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## **Millennium Pacific Group Holdings Limited**

**匯思太平洋集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8147)**

### **MAJOR TRANSACTION**

#### **FURTHER ACQUISITION OF 35% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

##### **THE ACQUISITION**

On 24 May 2019 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares at the Consideration of HK\$27,500,000 (subject to adjustment), which shall be satisfied by way of the allotment and issue of the Consideration Shares, credited as fully paid, by the Company to the Vendor.

The Consideration Shares represent (i) approximately 17.68% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the issued share capital of the Company from the date of this announcement up to Completion). The Consideration Shares will be allotted and issued pursuant to the Specific Mandate.

The Specific Mandate for the allotment and issue of the Consideration Shares will be obtained at the EGM from the Shareholders by way of ordinary resolution. The Vendor and its associates will abstain from voting at the EGM. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

##### **IMPLICATIONS UNDER THE GEM LISTING RULES**

The Purchaser's existing 11% equity interest in the Target Company was acquired by the Purchaser under the Previous Acquisition. The Previous Acquisition constituted a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules. In this regard, the Company has complied with the relevant applicable GEM Listing Rules requirements in respect of the Previous Acquisition.

As the Acquisition and the Previous Acquisition are conducted within a 12-month period prior to and inclusive of the date of the Sale and Purchase Agreement, the Acquisition and the Previous Acquisition are aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition as aggregated with the Previous Acquisition is more than 25% but all of them are less than 100%, the Acquisition (on an aggregated basis) constitutes a major transaction of the Company under the GEM Listing Rules and is subject to reporting, announcement and shareholders' approval requirements of Chapter 19 of the GEM Listing Rules.

## **GENERAL**

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the transaction contemplated thereunder; and (ii) the Specific Mandate.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the Acquisition; (ii) financial information and other information of the Group; (iii) financial information and other information of the Target Group; (iv) the unaudited pro forma financial information of the Group; and (v) a notice of the EGM is expected to be despatched to the Shareholders on or before 17 June 2019.

**As Completion is conditional upon fulfillment (or if applicable, waiver) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

The Board announces that on 24 May 2019 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares at the Consideration of HK\$27,500,000 (subject to adjustment), which shall be satisfied by way of the allotment and issue of the Consideration Shares, credited as fully paid, by the Company to the Vendor.

## **THE SALE AND PURCHASE AGREEMENT**

Set out below are the major terms of the Sale and Purchase Agreement.

### **Date**

24 May 2019 (after trading hours)

### **Parties**

- (1) Vendor, an individual; and
- (2) Purchaser, a wholly-owned subsidiary of the Company

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules), save that the Vendor is holding 8,906 Existing Shares and 89% of the issued share capital of the Target Company.

### **Assets to be acquired**

Subject to the terms of the Sale and Purchase Agreement, the Vendor shall sell and the Purchaser shall purchase the Sale Shares with effect from Completion free from all encumbrances and with all rights attaching thereto on or after the Completion Date (including but not limited to the right to receive all dividends and distributions the record date of which falls on or after the Completion Date).

### **Consideration**

The Consideration shall be HK\$27,500,000, subject to adjustment as provided below, which shall be paid on the Completion Date by way of the Purchaser procuring the Company to issue the Consideration Shares to the Vendor (or its nominee).

In the event that the net profit after taxation but before extraordinary items of Shenzhen Ampeg for the year ending 31 December 2019 (the "**Net Profit**") as shown in its audited financial statements for the above year is less than RMB6,701,545.90 (the "**Benchmark Amount**"), then the Consideration shall be reduced by an amount in the following manner:

$$A = \frac{(\text{the Benchmark Amount} - \text{the Net Profit})}{B} \times C \times \frac{D}{E}$$

where:

"A" means the amount by which the Consideration shall be reduced (the "**Reduction Amount**") in HK\$;

"B" means the conversion rate of 0.88 from RMB to HK\$;

"C" means a multiple of 10;

"D" means the number of Sale Shares; and

"E" means the total number of shares of the Target Company in issue as at the Completion Date.

