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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)

CONTINUING CONNECTED TRANSACTIONS LEASE FRAMEWORK AGREEMENT

LEASE FRAMEWORK AGREEMENT

On 8 October 2026, BPTHL (for itself and on behalf of the BPTHL Group, as lessor and service provider) and the Lessee Parties (for themselves and on behalf of the PF Group, as lessees) entered into the Lease Framework Agreement for a term of ten years commencing from 9 October 2026 and ending on 8 October 2036.

Pursuant to the Lease Framework Agreement, the BPTHL Group agreed to lease the Properties and provide the Services to the PF Group from time to time.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Lessee Parties are the ultimate beneficial owners of, and/or act for and on behalf of, the PF Group. The Lessee Parties comprise Mr. Lu Libin (an executive Director and the son of Mr. Lu), Ms. Zheng (an executive Director and the spouse of Mr. Zhang), Mr. Wu Junjie (the son of Mr. Wu) and Mr. Lu Canping (the nephew of Mr. Lu). Accordingly, the Lessee Parties and the PF Group are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the entering into of the Lease Framework Agreement constitutes a continuing 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) as defined under the Listing Rules in respect of the Lease Framework Agreement exceed 0.1% but are all less than 5%, the transactions contemplated under the Lease Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the term of the Lease Framework Agreement exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed Carlyon Capital Limited as the Independent Financial Adviser to explain the reasons for the Lease Framework Agreement to have a term exceeding three years and to confirm that it is normal business practice for agreements of this type to be of such duration.

BACKGROUND

The Group is principally engaged in the manufacture and sales of elastic fabric, elastic webbing and lace, and has been expanding its production footprint and manufacturing capacities in Vietnam. The PF Group is principally engaged in the manufacture and sales of apparels. In the course of its daily production and operation, the PF Group requires properties and facilities for its apparel manufacturing business. To optimise resource allocation and achieve operational synergies, the BPTHL Group agreed to lease certain of its Vietnam properties to the PF Group. In order to regulate the leasing of properties and provision of related services by the BPTHL Group to the PF Group under the Listing Rules, BPTHL and the Lessee Parties entered into the Lease Framework Agreement on 8 October 2026.

Principal terms of the Lease Framework Agreement are summarised below.

THE LEASE FRAMEWORK AGREEMENT

Date	:	8 October 2026
Parties	:	(i) BPTHL, a direct wholly-owned subsidiary of the Company (for and on behalf of the BPTHL Group, as lessor and service provider); and (ii) The Lessee Parties (for and on behalf of the PF Group, as lessees)
Term	:	Ten years commencing from 9 October 2026 to 8 October 2036.
Details of the leased Properties	:	The properties located in the land parcel of Tho Loc Industrial Park (Phase 1), Dong Nam Nghe An Economic Zone, Nghe An Province, Vietnam (including but not limited to Lot Nos. A1-1 and A1-2), as well as other buildings, premises, and/or ancillary equipment and facilities legally owned or to be owned by the BPTHL Group which may be leased to the PF Group from time to time.

The specific location, area, and size of the properties to be leased will be set out in the respective Individual Lease Agreements.

Services to be provided : In conjunction with the leasing of the Properties, the BPTHL Group will provide Services incidental to the Properties being leased.

The specific scope of the services required, fees, and payment terms will be set out in the respective Service Agreements.

Rent and other charges : The rent for the Properties and the fees for the Services shall be determined after arm's length negotiations between the relevant members of the BPTHL Group and the PF Group based on prevailing market rates and on normal commercial terms.

The rent and service fees shall be no less favourable to the BPTHL Group than those offered to Independent Third Parties. In determining the rent and service fees, the Group will take into consideration factors including (i) the location, view, size, floor level, usage, nature and conditions of the Properties; (ii) the number of Properties to be leased by the potential tenant; (iii) the prevailing market rental level of at least three comparable properties (where available) in the proximity; (iv) the historical fees paid by the PF Group (if applicable); and (v) the standard service fee scale charged to the BPTHL Group by third party providers for the same or similar Services.

Depending on the specific Individual Lease Agreement, the rent may be structured as a gross rent inclusive of outgoings, or a net rent plus the recharging of outgoings (such as rates, land rent, water, electricity, and cleaning fees), with the outgoings charged at cost.

