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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)**

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

### HIGHLIGHTS

- The Group's revenue for the year ended 31 December 2024 amounted to approximately HK\$5,061.3 million, representing an increase of approximately 20.5% when compared to the year ended 31 December 2023.
- The Group recorded a gross profit margin of approximately 26.8% for the year ended 31 December 2024, representing an increase of approximately 2.9 percentage points, as compared to the year ended 31 December 2023.
- The Group recorded a net profit margin of approximately 11.7% for the year ended 31 December 2024, representing an increase of approximately 3.4 percentage points, as compared to the year ended 31 December 2023.
- Profit for the year ended 31 December 2024 of the Group amounted to approximately HK\$594.1 million, representing an increase of approximately 70.0%, as compared to the year ended 31 December 2023. Profit attributable to owners of the Company amounted to approximately HK\$608.1 million, representing an increase of approximately 75.3%, as compared to the year ended 31 December 2023.
- As at 31 December 2024, the Group's net gearing ratio was approximately 13.5% (as at 31 December 2023: approximately 15.0%).
- Earnings before interest, taxation, depreciation and amortization ("EBITDA") of the Group was approximately HK\$1,188.2 million for the year ended 31 December 2024, representing an increase of approximately 34.5% from an EBITDA of approximately HK\$883.6 million for the year ended 31 December 2023.
- Basic earnings per share was approximately HK58.48 cents for the year ended 31 December 2024, representing an increase of approximately 75.3% from a basic earnings per share of approximately HK33.36 cents for the year ended 31 December 2023.
- Proposed to declare a final dividend of HK15.91 cents per ordinary share in respect of the year ended 31 December 2024 (for the year ended 31 December 2023: HK11.38 cents per ordinary share).

The board (the “**Board**”) of directors (the “**Directors**”) of Best Pacific International Holdings Limited (the “**Company**” or “**Best Pacific**” or “**We**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	<b>5,061,290</b>	4,200,707
Cost of sales		<b>(3,704,524)</b>	(3,197,081)
<b>Gross profit</b>		<b>1,356,766</b>	1,003,626
Other income		<b>39,358</b>	51,416
Other gains and losses		<b>37,173</b>	15,531
Net remeasurement of credit loss allowance for trade receivables		<b>(2,920)</b>	(1,512)
Selling and distribution expenses		<b>(225,406)</b>	(182,275)
Administrative expenses		<b>(340,123)</b>	(302,382)
Research and development costs		<b>(106,679)</b>	(85,320)
Share of result of a joint venture		<b>4,014</b>	2,485
Finance costs		<b>(87,653)</b>	(116,224)
<b>Profit before taxation</b>	5	<b>674,530</b>	385,345
Income tax expense	6	<b>(80,382)</b>	(35,924)
<b>Profit for the year</b>		<b>594,148</b>	349,421
<b>Profit (loss) for the year attributable to</b>			
– Owners of the Company		<b>608,120</b>	346,918
– Non-controlling interests		<b>(13,972)</b>	2,503
		<b>594,148</b>	349,421
<b>Earnings per share</b>	8		
– Basic (HK cents)		<b>58.48</b>	33.36

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit for the year</b>	<u><b>594,148</b></u>	<u>349,421</u>
<b>Other comprehensive (expense) income:</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	<b>(117,931)</b>	(73,902)
Share of translation reserve of a joint venture	<b>(415)</b>	(541)
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefit obligations, net of tax	<u><b>(128)</b></u>	<u>1,106</u>
<b>Other comprehensive expense for the year</b>	<u><b>(118,474)</b></u>	<u>(73,337)</u>
<b>Total comprehensive income for the year</b>	<u><u><b>475,674</b></u></u>	<u><u>276,084</u></u>
<b>Total comprehensive income (expense) for the year attributable to</b>		
– Owners of the Company	<b>489,676</b>	273,093
– Non-controlling interests	<u><b>(14,002)</b></u>	<u>2,991</u>
	<u><u><b>475,674</b></u></u>	<u><u>276,084</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,697,407</b>	2,735,043
Right-of-use assets		<b>301,942</b>	280,066
Interest in a joint venture		<b>41,525</b>	37,926
Deposits		<b>96,632</b>	41,916
Deferred tax assets		<b>13,207</b>	7,635
		<b>3,150,713</b>	3,102,586
<b>Current assets</b>			
Inventories		<b>1,255,420</b>	1,008,599
Trade and bills receivables	9	<b>874,506</b>	737,674
Other receivables, deposits and prepayments		<b>148,155</b>	107,842
Tax recoverables		–	10,906
Pledged bank deposits		<b>103,697</b>	87,951
Bank balances and cash		<b>980,278</b>	927,838
		<b>3,362,056</b>	2,880,810
<b>Current liabilities</b>			
Trade payables	10	<b>367,869</b>	323,697
Bills payables	10	<b>358,542</b>	303,022
Other payables and accrued charges		<b>398,567</b>	309,191
Contract liabilities		<b>42,344</b>	31,414
Bank and other borrowings	11	<b>613,681</b>	1,079,385
Lease liabilities		<b>44,525</b>	42,588
Tax payables		<b>41,538</b>	13,204
		<b>1,867,066</b>	2,102,501
<b>Net current assets</b>		<b>1,494,990</b>	778,309
<b>Total assets less current liabilities</b>		<b>4,645,703</b>	3,880,895

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Bank and other borrowings	<i>11</i>	<b>947,580</b>	435,191
Lease liabilities		<b>119,531</b>	91,989
Deferred income		<b>11,228</b>	12,169
Deferred tax liabilities		<b>13,659</b>	11,415
Retirement benefit obligations		<b>12,660</b>	9,414
Other liabilities		<b>6,766</b>	5,176
		<u><b>1,111,424</b></u>	<u>565,354</u>
<b>Net assets</b>		<u><b>3,534,279</b></u>	<u>3,315,541</u>
<b>Capital and reserves</b>			
Share capital		<b>10,398</b>	10,398
Reserves		<b>3,436,660</b>	3,203,920
<b>Equity attributable to owners of the Company</b>		<u><b>3,447,058</b></u>	<u>3,214,318</u>
<b>Non-controlling interests</b>		<u><b>87,221</b></u>	<u>101,223</u>
<b>Total equity</b>		<u><b>3,534,279</b></u>	<u>3,315,541</u>

# NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

The Company is a public company incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2013. Its immediate and ultimate holding company is Grandview Capital Investment Limited, which is incorporated in the British Virgin Islands and is wholly owned by Mr. Lu Yuguang, who is the Chairman and executive director of the Company. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 23 May 2014.