The Vendor shall pay to the Purchaser the Reduction Amount (without any reduction or deduction) in cash by depositing into a bank account to be designated by the Purchaser (or such other manner as the parties to the Sale and Purchase Agreement may agree) within five (5) Business Days from the date on which the Net Profit becomes available. For the avoidance of doubt, the Consideration will not be adjusted in any event save as provided above.

For the purpose of determining the Net Profit, the Net Profit as shown in the Shenzhen Ampeg's audited financial statements for the year ending 31 December 2019 as confirmed by the auditors of the Company for the time being shall be binding and conclusive on the parties to the Sale and Purchase Agreement, save for manifest errors.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with reference to, among other things, (i) the Previous Acquisition; (ii) the preliminary appraised value of Shenzhen Ampeg as at 31 March 2019 as conducted by an independent valuer of RMB82.1 million with market approach, representing a discount of approximately 66.5% to the Consideration; (iii) the historical financial performance and future business prospects of the Target Group; and (iv) the expected business synergy between the Group and the Target Group.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

### **Consideration Shares**

The Consideration Shares represent (i) approximately 17.68% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the issued share capital of the Company from the date of this announcement up to Completion). The Consideration Shares will be allotted and issued pursuant to the Specific Mandate.

The Issue Price of HK\$0.028 per Consideration Share represents:

- (i) a discount of approximately 15.15% to the closing price of HK\$0.033 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.15% to the average closing price of HK\$0.033 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 17.65% to the average of the closing price of approximately HK\$0.034 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

The Issue Price was determined after arm's length negotiations between the Company and the Vendor with reference to the prevailing market prices of the Shares.

The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking of the Consideration Shares**

The Consideration Shares shall rank *pari passu* in all respects with the Shares in issue on the date of such allotment and issue including the right to all dividends, distributions and other payments made or to be made for which the record date falls on or after the date of such allotment and issue.

## **Specific Mandate**

The Specific Mandate for the allotment and issue of the Consideration Shares will be obtained at the EGM from the Shareholders by way of ordinary resolution. The Vendor and its associates will abstain from voting at the EGM.

## **Application for Listing of the Consideration Shares**

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **Conditions Precedent**

Completion is subject to the following conditions being fulfilled and remaining satisfied as at Completion (or, where applicable, waived):

- (a) the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Consideration Shares (whether with or without conditions);
- (b) the approval for the Sale and Purchase Agreement and all the transactions contemplated thereunder and the Specific Mandate having been obtained from the Shareholders by way of the passing of resolution(s) at the EGM;
- (c) the transactions contemplated under the Sale and Purchase Agreement not having constituted, and not having been considered or deemed by the Stock Exchange to constitute, a reverse takeover (within the meaning of Rule 19.06(6) of the GEM Listing Rules) of the Company;
- (d) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the Sale and Purchase Agreement having been obtained;
- (e) the Purchaser being satisfied with the results of the due diligence exercise (whether legal, accounting, business, financial operational or other aspects that the Purchaser considers relevant) on the Target Group and their related business assets, liability, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think necessary and appropriate to conduct;

- (f) the Purchaser being satisfied, from the date of the Sale and Purchase Agreement and at any time before the Completion, that the representations, warranties and undertakings given by the Vendor under the Sale and Purchase Agreement remain true, accurate, not misleading or in breach in any material respect and that no events have suggested that there has been any breach of any warranties or other provisions of the Sale and Purchase Agreement by the Vendor;
- (g) the Purchaser being satisfied that, from the date of the Sale and Purchase Agreement to Completion, there has not been any material adverse change in respect of any member of the Target Group; and
- (h) the Vendor not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Sale and Purchase Agreement and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions (e) to (g) above (to the extent it is capable of waiving) and such waiver may be made subject to such terms and conditions as determined by the Purchaser. For the avoidance of doubt, none of the parties to the Sale and Purchase Agreement may waive any other conditions.

If the above conditions are not fulfilled (or, where applicable, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse and be of no further effect except clauses relating to rescission, confidentiality, notice, governing law and other miscellaneous items, and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other party, save in respect of any antecedent breaches of the Sale and Purchase Agreement, including any breaches of the conditions above.