Payment term : The rent for the Properties leased and the fees for the Services procured by the PF Group shall be payable monthly, quarterly, or for the period as stipulated under the terms of the underlying Individual Lease Agreements or Service Agreements between the parties and on such payment terms prescribed therein.

Other terms and conditions : The Leasing Transactions shall be conducted in the ordinary and usual course of business of the Group and on normal commercial terms.

To facilitate the Leasing Transactions, the relevant members of the BPTHL Group and the PF Group shall enter into separate Individual Lease Agreements and/or Service Agreements, the term of which shall not exceed ten (10) years from the commencement date of the corresponding lease or service provision.

The Leasing Transactions are conditional upon the Company having complied with the applicable requirements under the Listing Rules, and the aggregate transaction amounts shall not exceed the Annual Caps.

ANNUAL CAPS FOR THE LEASE FRAMEWORK AGREEMENT

The Annual Caps of the rental income and related service charges to be received by the BPTHL Group in respect of the leasing of the Properties and the provision of Services under the Lease Framework Agreement for the initial three-year period (being the financial years ending 31 December 2026, 2027, 2028 and the period ending 8 October 2029) are set out below:

	For the financial year ending 31 December 2026 (from 9 October 2026 to 31 December 2026)	For the financial year ending 31 December 2027 (from 1 January 2027 to 31 December 2027)	For the financial year ending 31 December 2028 (from 1 January 2028 to 31 December 2028)	For the period ending 8 October 2029 (from 1 January 2029 to 8 October 2029)
Annual cap	HK\$3,000,000	HK\$22,000,000	HK\$36,000,000	HK\$45,000,000

The Annual Caps for the initial three-year period were determined after considering:

- (a) the estimated transaction amounts in respect of the existing and potential leases and service engagements under the Lease Framework Agreement;
- (b) the anticipated business expansion of the PF Group and their demand for manufacturing space in Vietnam. Pursuant to the Lease Framework Agreement, the specific location, area, and size of the properties to be leased will be determined according to the PF Group's operational needs under the respective Individual Lease Agreements. To accommodate the PF Group's projected business growth, it is expected that the PF Group will require additional manufacturing space, leading to an estimated increase in the total leased gross floor area of the Properties by up to 30,000 square meters for each of the three years ending 31 December 2028 and the period ending 8 October 2029;

- (c) the estimated total contract sum of new leases and service engagements that could be potentially entered into during the initial three-year period, determined with reference to (a) the scope of Properties expected to be available for lease by the BPTHL Group, (b) the leasing plans of the PF Group reflecting their potential leasing interest in the Properties to accommodate their apparel manufacturing operations in Vietnam, and (c) the leasing plans of the BPTHL Group;
- (d) taking into consideration the previous market rental adjustments of industrial properties of the same or similar quality in the proximity of the Properties in Vietnam, and assuming that all Individual Lease Agreements will be renewed based on the prevailing market rates upon expiration, the Directors estimate that there will be an annual upward adjustment of not more than 10% to the rentals of the relevant units of the Properties;
- (e) in view of the fact that the utility and other service charges (such as water and electricity) may be adjusted upward, the Directors estimate that there will be an annual upward adjustment of not more than 10% to the utility and other service charges; and
- (f) a buffer of approximately 20% in order to capture the potential growth of the leasing demand from the PF Group and to accommodate fluctuations in rent, exchange rates, and potential changes in market conditions.

In respect of the financial periods falling after 8 October 2029 and within the remainder of the term of the Lease Framework Agreement, the Company shall, prior to the commencement of each subsequent three-year period, re-comply with the applicable reporting, announcement, and, if applicable, independent Shareholders' approval requirements under Chapter 14A of the Listing Rules to set the Annual Caps for that subsequent period.