The principal activities of the Company and its subsidiaries are manufacturing and trading of elastic fabric, lace and elastic webbing.

The functional currency of the Company is Hong Kong dollar ("**HK\$**"), which is the same as the presentation currency of the consolidated financial statements.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("**HKFRSs**")

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

### 3. REVENUE

The Group's revenue is derived from manufacturing and trading of elastic fabric, lace and elastic webbing in Mainland China, Hong Kong, the Socialist Republic of Vietnam (“**Vietnam**”) and the Democratic Socialist Republic of Sri Lanka (“**Sri Lanka**”), net of discounts and sales related taxes.

#### Disaggregation of revenue from contracts with customers

Revenue from manufacturing and trading of elastic fabric, lace and elastic webbing are recognised at a point in time.

*For the year ended 31 December 2024*

<b>Types of goods</b>	<b>Manufacturing and trading of elastic fabric and lace <i>HK\$'000</i></b>	<b>Manufacturing and trading of elastic webbing <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Sales of products</b>			
Elastic Fabric			
– Sportswear and apparel	2,805,671	–	2,805,671
– Lingerie	1,208,786	–	1,208,786
	<u>4,014,457</u>	<u>–</u>	<u>4,014,457</u>
Lace	61,157	–	61,157
Elastic webbing	–	985,676	985,676
	<u>4,075,614</u>	<u>985,676</u>	<u>5,061,290</u>

*For the year ended 31 December 2023*

<b>Types of goods</b>	<b>Manufacturing and trading of elastic fabric and lace <i>HK\$'000</i></b>	<b>Manufacturing and trading of elastic webbing <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Sales of products</b>			
Elastic Fabric			
– Sportswear and apparel	2,180,003	–	2,180,003
– Lingerie	1,121,381	–	1,121,381
	<u>3,301,384</u>	<u>–</u>	<u>3,301,384</u>
Lace	64,986	–	64,986
Elastic webbing	–	834,337	834,337
	<u>3,366,370</u>	<u>834,337</u>	<u>4,200,707</u>

#### 4. SEGMENT INFORMATION

The financial information reported to executive directors of the Company, being the chief operating decision makers (“CODM”), for the purpose of assessment of segment performance and resources allocation focuses on types of goods delivered.

The Group’s operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

- Manufacturing and trading of elastic fabric and lace

This segment derives its revenue from manufacturing and trading of elastic fabric and lace made commonly from synthetic fibres that are used in high-end knitted lingerie, sportswear and apparel products.

- Manufacturing and trading of elastic webbing

This segment derives its revenue from manufacturing and trading of elastic webbing made commonly from synthetic fibres that are used as shoulder straps, lingerie trims and waistbands.

#### Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segments:

*For the year ended 31 December 2024*

	<b>Manufacturing and trading of elastic fabric and lace <i>HK\$’000</i></b>	<b>Manufacturing and trading of elastic webbing <i>HK\$’000</i></b>	<b>Total <i>HK\$’000</i></b>
Segment revenue from external customers	<u>4,075,614</u>	<u>985,676</u>	<u>5,061,290</u>
Segment gross profit	<u>1,117,794</u>	<u>238,972</u>	<u>1,356,766</u>
Segment profit	<u>651,800</u>	<u>111,162</u>	762,962
Unallocated other income			16,898
Unallocated other gains and losses			38,856
Unallocated corporate expenses			(60,547)
Share of result of a joint venture			4,014
Finance costs			<u>(87,653)</u>
Profit before taxation			<u>674,530</u>



For the year ended 31 December 2023

	Manufacturing and trading of elastic fabric and lace <i>HK\$'000</i>	Manufacturing and trading of elastic webbing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers	<u>3,366,370</u>	<u>834,337</u>	<u>4,200,707</u>
Segment gross profit	<u>827,976</u>	<u>175,650</u>	<u>1,003,626</u>
Segment profit	<u>439,947</u>	<u>67,106</u>	507,053
Unallocated other income			21,006
Unallocated other gains and losses			17,044
Unallocated corporate expenses			(46,019)
Share of result of a joint venture			2,485
Finance costs			<u>(116,224)</u>
Profit before taxation			<u>385,345</u>

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the results of each segment without allocation of corporate items including mainly bank interest income, net foreign exchange gain, corporate expenses, share of result of a joint venture and finance costs. Corporate expenses include directors' remuneration paid or payable by the Group and certain administrative expenses for corporate function. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### Geographical information

The Group's operations are located in Mainland China, Hong Kong, Vietnam, Sri Lanka and the United States of America (the "U.S."). The Group's revenue from external customers based on the location of the customers are detailed below:

	Year ended 31 December	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	<b>1,083,152</b>	851,596
Mainland China	<b>936,301</b>	861,642
Sri Lanka	<b>930,021</b>	709,178
Taiwan	<b>688,123</b>	428,610
Vietnam	<b>549,678</b>	453,720
Thailand	<b>178,649</b>	142,167
South Korea	<b>158,991</b>	164,431
Indonesia	<b>102,310</b>	98,522
Bangladesh	<b>97,164</b>	115,294
Macau	<b>167</b>	11,999
Others	<b>336,734</b>	363,548
	<u><b>5,061,290</b></u>	<u>4,200,707</u>

Non-current assets (excluding financial assets and deferred tax assets) by geographical location of assets are detailed below:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Mainland China	1,406,521	1,466,545
Vietnam	967,591	890,740
Sri Lanka	685,563	698,884
Hong Kong	24,043	26,032
	<u>3,083,718</u>	<u>3,082,201</u>

### Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group for the years ended 31 December 2024 and 2023 are as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from manufacturing and trading of elastic fabric and lace		
– customer A	550,000	397,156
– customer B	552,811	438,229
Revenue from manufacturing and trading of elastic webbing		
– customer A	96,580	69,775
– customer B	82,430	63,983
Total revenue		
– customer A	646,580	466,931
– customer B	635,241	502,212
	<u>635,241</u>	<u>502,212</u>

## 5. PROFIT BEFORE TAXATION

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before taxation has been arrived at after charging (crediting):		
Auditors' remuneration	3,007	2,572
Staff costs		
Directors' remuneration	49,358	37,631
Other staff costs		
– salaries and other benefits	906,209	799,684
– contributions to retirement benefits schemes	63,900	60,411
	<u>1,019,467</u>	<u>897,726</u>
Depreciation of property, plant and equipment	372,849	327,734
Depreciation of right-of-use assets	53,212	54,281
Depreciation capitalised in inventories	(385,069)	(308,246)
	<u>40,992</u>	<u>73,769</u>
Cost of inventories recognised as an expense	<u>3,704,524</u>	<u>3,197,081</u>

## 6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	40,415	9,778
The People's Republic of China (the "PRC")		
Enterprise Income Tax ("EIT")	22,028	14,696
Income tax in other jurisdictions	22,910	9,734
Overprovision in prior years:		
Hong Kong Profits Tax	(248)	(185)
The PRC EIT	(1,612)	(681)
	<u>83,493</u>	<u>33,342</u>
Deferred taxation	<u>(3,111)</u>	<u>2,582</u>
	<u><u>80,382</u></u>	<u><u>35,924</u></u>

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for years ended 31 December 2024 and 2023, unless there is any applicable preferential tax treatment.

The Company's subsidiaries, Dongguan Best Pacific Textile Company Limited ("Dongguan BPT") and Dongguan New Horizon Elastic Fabric Company Limited ("Dongguan NHE"), had obtained the qualification as high and new technology enterprises since 2010 and 2016, respectively, which were further renewed for an additional three years from the year ended 31 December 2022. Hence, Dongguan BPT and Dongguan NHE had been subject to the preferential tax treatment and the applicable tax rate for the years ended 31 December 2024 and 2023 was 15%.

Withholding tax on dividends was calculated at 5% of the dividends received and estimated dividends to be received from the subsidiaries in the PRC during the years ended 31 December 2024 and 2023.

Pursuant to the relevant Vietnam Enterprises Income Tax rules and regulations, the applicable tax rate for the subsidiary operating in Vietnam is 20%. The subsidiary in Vietnam is eligible for a tax holiday for two financial years since the first financial year of taxable profits and a tax concession at a tax rate of 10% for the following four financial years. With the new incentive in place during the year ended 31 December 2018 and by fulfilling certain stated requirements as set by the Ministry of Industry and Trade, the subsidiary in Vietnam had been eligible for a tax holiday for four financial years since 2018, a tax concession at a tax rate of 5% for the following nine financial years and a tax concession at a tax rate of 10% for the next following two financial years and the applicable tax rate for years ended 31 December 2024 and 2023 was 5%.

Withholding tax on shareholder's loans interest was calculated at 5% of the interest paid and estimated interest to be paid by the subsidiary in Vietnam during the years ended 31 December 2024 and 2023.

According to the amendments to the Inland Revenue Act No. 24 of 2017 passed in parliament on 9 December 2022, the subsidiaries of the Group operating in Sri Lanka are liable for income tax rate of 30% from 1 July 2022 onwards. In addition, one of these subsidiaries is currently eligible for a tax holiday till the year ended 31 December 2024.

Taxation arising in any other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

## 7. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Interim dividend – HK13.33 cents (2023: HK5.3 cents) per ordinary share	138,606	55,110
2023 Final dividend – HK11.38 cents (2022: HK4.22 cents) per ordinary share	<u>118,330</u>	<u>43,880</u>
	<u><b>256,936</b></u>	<u><b>98,990</b></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HK15.91 cents per ordinary share (approximately HK\$165.4 million in aggregate) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2024	2023
<b>Earnings</b>		
Earnings for the purposes of the basic earnings per share (profit for the year attributable to owners of the Company) (HK\$'000)	<u>608,120</u>	<u>346,918</u>
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic earnings per share	<u>1,039,808,000</u>	<u>1,039,808,000</u>

No diluted earnings per share for the years ended 31 December 2024 and 2023 were presented as there was no potential ordinary shares in issue for both years.

## 9. TRADE AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	865,467	730,641
Less: Allowance for credit losses	<u>(8,282)</u>	<u>(5,703)</u>
Total trade receivables	857,185	724,938
Bills receivables	<u>17,321</u>	<u>12,736</u>
Total trade and bills receivables	<u><u>874,506</u></u>	<u><u>737,674</u></u>

Trade receivables from third parties mainly represent receivables from customers in relation to the sales of elastic fabric, lace and elastic webbing. The credit period granted to the customers ranges from 30 to 120 days from the date of issuance of a monthly statement with respect to sales delivered in the particular month.

The following ageing analysis of trade receivables, net of credit loss allowance, is presented based on the date of issuance of monthly statements at the end of each reporting period and the ageing analysis of bills receivables is presented based on the date of issuance of the bills at the end of each reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Trade receivables</b>		
0–90 days	713,042	681,265
91–180 days	142,658	42,279
Over 180 days	<u>1,485</u>	<u>1,394</u>
	<u>857,185</u>	<u>724,938</u>
<b>Bills receivables</b>		
0–90 days	<u>17,321</u>	<u>12,736</u>
	<u>17,321</u>	<u>12,736</u>
	<u><u>874,506</u></u>	<u><u>737,674</u></u>

## 10. TRADE AND BILLS PAYABLES

### Trade payables

The credit period granted by the Group's creditors ranges from approximately 30 to 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–90 days	342,303	300,030
Over 90 days	<u>25,566</u>	<u>23,667</u>
	<u><u>367,869</u></u>	<u><u>323,697</u></u>

