of the JV Company. Accordingly, members of MAS Group (including the JV Partner, MAS Fabrics and MAS Legato) become connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules, and the transactions contemplated under the MAS Capital Framework Agreement, the MAS Fabrics Framework Agreement and the MAS Legato Framework Agreement constitute continuing connected transactions 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 Framework Agreements, after aggregating with the Other CCT Agreements (details of which were disclosed in the Announcement), exceeds 1% but less than 5%, the Framework Agreements are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the service fees under the MAS Fabrics Framework Agreement will be charged on a cost basis and the charging out rate will be determined in proportion to the JV Group and other service recipients involved on a fair and equitable basis, pursuant to Rule 14A.98 of the Listing Rules, the MAS Fabrics Framework Agreement and the transactions contemplated thereunder are fully exempt from all the disclosure, annual review and independent shareholders' approval requirements under Chapter 14A 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 Framework Agreements and the MAS Fabrics Framework Agreement as well as the transactions contemplated thereunder (including the respective Annual Caps).

DEFINITIONS

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

“Acquisition”	the acquisition of 51% of the total issued share capital of the JV Company by BPSL (Thulhiriya) from the JV Partner pursuant to the JV Agreement, details of which were disclosed in the Announcement
“Announcement”	the announcement of the Company dated 4 December 2017 in relation to, among other things, the Acquisition, the Arrangements, the Previous Master Services Agreement and the Other CCT Agreements
“Annual Cap(s)”	the annual cap(s) for the transactions contemplated under the MAS Capital Framework Agreement and/or the MAS Legato Framework Agreement for the financial year(s) ending 31 December 2018, 2019, 2020 and/or 2021
“Arrangements”	the arrangements made between the JV Company on one hand and MAS Fabrics, MAS Innovations or MAS Legato on the other hand for provision of certain shared services, details of which were disclosed in the Announcement
“associate(s)”	has the meaning as ascribed to this term under the Listing Rules
“Board”	the board of Directors
“BPSL (Thulhiriya)”	Best Pacific International Sri Lanka (Thulhiriya) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“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”	completion of the Acquisition
“connected person(s)”	has the meaning as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreements”	the MAS Capital Framework Agreement and the MAS Legato Framework Agreement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the agreement dated 4 December 2017 entered into among BPSL (Thulhiriya), the JV Partner and the JV Company in relation to the Acquisition, details of which were disclosed in the Announcement
“JV Company”	Trischel Fabric (Private) Limited, a company incorporated in Sri Lanka with limited liability
“JV Group”	the JV Company and its subsidiaries
“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
“MAS Capital Framework Agreement”	the agreement dated 1 August 2018 entered into between the JV Partner (as service provider) and the JV Company (for and on behalf of the JV Group, as service recipient), incorporating the master services agreement entered into on 26 July 2018 between the same parties, in relation to certain Shared Services (details as set out hereinabove) for a term of three years commencing on 1 August 2018 to 31 July 2021
“MAS Fabrics”	MAS Fabrics (Private) Limited, a company incorporated in Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings
“MAS Fabrics Framework Agreement”	the agreement dated 1 August 2018 entered into between MAS Fabrics (as service provider) and the JV Company (for and on behalf of the JV Group, as service recipient), incorporating the master services agreement entered into on 26 July 2018 between the same parties, in relation to certain Shared Services (details as set out hereinabove) for a term of three years commencing on 1 August 2018 to 31 July 2021
“MAS Group”	the JV Partner and its associates
“MAS Holdings”	MAS Holdings (Pvt) Ltd, a company incorporated in Sri Lanka with limited liability and the holding company of the JV Partner

“MAS Innovations”	MAS Innovations (Pvt) Ltd, a company incorporated in Sri Lanka with limited liability and a direct wholly-owned subsidiary of MAS Holdings
“MAS Legato”	MAS Legato (Private) Limited, a company incorporated in Sri Lanka with limited liability and an indirect wholly-owned subsidiary of MAS Holdings
“MAS Legato Framework Agreement”	the agreement dated 1 August 2018 entered into between MAS Legato (as service provider) and the JV Company (for and on behalf of the JV Group, as service recipient), incorporating the master services agreement entered into on 26 July 2018 between the same parties, in relation to certain Shared Services (details as set out hereinabove) for a term of three years commencing on 1 August 2018 to 31 July 2021
“Other CCT Agreements”	(i) 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 (Private) Limited (an indirect wholly-owned subsidiary of MAS Holdings) and the JV Company (as defined as “MOU” in the Announcement), (ii) the services agreement dated 22 December 2006 entered into between MAS Fabric Park (Private) Limited and the JV Company (as defined as “Services Agreement” in the Announcement), and (iii) the sub-lease agreement dated 22 December 2006 entered into between MAS Fabric Park (Private) Limited (as lessor) and the JV Company (as lessee) in relation to sub-lease of a piece of land located in the District of Kegalle, Sabaragamuwa Province, Sri Lanka with an approximate area of 3.37818 hectares (as defined as “Sub-Lease Agreement” in the Announcement), all of which were disclosed in the 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 Master Services Agreement”	the master services agreement dated 1 January 2017 entered into between the JV Partner and the JV Company, as defined as “Master Services Agreement” and details of which were disclosed in the Announcement, which has been superseded by the MAS Capital Framework Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shared Services”	the services to be provided by the JV Partner, MAS Fabrics and/or MAS Legato to the JV Group under the MAS Capital Framework Agreement, the MAS Fabrics Framework Agreement and/or the MAS Legato Framework Agreement (as the case may be)
“Shareholder(s)”	holder(s) of the Share(s)
“Sri Lanka”	the Democratic Socialist Republic of Sri Lanka
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to this term under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	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 have been, could have been, or may be, exchanged at this or any other rate.

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

Hong Kong, 1 August 2018

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*