### **Completion**

Subject to satisfaction of all the conditions above in full (save for any condition the full compliance with or satisfaction of which has been waived by the Purchaser) and the Purchaser's right under the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

Upon Completion, the Purchaser will hold 46% of the issued share capital of the Target Company. Therefore, the Target Company will be accounted for as an associated company of the Company.

## **PREVIOUS ACQUISITION**

Reference is made to the Previous Announcements. The Purchaser acquired a total of 11% of the issued share capital of the Target Company at a consideration of HK\$9,028,800 which was satisfied by the Company issuing consideration shares under general mandate. The Previous Acquisition constituted a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules. In this regard, the Company has complied with the relevant applicable GEM Listing Rules requirements in respect of the Previous Acquisition. Completion of such acquisition took place on 21 September 2018.

The Directors are pleased to inform the Shareholders that the net profit after taxation but before extraordinary items (less any government funding (政府撥款)) of Shenzhen Ampeg for the year ended 31 December 2018 as shown in its audited financial statements for the above year was not less than RMB6,192,488.29, which met the benchmark price as disclosed in the Previous Announcement. Therefore, no adjustment to the consideration under the sale and purchase agreement dated 4 September 2018 governing the Previous Acquisition is necessary.

## **INFORMATION ON THE TARGET GROUP**

The Target Company is a company incorporated in the BVI with limited liability. As at the date of this announcement, the Target Company is authorized to issue a maximum of 50,000 shares, 100 share of which have been issued and fully paid. As at the date of this announcement, the Vendor and the Purchaser are the legal and beneficial owner of 89 shares in issue and 11 shares in issue, respectively. The principal activities of the Target Company are that of a holding company.

The HK Subsidiary is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, the HK Subsidiary has one fully-paid share in issue. As at the date of this announcement, the Target Company is the sole legal and beneficial owner of such share in issue. The principal activities of the HK Subsidiary are that of a holding company.

Shenzhen Ampeg is a wholly foreign-owned enterprise established in the PRC. As at the date of this announcement, the HK subsidiary is the sole legal and beneficial owner of all the equity interests of Shenzhen Ampeg. The registered capital of Shenzhen Ampeg is RMB10,000,000, which has been contributed in full. The principal activities of Shenzhen Ampeg is manufacturing and sale of electronic products. Founded in 2005, Shenzhen Ampeg is a manufactory located in Shenzhen, the PRC. Shenzhen Ampeg is specialized in research and development, sales and processing, manufacturing and marketing of smart watch and fitness tracker. It owns more than 15 patents of industrial design and software copyrights.

## FINANCIAL INFORMATION OF THE TARGET GROUP

### Financial information of the Target Group

Set out below is a summary of financial information of the Target Group as extracted from its audited consolidated financial information for the period from 9 June 2017 (date of incorporation of the Target Company) to 31 December 2017 and for the year ended 31 December 2018 prepared in accordance with Hong Kong Financial Reporting Standards:

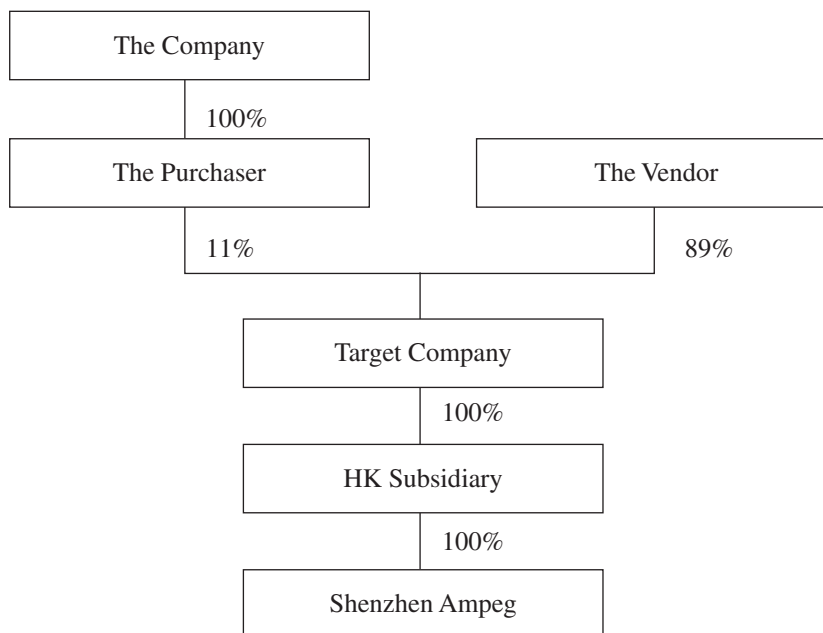
|                        | <b>For the period from<br/>9 June 2017 (date of<br/>incorporation) to<br/>31 December 2017</b><br>(Audited)<br><i>RMB'000</i><br><i>approximately</i> | <b>For the year ended<br/>31 December 2018</b><br>(Audited)<br><i>RMB'000</i><br><i>approximately</i> |
|------------------------|---|---|
| Revenue                | 34,967  | 90,724  |
| Profit before taxation | 33,183  | 7,371   |
| Profit after taxation  | 32,805  | 6,518   |
| Net assets             | 33,153  | 39,400  |