## Bills payables

The bills payables are secured by pledged bank deposits. The following is an ageing analysis of bills payables presented based on the date of issuance of the bills at the end of each reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–90 days	230,050	190,748
91–180 days	128,492	112,274
	<u>358,542</u>	<u>303,022</u>

## 11. BANK AND OTHER BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unsecured syndicated loan	500,000	–
Unsecured bank borrowings	920,373	1,370,763
Unsecured other borrowings	140,888	143,813
	<u>1,561,261</u>	<u>1,514,576</u>
Bank borrowings repayable*:		
Within one year	590,749	1,045,143
More than one year, but not exceeding two years	44,812	125,874
More than two years, but not exceeding five years	784,812	199,746
	<u>1,420,373</u>	<u>1,370,763</u>
Other borrowings repayable*:		
Within one year	22,932	34,242
More than one year, but not exceeding two years	38,298	35,490
More than two years, but not exceeding five years	79,658	74,081
	<u>140,888</u>	<u>143,813</u>
Total borrowings	1,561,261	1,514,576
Less: Amounts due within one year or contain a repayment on demand clause shown under current liabilities	<u>(613,681)</u>	<u>(1,079,385)</u>
Amounts shown under non-current liabilities	<u>947,580</u>	<u>435,191</u>
Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause	510,843	1,017,643
Carrying amount of bank borrowings that are repayable more than one year but contain a repayment on demand clause	–	–
	<u>510,843</u>	<u>1,017,643</u>

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

## CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the annual results for the year ended 31 December 2024.

In 2024, the global economy experienced a moderate growth. According to the World Economic Outlook Update from International Monetary Fund (“IMF”) in January 2025, the world output of 2024 was estimated to grow by 3.2%. Notably, world trade volume rose, propelled by robust exports from Asia, which enabled Asian textile and garment manufacturers to capitalize on significant opportunities. Nearly a decade into our international expansion strategy, Best Pacific has leveraged these favorable business trends through strategic initiatives and diligent efforts, achieving positive outcomes. For the year ended 31 December 2024, we attained a record high overall sales revenue of approximately HK\$5,061.3 million, marking an increase of approximately 20.5% compared to 2023.

While the journey over the past years has had its challenges, we believe that Best Pacific is on a positive trajectory. Our revenue has grown significantly, increasing from approximately HK\$1,860.9 million in 2014 (the year of our initial public offering) to approximately HK\$5,061.3 million in 2024, reflecting a compound annual growth rate of approximately 10.5% over the past decade. The ongoing athleisure trend and consumers' growing focus on quality and functionality reveal substantial market potential, presenting us with significant opportunities in the sportswear and apparel sector.

Despite prevailing economic and policy uncertainties stemming from ongoing geopolitical tensions and expected policy shifts with newly elected governments in 2024, Best Pacific maintains a cautious yet optimistic outlook for the medium and long term. To harness potential growth, we launched a new expansion project in Vietnam in the last quarter of 2024. With nearly a decade of experience behind us in the location, we are confident in the success of this initiative and we believe our continuous efforts will deliver promising returns for our shareholders and stakeholders in the long run.

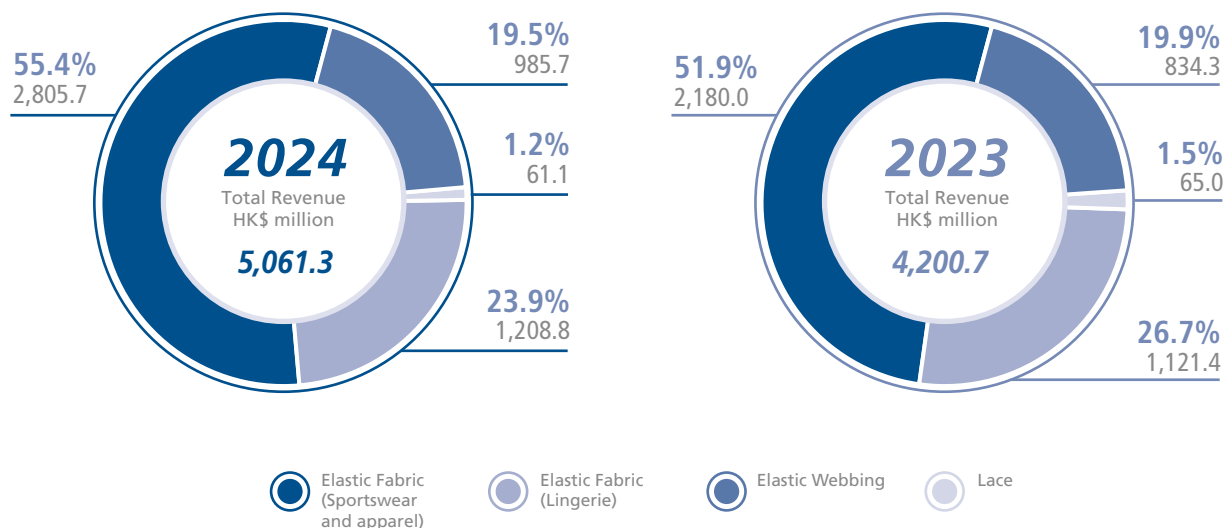
I, along with my fellow Board members, am deeply grateful for the unwavering support of our customers, business partners and shareholders over the past year. We eagerly anticipate your continued partnership as we embark on our growth journey ahead. Finally, I would like to extend my heartfelt gratitude to the Board, management, and our dedicated employees for their tireless efforts and invaluable contributions to the development of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET AND BUSINESS REVIEW

In 2024, the global economy achieved a gross domestic product (“GDP”) growth of 3.2%, which was in line with the forecast made by IMF in the beginning of the year. The U.S. experienced a year-on-year GDP growth of 2.8% in 2024, as reported by the U.S. Bureau of Economic Analysis, reflecting its robust growth momentum fueled by strong consumer spending. In response to economic challenges, China introduced a series of stimulative policies aimed at restoring consumer and investment confidence. These measures included lowering interest rates, increasing public spending on infrastructure, and providing targeted support to key industries. China’s economy showed signs of stabilization with a reported GDP growth of 5.0%, according to the National Bureau of Statistics of China.