PRICING POLICY AND INTERNAL CONTROL MEASURES

As a general principle and pursuant to the Lease Framework Agreement, the pricing of the Leasing Transactions shall be no more favourable to the PF Group than the price offered by the Group to Independent Third Parties, and the Leasing Transactions shall be on normal commercial terms.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted the following internal control measures to monitor the Leasing Transactions between the BPTHL Group and the PF Group and to ensure that the transactions are conducted in accordance with the Lease Framework Agreement:

- (a) The Finance Department of the Group will be responsible for negotiating the underlying Individual Lease Agreements and Service Agreements with the PF Group in accordance with the pricing basis set out in the Lease Framework Agreement;

- (b) Prior to entering into any Individual Lease Agreement, the Finance Department will compare the proposed rent against the prevailing market rent level of at least three comparable properties (where available) in the proximity with similar ages, sizes, uses, and attributes, to ensure that the terms of the Leasing Transactions are on normal commercial terms and no less favourable to the BPTHL Group than those offered to Independent Third Parties;
- (c) For Services provided incidental to the Leasing Transactions, the Finance Department will verify the actual usage volume of the utilities and/or other services and seek reimbursement of the respective amount from the PF Group strictly on a cost-recovery basis;
- (d) The Finance Department will trace, monitor, and evaluate the accumulated transaction amounts under the Lease Framework Agreement on a regular basis to ensure that the Annual Caps will not be exceeded;
- (e) The Company's external auditor will conduct an annual review of the Leasing Transactions and the Annual Caps in accordance with Rule 14A.56 of the Listing Rules; and
- (f) The independent non-executive Directors will review the Leasing Transactions annually to confirm in the Company's annual report, pursuant to Rule 14A.55 of the Listing Rules, that they have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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 pricing basis for the leasing of the Properties and the provision of Services by the BPTHL Group to the PF Group under the Lease Framework Agreement will be in accordance with the terms under the agreement, on normal commercial terms, fair and reasonable to the Company and Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE FRAMEWORK AGREEMENT

The Company is of the view that the lease of the Properties to the PF Group at prevailing market rates can secure long-term tenants, increase the utilisation rate of the Group's industrial park facilities in Vietnam, and bring stable rental income to the Group. By managing all existing and future individual leasing relationships in respect of the Properties under one framework agreement, the Group can streamline and optimise the regulation and control of the leasing relationship with the PF Group, thereby reducing administrative costs. Furthermore, the structure under the Lease Framework Agreement allows the parties to determine the specific properties to be leased under Individual Lease Agreements as and when required, providing the necessary flexibility to accommodate the PF Group's evolving manufacturing footprint in Vietnam.

The strategic co-location and virtual vertical integration between the Group's textile manufacturing facility and the garment manufacturing facility operated by the PF Group are designed to leverage geographical proximity to capture significant mutual efficiencies. By operating adjacent to one another, the two groups establish a highly synchronized supply chain that eliminates multi-stage logistics, thereby substantially reducing transportation costs, minimizing material handling risks, and mitigating environmental impacts. While both groups continue to maintain entirely distinct operations and independent production management systems, this co-located structure allows the Group to align its fabric production schedules more closely with the downstream demand of the PF Group. This streamlined pipeline drastically compresses overall manufacturing lead times and reduces inventory holding risks. Management believes this enhanced operational agility and cost efficiency will uniquely position the Group to offer highly competitive pricing, attract a larger volume of high-value orders, and aggressively expand the Group's market share within the textile sector.

In view of the above, the Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser in respect of the Lease Framework Agreement) consider that (i) the Lease Framework Agreement was negotiated on an arm's length basis and is on normal commercial terms that are fair and reasonable, (ii) the Annual Caps are fair and reasonable, and (iii) the continuing connected transactions contemplated under the Lease Framework Agreement are and will be conducted 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, BPTHL AND PF GROUP

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

BPTHL, a direct wholly-owned subsidiary of the Company, is principally engaged in investment holding. Through the operations of its subsidiaries, it engages in the manufacture and sales of elastic fabric, elastic webbing and lace.

The PF Group is principally engaged in the manufacture and sales of apparels.