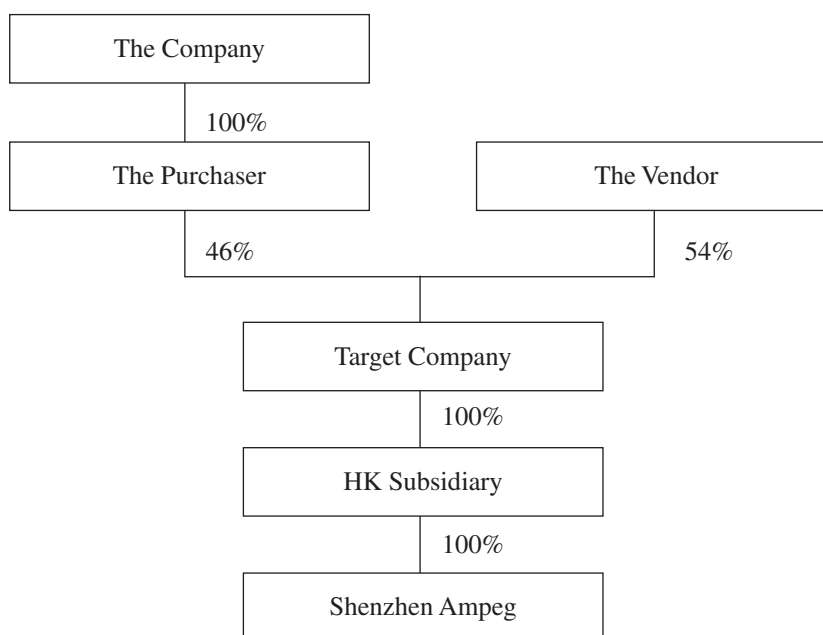
## SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below are the simplified shareholding structures of the Target Group (i) as at the date of the Sale and Purchase Agreement and (ii) immediately after Completion:

### (i) As at the date of the Sale and Purchase Agreement



### (ii) Immediately after Completion



## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion and allotment and issue of the Consideration Shares and assuming the Share Consolidation not having become effective; and (iii) immediately after Completion and allotment and issue of the Consideration Shares and assuming the Share Consolidation having become effective are set out as follows, assuming that there is no other change to the issued share capital of the Company from the date of this announcement up to Completion:

|  | As at the date of this announcement |                           | Immediately after Completion and allotment and issue of the Consideration Shares and assuming the Share Consolidation not having become effective |                           | Immediately after Completion and allotment and issue of the Consideration Shares and assuming the Share Consolidation having become effective |                           |
|--|-------------------------------------|---------------------------|---|---------------------------|---|---------------------------|
|  | Number of Shares                    | approx. % of shareholding | Number of Shares  | approx. % of shareholding | Number of Shares  | approx. % of shareholding |
| Martford Limited ( <i>Note 1</i> )         | 3,073,750,000                       | 55.3372%                  | 3,073,750,000   | 47.0%                     | 384,218,750   | 47.0%                     |
| CPIT Investments Limited ( <i>Note 2</i> ) | 35,900,000                          | 0.6463%                   | 35,900,000  | 0.6%                      | 4,487,500   | 0.6%                      |
| Vendor                                     | 8,906                               | 0.0002%                   | 982,151,763   | 15.0%                     | 122,768,970   | 15.0%                     |
| Public Shareholders                        | <u>2,444,926,000</u>                | <u>44.0163%</u>           | <u>2,444,926,000</u>  | <u>37.4%</u>              | <u>305,615,750</u>  | <u>37.4%</u>              |
| Total                                      | <u>5,554,584,906</u>                | <u>100.0000%</u>          | <u>6,536,727,763</u>  | <u>100.0%</u>             | <u>817,090,970</u>  | <u>100.0%</u>             |

### Notes:

1. Martford Limited is wholly-owned by Mr. Wang Liang Hai.
2. These 35,900,000 Shares are held by CPIT Investments Limited which is beneficially owned as to 99% by Mr. Tang Wai Ting, Samson, who resigned as an executive Director on 25 March 2019, and 1% by his spouse.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the research and development, manufacture and sale of consumer electronic devices, such as fitness bracelets, GPS personal navigation devices, mobile internet devices and TV set-up boxes, and provision of application software development services. The Group provides one-stop services to the customers by offering design, prototyping/sampling, manufacturing, assembling and packaging of their products.

Upon completion of the Previous Acquisition, the Company became interested in 11% of the Target Company, which in turn was indirectly interested in 100% of Shenzhen Ampeg. In view of (i) the need for a continuous steady supply of consumer electronic products for the businesses of Group; (ii) the fine quality of such products provided by Shenzhen Ampeg and (iii) the historical financial performance of the Target Group, the Directors have decided to proceed with the Acquisition which will enable the Group to further capture the advantages of vertical integration, and also strengthen the existing business in the research and development, manufacture and sale of consumer electronic products.

The Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

The Purchaser's existing 11% equity interest in the Target Company was acquired by the Purchaser under the Previous Acquisition. The Previous Acquisition constituted a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules. In this regard, the Company has complied with the relevant applicable GEM Listing Rules requirements in respect of the Previous Acquisition.

As the Acquisition and the Previous Acquisition are conducted within a 12-month period prior to and inclusive of the date of the Sale and Purchase Agreement, the Acquisition and the Previous Acquisition are aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition as aggregated with the Previous Acquisition is more than 25% but all of them are less than 100%, the Acquisition (on an aggregated basis) constitutes a major transaction of the Company under the GEM Listing Rules and is subject to reporting, announcement and shareholders' approval requirements of Chapter 19 of the GEM Listing Rules.

## **GENERAL**

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the transaction contemplated thereunder; and (ii) the Specific Mandate.

The Vendor and his associates will abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the Acquisition; (ii) financial information and other information of the Group; (iii) financial information and other information of the Target Group; (iv) the unaudited pro forma financial information of the Group; and (v) a notice of the EGM is expected to be despatched to the Shareholders on or before 17 June 2019.

**As Completion is conditional upon fulfillment (or if applicable, waiver) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

|                   |   |
|-------------------|---|
| “Acquisition”     | the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement   |
| “associate(s)”    | has the same meaning as is defined in the GEM Listing Rules   |
| “Board”           | the board of Directors  |
| “Business Day”    | a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business |
| “BVI”             | the British Virgin Islands  |
| “Company”         | Millennium Pacific Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM (stock code: 8147)  |
| “Completion”      | the completion of the Sale and Purchase Agreement   |
| “Completion Date” | the third Business Day after the fulfillment (or, where applicable, waiver) of all the conditions set out in the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing as the date on which Completion shall take place   |
| “Consideration”   | HK\$27,500,000 as the purchase price of the Sale Shares (subject to adjustment)   |