According to China Customs Statistics, overall exports from China rose by 5.9% in 2024, with textile product exports experiencing a year-on-year increase of 3.6%. Meanwhile, Vietnam saw a significant 11.2% growth in textile and garment exports in 2024, as reported by the General Department of Vietnam Customs. Amid this dynamic market landscape, Best Pacific successfully navigated challenges alongside other Asian textile and garment manufacturers, achieving promising results in 2024. We started the year strong, fueled by growing confidence in economic recovery and restocking initiatives from our clients during the first half of 2024. The uptick in sales orders from our diverse customer base continued throughout the year. For the year ended 31 December 2024, our total sales revenue reached approximately HK\$5,061.3 million, representing an approximately 20.5% increase compared to the previous year.



With more stable raw material prices, better utilization of production capacities, and leveraging the economies of scale during 2024, we achieved an overall gross profit of approximately HK\$1,356.8 million, representing an increase of approximately 35.2% compared to the corresponding period in 2023. This improvement in profitability of the Group also resulted in a gross profit margin of approximately 26.8% for year ended 31 December 2024, up by approximately 2.9 percentage points compared to the corresponding period in 2023.



The profit attributable to owners of the Company amounted to approximately HK\$608.1 million for year ended 31 December 2024, representing an increase of approximately 75.3% compared to the corresponding period in 2023.

Basic earnings per share was approximately HK58.48 cents for the year ended 31 December 2024, representing an increase of approximately 75.3% from approximately HK33.36 cents for the year ended 31 December 2023.

### **Our international operations**

Our international manufacturing footprint constitutes a pivotal competitive advantage for Best Pacific. We are dedicated to delivering sustainable supply chain solutions that align with the best interests of our customers – which encompass the reduction in production lead time and the navigation of intricate trade and tariff complexities.

#### ***VIETNAM***

According to the General Statistics Office of Vietnam, the nation achieved a GDP growth of 7.09% in 2024, demonstrating its solid, strong-growing and vibrant economy. In tandem with the Group's sales growth, our operations in Vietnam continued to achieve a high-teens sales growth in 2024 notwithstanding robust growth had been recorded in the past year.

In order to capture the potential growth in sales orders in the medium and long term, we have acquired the land use rights of a tract of land in Nghe An, Vietnam, in December 2024 and will launch a new initiative to establish an advanced production facility in the region.

#### ***SRI LANKA***

The textile and apparel export value in Sri Lanka amounted to approximately 4.8 billion United States dollar (“US\$”) in 2024, representing a growth of 5.0% compared to 2023, according to the statistics disclosed by Joint Apparel Association Forum Sri Lanka. Our operations in Sri Lanka, consisting of two joint ventures, achieved an overall sales growth surpassing 25.0% in 2024. Although one of the joint ventures encountered a specific challenge last year that negatively impacted our overall group profits, this issue has been effectively resolved. As we transition into 2025, we are instituting targeted strategies to enhance operational efficiencies to further fortify the financial performance of our initiatives in the region.

## FINANCIAL REVIEW

### Revenue

The Group's revenue is primarily derived from the sales of its major products, including elastic fabric, elastic webbing and lace.

For the year ended 31 December 2024, revenue amounted to approximately HK\$5,061.3 million, representing an increase of approximately HK\$860.6 million, or approximately 20.5%, from approximately HK\$4,200.7 million for the year ended 31 December 2023.

A comparison of the Group's revenue for the year ended 31 December 2024 and the year ended 31 December 2023 by product categories is as follows:

	For the year ended 31 December				Change	
	2024		2023			
	<i>Revenue</i> (HK\$'000)	<i>% of</i> <i>Revenue</i>	<i>Revenue</i> (HK\$'000)	<i>% of</i> <i>Revenue</i>	(HK\$'000)	%
Elastic fabric	<b>4,014,457</b>	<b>79.3</b>	3,301,384	78.6	713,073	21.6
– <i>Sportswear and apparel</i>	2,805,671	55.4	2,180,003	51.9	625,668	28.7
– <i>Lingerie</i>	1,208,786	23.9	1,121,381	26.7	87,405	7.8
Elastic webbing	<b>985,676</b>	<b>19.5</b>	834,337	19.9	151,339	18.1
Lace	<b>61,157</b>	<b>1.2</b>	64,986	1.5	(3,829)	(5.9)
<b>Total</b>	<b><u>5,061,290</u></b>	<b><u>100.0</u></b>	<b><u>4,200,707</u></b>	<b><u>100.0</u></b>	<b><u>860,583</u></b>	<b>20.5</b>

Ongoing technological advancements have markedly enhanced the quality, functionality, and comfort of synthetic textile products, rendering them increasingly appealing to customers. Our unwavering commitment to innovation and high-quality products has continued to resonate with our customers, driving our success in the highly competitive textile sector during the year ended 31 December 2024.

We delivered an outstanding performance in the sportswear and apparel elastic fabric segment in 2024, by attaining a record high total revenue of around HK\$2,805.7 million in the segment for the year ended 31 December 2024, representing an increase of approximately HK\$625.7 million or 28.7%, as compared to approximately HK\$2,180.0 million for the year ended 31 December 2023. This remarkable growth underscored our strong capabilities and highlighted our competitive market position in the category, inter alia, the synthetic sportswear and apparel segment.

Driven by the improved market conditions, our lingerie business also demonstrated a positive growth, with revenue from lingerie elastic fabric sales for the year ended 31 December 2024 reaching approximately HK\$1,208.8 million. This represented an increase of approximately HK\$87.4 million or 7.8% compared to the year ended 31 December 2023. On the other hand, sales of elastic webbing recorded notable growth, totalling approximately HK\$985.7 million during the year ended 31 December 2024. This marked an increase of approximately HK\$151.4 million or 18.1% compared to the year ended 31 December 2023. Our dedicated marketing efforts in the lingerie segment had contributed to higher sales volumes. The outstanding results accentuated our competitive advantages and demonstrated the continuous support from our customers for our innovative and high quality products in the lingerie segment.

### Cost of sales, gross profit and gross profit margin

The Group's cost of sales mainly comprises cost of raw materials, manufacturing overheads, and direct labour costs.