CONNECTED RELATIONSHIP AND IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Lessee Parties are the ultimate beneficial owners of, and/or act for and on behalf of, the PF Group. The Lessee Parties comprise Mr. Lu Libin (an executive Director and the son of Mr. Lu), Ms. Zheng (an executive Director and the spouse of Mr. Zhang), Mr. Wu Junjie (the son of Mr. Wu) and Mr. Lu Canping (the nephew of Mr. Lu). Accordingly, the Lessee Parties and the PF Group are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules, and the entering into of the Lease Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the Lease Framework Agreement exceeds 0.1% but are all less than 5%, the Lease Framework Agreement is subject to the reporting, announcement, and annual review requirements but is exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As each of Mr. Lu (the father of Mr. Lu Libin and the uncle of Mr. Lu Canping), Mr. Zhang (the spouse of Ms. Zheng), Mr. Wu (the father of Mr. Wu Junjie and the brother-in-law of Mr. Lu), Ms. Zheng (a Lessee Party and the spouse of Mr. Zhang) and Mr. Lu Libin (a Lessee Party and the son of Mr. Lu) has a material interest in the Lease Framework Agreement, Mr. Lu, Mr. Zhang, Mr. Wu, Ms. Zheng and Mr. Lu Libin have abstained from voting on the Board resolutions approving the Lease Framework Agreement and the transactions contemplated thereunder.

Save for Mr. Lu, Mr. Zhang, Mr. Wu, Ms. Zheng and Mr. Lu Libin, to the best of the Directors' knowledge, having made all reasonable enquiries, none of the Directors has any material interest in the transactions contemplated under the Lease Framework Agreement.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER

As the term of the Lease Framework Agreement exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed the Independent Financial Adviser to explain the reasons for the Lease Framework Agreement to have a term exceeding three years and to confirm that it is normal business practice for agreements of this type to be of such duration.

In rendering its opinion pursuant to Rule 14A.52 of the Listing Rules, the Independent Financial Adviser has considered the factors and reasons, among others, its independent research and analysis, the information set out in this announcement and its discussion with the management of the Company, as follows:

- (i) the PF Group is principally engaged in the manufacture and sales of apparels;
- (ii) the BPTHL Group is principally engaged in the manufacture and sales of elastic fabric, elastic webbing and lace, and has been supplying elastic fabric, elastic webbing, lace and other textile related products to entities of the PF Group since 4 May 2016. The 10-year lease term strengthens the Group's long-term relationship with the PF Group, supports recurring and growing revenue contributions, and facilitates the operational synergies expected from the co-location arrangement;
- (iii) given the newly developed nature of the Nghe An Facility, the lease under the Lease Framework Agreement allows the Company to maintain its long-term cooperation with the PF Group, while enabling the Group to secure stable rental income from the Lessee Parties in respect of the Nghe An Facility, thereby diversifying its income base and supporting further business growth;

- (iv) as stated in Company's interim report dated 28 September 2026, the Group intends to continue exercising strict and prudent cash management. Securing a tenant promptly under a long-term lease arrangement would provide the Group with a stable and recurring source of rental income and strengthen its operating cash flows. This is consistent with the Group's business strategy, particularly in supporting the development of the Nghe An Facility in a disciplined and financially prudent manner;
- (v) as stated in this announcement, the rent for the Properties and the fees for the Services shall be determined after arm's length negotiations between the relevant members of the BPTHL Group and the PF Group based on prevailing market rates and on normal commercial terms. The rent and service fees shall be no less favourable to the BPTHL Group than those offered to Independent Third Parties;
- (vi) the Independent Financial Adviser identified and reviewed 3 market lease transactions based on the following criteria: (i) the transactions involved leasing arrangements of a nature similar to those contemplated under the Lease Framework Agreement; (ii) the relevant properties, warehouse or land were located in Vietnam or other Southeast Asia countries, and used in the ordinary and usual course of business of the respective companies; (iii) the lease terms exceeded three years; and (iv) the transactions were entered into by the listed companies listed on the Stock Exchange during the period from 1 October 2025 to 8 October 2026, being approximately twelve-month period prior to the date of the Lease Framework Agreement, the term of 10 years of the Lease Framework Agreement falls within the range of the market comparables. The Independent Financial Adviser considers that the list of market comparables is exhaustive as far as it is aware of and is sufficient to provide a fair and representative sample to be taken as a general reference of the prevailing market practices in relation to agreements of this type to be of such duration. While the background, business operations and creditworthiness of the Group and the PF Group may differ from those of the market comparables, the Independent Financial Adviser considers that the market comparables were entered into under broadly comparable market conditions. Accordingly, they serve as a relevant benchmark for assessing whether it is normal business practice for agreements of a similar nature to the Lease Framework Agreement to have a duration of such length; and
- (vii) the Directors (including the independent non-executive Directors) are of the view that (a) the Lease Framework Agreement was negotiated on an arm's length basis and is on normal commercial terms that are fair and reasonable; and (b) the continuing connected transactions contemplated under the Lease Framework Agreement are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Based on the foregoing, the Independent Financial Adviser is of the opinion that the term of the Lease Framework Agreement of 10 years is reasonable and it is normal business practice for agreements of this type to be such duration.