|                         |  |
|-------------------------|--|
| “Consideration Shares”  | a total of 982,142,857 Existing Shares (where the Share Consolidation has not become effective as at Completion) or 122,767,857 Consolidated Shares (where the Share Consolidation has become effective as at Completion) to be allotted and issued to the Vendor as settlement of the Consideration |
| “Consolidated Share(s)” | share(s) of par value of HK\$0.0016 each in the share capital of the Company immediately upon the Share Consolidation becoming effective   |
| “Director(s)”           | the director(s) of the Company   |
| “EGM”                   | the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among others, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate                                |
| “Existing Share(s)”     | share(s) of par value of HK\$0.0002 each in the share capital of the Company prior to the Share Consolidation becoming effective   |
| “GEM”                   | GEM operated by the Stock Exchange   |
| “GEM Listing Rules”     | the Rules Governing the Listing of Securities on GEM   |
| “Group”                 | collectively, the Company and its subsidiaries   |
| “HK Subsidiary”         | Sky Dynasty Investments Limited, a company incorporated in Hong Kong with limited liability  |
| “Hong Kong”             | Hong Kong Special Administrative Region of the PRC   |
| “Issue Price”           | HK\$0.028 per Consideration Share (where the Share Consolidation has not become effective as at Completion) or HK\$0.224 per Consideration Share (where the Share Consolidation has become effective as at Completion), assuming no adjustment to the Consideration                                  |
| “Last Trading Day”      | 24 May 2019, being the last full trading day immediately prior to the publication of this announcement   |
| “Long Stop Date”        | 31 August 2019 or such later date as the Vendor and the Purchaser may from time to time agree in writing   |
| “PRC”                   | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan  |

|                               |  |
|-------------------------------|--|
| “Previous Acquisition”        | the acquisition of 11% of the issued share capital of the Target Company by the Purchaser from the Vendor, further particulars of which are set out in the section headed “Previous Acquisition” in this announcement  |
| “Previous Announcements”      | the announcements of the Company dated 4 September 2018 and 21 September 2018 relating to the Previous Acquisition   |
| “Purchaser”                   | Millennium Pacific International Group Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company  |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 24 May 2019 in respect of the Acquisition entered into between the Vendor and the Purchaser  |
| “Sale Share(s)”               | 35 shares of nominal value of US\$1.00 each in the share capital of the Target Company, representing 35% of the entire issued share capital of the Target Company and held by the Vendor immediately before Completion   |
| “Share(s)”                    | ordinary share(s) of nominal value of HK\$0.0002 each in the share capital of the Company  |
| “Share Consolidation”         | the proposed consolidation of every eight (8) Existing Shares into one (1) Consolidated Share, which is subject to, among others conditions, the approval by the Shareholders at an extraordinary general meeting of the Company to be held on 28 May 2019 and will become effective on 29 May 2019 upon fulfilment of all such conditions |
| “Shareholder(s)”              | holder(s) of Share(s)  |
| “Shenzhen Ampeg”              | 深圳市艾普科技有限公司(Shenzhen Ampeg Technology Company Limited), a wholly foreign-owned enterprise established in the PRC   |
| “Specific Mandate”            | the specific mandate to be sought from Shareholders (except the Vendor and his associates) at the EGM to authorise the Directors to allot and issue the Consideration Shares   |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited  |
| “Target Company”              | Celestial Rainbow Limited, a company incorporated in the BVI with limited liability  |
| “Target Group”                | the group of companies consisting of the Target Company, the HK Subsidiary and Shenzhen Ampeg  |
| “Vendor”                      | Ma Xingjin, an individual  |
| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong  |

|        |  |
|--------|--|
| “RMB”  | Renminbi, the lawful currency of the PRC                                     |
| “US\$” | United States dollar(s), the lawful currency of the United States of America |
| “%”    | per cent.  |

By order of the Board  
**Millennium Pacific Group Holdings Limited**  
**Wu Jin Sheng**  
Chairman

Hong Kong, 24 May 2019

*As at the date of this announcement, the executive Directors are Mr. Liu Liang, Mr. Wang Li and Mr. Wu Yong Fu; the non-executive Directors are Mr. Wu Jin Sheng and Mr. Chong Yu Keung; and the independent non-executive Directors are Mr. Huang Jian, Mr. Zheng Wan Zhang and Mr. Wong Tik Tung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.mpgroup.hk>.*