For the year ended 31 December 2024, the Group's cost of sales amounted to approximately HK\$3,704.5 million, representing an increase of approximately HK\$507.4 million or approximately 15.9%, as compared to the year ended 31 December 2023. The overall increase in cost of sales in the year ended 31 December 2024 was primarily due to increase in overall sales revenue.

	For the year ended 31 December			
	2024		2023	
	Gross profit (HK\$'000)	Gross profit margin (%)	Gross profit (HK\$'000)	Gross profit margin (%)
Elastic fabric	1,105,954	27.5	813,385	24.6
Elastic webbing	238,972	24.2	175,650	21.1
Lace	11,840	19.4	14,591	22.5
<b>Total</b>	<b>1,356,766</b>	<b>26.8</b>	<b>1,003,626</b>	<b>23.9</b>

Our continuous efforts in streamlining manufacturing processes, enhancing production efficiencies, and the generally stable raw material prices, with which costs represented approximately 35.6% and 34.8% of the overall revenue for the years ended 31 December 2023 and 2024, respectively, had helped alleviate some of the cost pressures faced by the Group during 2024.

With a better utilization of production capacities and leveraging on the economies of scale in 2024, the Group achieved an overall gross profit of approximately HK\$1,356.8 million for the year ended 31 December 2024, as compared to approximately HK\$1,003.6 million for the year ended 31 December 2023.

## Other income

The Group's other income mainly consists of bank interest income, government grants, net proceeds from sales of scrap materials, compensation income from customers and others. The following table sets forth the breakdown of the Group's other income for the years indicated:

	For the year ended	
	31 December	
	2024	2023
	(HK\$'000)	(HK\$'000)
Bank interest income	12,522	15,490
Government grants	10,538	11,361
Net proceeds from sales of scrap materials	11,062	8,131
Compensation income from customers	1,472	8,264
Others	3,764	8,170
	<hr/>	<hr/>
Total	<u>39,358</u>	<u>51,416</u>

The other income of the Group for the year ended 31 December 2024 amounted to approximately HK\$39.4 million, which was approximately 23.5% lower than the other income reported for the year ended 31 December 2023. The decline was primarily attributable to the lower bank interest income attained and a decrease in compensation income from customers in 2024. Throughout the year, the Group prioritised the allocation of cash to repay its overall borrowings. The decrease in bank interest income was primarily due to lower average bank balances maintained and the lower deposit rates in China in 2024.

## Other gains and losses

Other gains and losses for the year ended 31 December 2024 mainly consisted of a net foreign exchange gain of approximately HK\$38.9 million (for year ended 31 December 2023: approximately HK\$17.0 million), as a result of the general appreciation of the US\$ against the Renminbi (“RMB”) and the Vietnam Dong (“VND”) during the year.

## Selling and distribution expenses

Selling and distribution expenses primarily consist of employee benefit expenses, transportation, marketing and promotional expenses and other selling and distribution expenses. For the years ended 31 December 2023 and 2024, the Group maintained a relatively stable selling and distribution expenses ratio at approximately 4.3% and 4.5% of its total revenue, respectively.

## **Administrative expenses**

Administrative expenses primarily consist of employee benefit expenses, depreciation, motor vehicle expenses, bank charges and other administrative expenses. For the years ended 31 December 2023 and 2024, the Group recorded an administrative expenses ratio at approximately 7.2% and 6.7% of its total revenue, respectively. The year-on-year decrease in the ratio of administrative expenses against total revenue was mainly due to the economies of scale achieved in the year ended 31 December 2024.

## **Research and development costs**

The Group is dedicated to catering to the changing market preferences by introducing innovative lingerie, sportswear and apparel materials. For the years ended 31 December 2023 and 2024, the Group maintained a relatively stable research and development costs ratio at approximately 2.0% and 2.1% of its total revenue, respectively.

## **Finance costs**

The Group's finance costs mainly represent interest expenses for bank and other borrowings and lease liabilities. The finance costs decreased by approximately 24.6% from approximately HK\$116.2 million for the year ended 31 December 2023 to approximately HK\$87.7 million for the year ended 31 December 2024. The decrease in finance costs during the year ended 31 December 2024 was primarily due to a reduced average debt level of the Group throughout 2024, as compared to 2023.

## **Income tax expense**

Taxation arising in a jurisdiction is calculated at the rate prevailing in the relevant jurisdiction. For the year ended 31 December 2024, the income tax expense amounted to approximately HK\$80.4 million, as compared to approximately HK\$35.9 million for the year ended 31 December 2023.

The effective tax rate of the Group was approximately 11.9% for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately 9.3%). The increase in effective tax rate in 2024 was mainly due to the increase in proportion of profits contributed from our subsidiaries in China and Hong Kong, which had higher profit tax rates compared to our overseas subsidiaries.

## **Net profit and net profit margin**

The Group achieved a record high net profit of approximately HK\$594.1 million for the year ended 31 December 2024, representing an increase of approximately 70.0% compared to approximately HK\$349.4 million for the year ended 31 December 2023. The Group recorded a net profit margin of approximately 11.7% for the year ended 31 December 2024, which represented an increase of approximately 3.4 percentage points as compared to approximately 8.3% for the year ended 31 December 2023. The increase in net profit and net profit margin during the year ended 31 December 2024 was mainly due to the increase in gross profit and the decrease in finance costs.

## Liquidity, financial resources and bank borrowings

As at 31 December 2024, net working capital (calculated as current assets less current liabilities) was approximately HK\$1,495.0 million, representing an increase of approximately HK\$716.7 million, as compared to approximately HK\$778.3 million as at 31 December 2023. The current ratio (calculated as current assets divided by current liabilities) was 1.8 times as at 31 December 2024, as compared to 1.4 times as at 31 December 2023.

The Group attained an EBITDA calculated as profit for the year adding back finance costs, income tax expense, depreciation and amortization) of approximately HK\$1,188.2 million for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately HK\$883.6 million), representing an increase of approximately 34.5% as compared to the year ended 31 December 2023. The increase in EBITDA was mainly due to the increase in net profits for the year ended 31 December 2024.