DEFINITIONS

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

“Annual Cap(s)”	the annual cap(s) for the transactions contemplated under the Lease Framework Agreement for the financial year(s) ending 31 December 2026, 2027, 2028 and the period ending 8 October 2029 (as the case may be)
“associate(s)”	has the meaning as ascribed to this term under the Listing Rules
“Board”	the board of Directors
“BPTHL”	Best Pacific Textile Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“BPTHL Group”	BPTHL and its associates from time to time
“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
“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

“Independent Financial Adviser”	Carlyon Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong), the independent financial adviser appointed for the purposes of Rule 14A.52 of the Listing Rules
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Individual Lease Agreements”	any separate definitive lease agreement entered into or to be entered into between a member of the BPTHL Group and a member of the PF Group pursuant to the Lease Framework Agreement
“Lease Framework Agreement”	the lease framework agreement dated 8 October 2026 entered into between BPTHL (for and on behalf of the BPTHL Group, as lessor and service provider) and the Lessee Parties (for and on behalf of the PF Group, as lessees) in relation to the leasing of the Properties and provision of Services by the BPTHL Group to the PF Group
“Leasing Transactions”	the leasing of the Properties and the provision of Services by the BPTHL Group to the PF Group pursuant to the Lease Framework Agreement, the Individual Lease Agreements and the Service Agreements
“Lessee Parties”	collectively, Mr. Lu Libin, Ms. Zheng, Mr. Wu Junjie and Mr. Lu Canping
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lu”	Mr. Lu Yuguang, the Chairman, an executive Director and the controlling shareholder of the Company, who is taken to have an interest under the SFO in 640,500,000 Shares, representing approximately 61.59% of the issued share capital of the Company
“Mr. Lu Canping”	Mr. Lu Canping, the nephew of Mr. Lu
“Mr. Lu Libin”	Mr. Lu Libin, the chief strategy officer of the Group, an executive Director and the son of Mr. Lu

“Mr. Wu”	Mr. Wu Shaolun, an executive Director
“Mr. Wu Junjie”	Mr. Wu Junjie, the son of Mr. Wu
“Mr. Zhang”	Mr. Zhang Haitao, the chief executive officer of the Group and an executive Director
“Ms. Zheng”	Ms. Zheng Tingting, the chief operating officer of the Group, an executive Director and the spouse of Mr. Zhang
“Nghe An Facility”	the Group’s production hub located in Nghe An, Vietnam
“percentage ratio(s)”	has the meaning as ascribed to this term under the Listing Rules
“PF Group”	the Lessee Parties and their respective associates from time to time
“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
“Properties”	the properties located in the land parcel of Tho Loc Industrial Park (Phase 1), Dong Nam Nghe An Economic Zone, Nghe An Province, Vietnam (including but not limited to Lot Nos. A1-1 and A1-2), as well as other buildings, premises, and/or ancillary equipment and facilities legally owned or to be owned by the BPTHL Group which may be leased to the PF Group from time to time
“Service Agreement”	any separate service agreement entered into or to be entered into between a member of the BPTHL Group and a member of the PF Group for the provision of the Services by the BPTHL Group to the PF Group
“Services”	services incidental to the Properties being leased, including but not limited to the provision of utility services, property management services, and various sundry charges
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Shareholder(s)”

holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By Order of the Board

Best Pacific International Holdings Limited

Chan Yiu Sing

Executive Director, Chief Financial Officer and Company Secretary

Hong Kong, 8 October 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*