For the year ended 31 December 2024, net cash generated from operating activities was approximately HK\$760.6 million, as compared to approximately HK\$999.7 million for the year ended 31 December 2023. Despite a higher profit before taxation, the increase in trade receivables and other receivables alongside the growth in our business scale contributed to the decrease in net cash generated from operating activities.

Net cash used in investing activities amounted to approximately HK\$335.6 million for the year ended 31 December 2024, as compared to approximately HK\$238.7 million for the year ended 31 December 2023. To achieve our long term development goal and to cater for potential business growth in the future, we paid approximately HK\$323.1 million to purchase property, plant and equipment during the year ended 31 December 2024.

For the year ended 31 December 2024, net cash used in financing activities amounted to approximately HK\$356.4 million, as compared to approximately HK\$872.0 million for the year ended 31 December 2023. The cash used in financing activities for the year ended 31 December 2024 was mainly used for the repayment of bank borrowings and the payment of dividends and interests.

As at 31 December 2024, the Group's net gearing ratio was approximately 13.5% (as at 31 December 2023: approximately 15.0%), which was calculated on the basis of the amount of net debt position (sum of total bank and other borrowings, less bank deposits and bank balances and cash) as a percentage of total equity. The Group was in a net debt position of approximately HK\$477.3 million as at 31 December 2024, as compared to approximately HK\$498.8 million as at 31 December 2023. There is no material seasonality of borrowing requirements for the Group.

## Working capital management

	For the year ended 31 December			
	2024 (days)	2023 (days)	Change (days)	(%)
Trade and bills receivables turnover days	<b>58.3</b>	60.5	(2.2)	(3.6)
Trade and bills payables turnover days	<b>66.8</b>	66.0	0.8	1.2
Inventory turnover days	<b>111.8</b>	122.4	(10.6)	(8.7)

We had maintained relatively stable trade and bills receivables, trade and bills payables as well as inventory turnover days for both years ended 31 December 2024 and 2023.

## Capital expenditures

For the year ended 31 December 2024, total additions to property, plant and equipment amounted to approximately HK\$423.8 million (for the year ended 31 December 2023: approximately HK\$291.9 million), mainly for completion of the overseas expansion projects as planned.

## Pledge of assets

As at 31 December 2024, the Group pledged bank deposits of approximately HK\$103.7 million (as at 31 December 2023: approximately HK\$88.0 million) to secure the bills payables issued by the Group in connection with its trade transactions.

## Contingent liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities.

## Events after the reporting period

Save as disclosed in this announcement, the Group has no other significant events after the reporting period and up to the date of this announcement.

## **Foreign exchange risk**

A substantial portion of the Group's revenue is denominated in US\$ and HK\$ and a portion of its purchases and expenses are denominated in RMB, VND and Sri Lankan Rupee ("LKR"). Any significant exchange rate fluctuations of these foreign currencies against US\$ and HK\$ may have had financial impact on the Group. The Group manages its foreign exchange risk by performing regular reviews and monitoring its foreign exchange exposure. Our finance department monitors our foreign exchange risk on a continuous basis by analysing our domestic and overseas sales orders on hand, expected domestic and overseas orders from customers and estimated foreign currency payments for our purchases and expenses. We intend to manage our foreign exchange risks by (i) managing our sales, purchases and expenses denominated in HK\$ and RMB through our subsidiaries in Hong Kong and the Mainland China, respectively, as well as managing our sales, purchases and expenses denominated in US\$ through our subsidiaries in Hong Kong, Vietnam and Sri Lanka, and managing our purchases and expenses denominated in VND and LKR through our subsidiaries in Vietnam and Sri Lanka, respectively; and (ii) holding cash and bank deposits denominated in HK\$ primarily by the Company and its subsidiaries in Hong Kong, holding cash and bank deposits denominated in US\$ primarily by the Company and its subsidiaries in Hong Kong, Vietnam and Sri Lanka, and holding cash and bank deposits denominated in RMB, VND and LKR primarily by our subsidiaries in the Mainland China, Vietnam and Sri Lanka, respectively.

## **Employees and remuneration policies**

As at 31 December 2024, the Group employed a total of 11,037 full-time employees (as at 31 December 2023: 9,604). The Group remunerates its staff according to their performance, qualification, experience and industry practices, and conducts regular reviews of its remuneration policy.

The remuneration committee of the Company was set up primarily for reviewing the Group's remuneration policy and structure for all remuneration of the Directors and senior management of the Group, having regard to factors including but not limited to salaries paid by comparable companies, time commitment and responsibilities of the Directors and employees, employment conditions elsewhere in the Group, and whether the remuneration is commensurate with the performance.

There has been no significant change in the Group's remuneration policy, and the Group will continue to provide regular training and competitive remuneration packages to its staff. The Group's remuneration packages include salary, bonuses, allowances and retirement benefits based on employee's performance, skills and knowledge. The Group also provides additional benefits to its employees, including subsidised accommodation, meals, accident and medical insurance and share-based remuneration granted to eligible employees under the share-based incentive plans of the Company from time to time.



## **SUSTAINABILITY AND DEVELOPMENT**

Best Pacific has always recognized environmental, social and governance as a core element of its development. We place great emphasis on our product quality and services. We are devoted to research and development, and are dedicated to produce a diversified portfolio of high-performance lingerie, sportswear and apparel materials, which are blended with quality, comfort and functionalities, to meet the customers' intricate demands. Best Pacific has continued to reinforce its long-term and close collaborations with leading global lingerie brands, as well as international sportswear and apparel brands. We are committed to achieving and maintaining ISO 9001 certification through continuous improvement, ensuring the highest standards in product quality and service. Additionally, we strictly comply with national laws, regulations, and industry standards, enhancing our quality management processes and protecting the rights of our customers.

We are committed to creating a better world by fostering a green manufacturing environment through various initiatives. Over the years, we have progressively reduced our reliance on fossil fuels by transitioning to biomass fuels at selected manufacturing locations. Additionally, we have installed rooftop photovoltaic panels at our production sites wherever feasible, all of which contribute to lowering greenhouse gas emissions. Additionally, we have implemented water-saving measures, such as low liquor ratio dyeing machines, and we have increased the reuse of discharged and reverse osmosis water, significantly reducing our fresh water consumption.

Notwithstanding regular internal environmental protection assessments, we also engage third-party organizations to periodically review our environmental and social related practices. We are proud to have obtained the Bluesign® Standard certification, which is recognized as one of the most stringent environmental standards for textile products. All our factories have adopted the Higg Facility Environmental Module ("FEM") as a standardized environmental assessment tool and our verified FEM scores are well above the industry median.

In 2024, we successfully secured a sustainability-linked loan from one of our principal banks, based on an independent opinion from an external expert. This opinion confirmed that our sustainability performance targets are relevant, ambitious, and aligned with our overall sustainability plan.

## **PROSPECTS AND FUTURE STRATEGIES**

According to the IMF's World Economic Outlook Update published in January 2025, global GDP is projected to grow moderately at 3.3% in both 2025 and 2026. Major central banks are anticipated to lower monetary policy rates, although the federal funds rate is likely to proceed with caution during this easing cycle.

Ongoing trade tensions and rising tariffs continue to create uncertainty in the global marketplace. These factors can disrupt supply chains, inflate costs for businesses, and ultimately drive up prices for consumers. Prolonged inflation in the U.S. remains a significant concern, impacting consumer behavior and retail demands. This situation may contribute to a broader economic slowdown, increasing the risk of a recession. In such a scenario, diminished consumer confidence could lead to further reduction in spending, resulting in potential decreased sales for our Group.

While the market remains vigilant about risks from significant economic policy shifts and heightened geopolitical tensions, our outlook at the start of the year remains cautiously optimistic, with a positive medium-term forecast. We believe that the resilience of the markets, coupled with adaptive strategies and innovation, will enable us to effectively respond to challenging and rapidly changing business environments. Furthermore, the ongoing manufacturing automation and the growing emphasis on sustainability present opportunities for businesses to redefine their operational models. As we look ahead, we remain committed to leveraging these trends to enhance our competitive advantage and drive sustainable growth.

### **Sportswear and apparel markets**

The sportswear and apparel segment has been a pivotal driver of growth for our Group over the years.

The robust growth in sales revenue from our elastic fabric segment in 2024 underscores both the immense market potential and our capability to capitalize on emerging opportunities through innovation and quality products. Best Pacific firmly believes that innovation and technological advancements are essential to achieving sustainable growth in the future. We are committed to allocating resources strategically to enhance our research and development capabilities, ensuring that we meet our customers' increasing demand for innovative sportswear and apparel products. Our strategic focus is on building stronger, mutually beneficial partnerships with our esteemed apparel brand customers. By fostering collaboration and synergy, we aim to navigate the evolving market landscape effectively.

### **International footprint and capital expenditure**

As of 31 December 2024, the overall annual designed production capacities of elastic fabric, elastic webbing and lace of the Group were approximately 276.9 million meters, 2,003.3 million meters and 45.0 million meters, respectively. Our international footprint serves as one of our key competitive advantages. Best Pacific is committed to a multi-location manufacturing strategy, which is also well recognized by our customers and allows us to provide flexible supply chain solutions and cater various customers' needs. Moving forward, we will continue to prioritize further enhancements in operational efficiency across our production sites to best serve the interests of our customers, thereby further improving our overall financial performance.

Leveraging our knowledge and experience from our existing operation in Vietnam, we recognize the substantial business potential in the region. To meet projected sales demand from our export customers in the medium to long term, we have acquired the land use rights of a tract of land in Nghe An, Vietnam, which will become our second production base in the nation. The project will be developed in phases, aligned with market conditions and anticipated sales growth. Phase 1 of the manufacturing facilities is expected to commence gradual commercial production in 2026.

In 2024, Best Pacific commanded a robust EBITDA of approximately HK\$1,188.2 million and maintained a low net gearing ratio of about 13.5% as of 31 December 2024. Our strong cash flow and healthy financial position, coupled with a trend of stabilizing borrowing costs, position us well to pursue expansion in a controlled and balanced manner, allowing us to capitalize on emerging opportunities.

We believe that our world-class innovation capabilities, extensive international footprint, strong partnerships with customers, talented people and robust financial position have established a solid foundation for Best Pacific's sustainable growth and future success.

## **PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The Audit Committee of the Company, comprising the three independent non-executive Directors (being Mr. Cheung Yat Ming, Mr. Kuo Dah Chih, Stanford and Mr. Lam Yin Shing, Donald), has reviewed with management the consolidated financial statements of the Group for the year ended 31 December 2024, including accounting principles and practices adopted by the Group, and discussed the relevant financial reporting matters.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 24 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **DIVIDEND POLICY AND FINAL DIVIDEND**

The Board intends to maintain a long term, stable dividend payout ratio of not less than 20% of the Group's distributable profit for the year, providing shareholders with an equitable return.

The Board has resolved to declare a final dividend of HK15.91 cents per ordinary share in respect of the year ended 31 December 2024 (the "**Final Dividend**") (for the year ended 31 December 2023: HK11.38 cents per ordinary share). The Final Dividend is expected to be paid on 4 July 2025 to shareholders whose names appear on the register of members of the Company on 13 June 2025, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company on 3 June 2025 (the "**AGM**").

An interim dividend of HK13.33 cents per ordinary share was paid to shareholders on 4 October 2024 (2023: HK5.3 cents per ordinary share).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 29 May 2025 to 3 June 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged not later than 4:30 p.m. on 28 May 2025 with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Subject to the approval of shareholders at the forthcoming AGM, the proposed Final Dividend will be payable to shareholders whose names appear on the register of members of the Company on 13 June 2025 and the register of members of the Company will be closed from 10 June 2025 to 13 June 2025, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed Final Dividend, all share transfer documents accompanied by the relevant share certificates shall be lodged not later than 4:30 p.m. on 9 June 2025 with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standard of corporate governance which is essential to the sustainable development and growth of the Company. The Board is of the view that the Company has met all the applicable code provisions in force set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2024.

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

Hong Kong, 24 March 2025

*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*