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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Millennium Pacific Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and nine months ended 30 September 2023, together with the unaudited comparative figures for the corresponding periods in 2022, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	23,863	1,607	46,922	65,559
Cost of sales		(23,147)	(881)	(45,088)	(62,721)
Gross profit		716	726	1,834	2,838
Other income		1	1	7	3
Administrative expenses		(1,168)	(2,906)	(4,871)	(7,677)
Loss from operation		(451)	(2,179)	(3,030)	(4,836)
Finance costs		(415)	(509)	(1,502)	(1,510)
Share of results of associates, net		(38)	(2,434)	(3,367)	(5,299)
Loss before tax		(904)	(5,122)	(7,899)	(11,645)
Income tax expense	4	-	-	-	-
Loss for the period		(904)	(5,122)	(7,899)	(11,645)
Other comprehensive (loss)/ income for the period, net of tax:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		40	(120)	460	(42)
Share of other comprehensive loss of associates		(91)	(930)	(548)	(1,831)
Other comprehensive (loss)/ income for the period		(51)	(1,050)	(88)	(1,873)
Total comprehensive loss for the period		(955)	(6,172)	(7,987)	(13,518)

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to:				
— Owners of the Company	(898)	(4,454)	(7,853)	(10,591)
— Non-controlling interests	(6)	(668)	(46)	(1,054)
	(904)	(5,122)	(7,899)	(11,645)
Total comprehensive loss attributable to:				
— Owners of the Company	(956)	(5,489)	(8,021)	(12,401)
— Non-controlling interests	1	(683)	34	(1,117)
	(955)	(6,172)	(7,987)	(13,518)
		(restated)		(restated)
Loss per Share (cents)				
— Basic	6	(0.87)	(4.32)	(7.62)
— Diluted	6	(0.87)	(4.32)	(7.62)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Attributable to the owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Option reserve HK\$'000	Foreign currency translation reserve HK\$'000	Equity component of convertible bonds HK\$'000	Accumulated losses HK\$'000	Total reserve HK\$'000	Non-controlling interests HK\$'000	Total equity (deficiency) HK\$'000
Balance at 1 January 2022 (audited)	1,649	110,537	1,390	1,633	2,212	(96,660)	19,112	2,575	23,336
Recognition of share-based payments (unaudited)	-	-	722	-	-	-	722	-	722
Total comprehensive loss for the period (unaudited)	-	-	-	(1,810)	-	(10,591)	(12,401)	(1,117)	(13,518)
Balance at 30 September 2022 (unaudited)	<u>1,649</u>	<u>110,537</u>	<u>2,112</u>	<u>(177)</u>	<u>2,212</u>	<u>(107,251)</u>	<u>7,433</u>	<u>1,458</u>	<u>10,540</u>
Balance at 1 January 2023 (audited)	1,649	110,537	2,526	(160)	2,212	(115,149)	(34)	(536)	1,079
Recognition of share-based payments (unaudited)	-	-	916	-	-	-	916	-	916
Transfer of share option reserve upon lapse of share options	-	-	(216)	-	-	216	-	-	-
Issue of convertible bonds	-	-	-	-	1,667	-	1,667	-	1,667
Maturity of convertible bonds	-	-	-	-	(2,212)	2,212	-	-	-
Total comprehensive loss for the period (unaudited)	-	-	-	(168)	-	(7,853)	(8,021)	34	(7,987)
Balance at 30 September 2023 (unaudited)	<u>1,649</u>	<u>110,537</u>	<u>3,226</u>	<u>(328)</u>	<u>1,667</u>	<u>(120,574)</u>	<u>(5,472)</u>	<u>(502)</u>	<u>(4,325)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability under the Company Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 10 September 2013. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at A709-A22, 7/F., Block A, Jianguo Building, 6013 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen, Guangdong Province, the People's Republic of China (the "PRC"). The principal place of its business in Hong Kong is located at Unit 5, 4/F, Energy Plaza No. 92 Granville Road Tsim Sha Tsui East, Kowloon, Hong Kong. The shares of the Company (the "Shares") are listed on GEM of the Stock Exchange since 18 July 2014.

The Company is an investment holding company. The principal activities of its subsidiaries are research and development, manufacture, sale of electronic devices and provision of application software development and online information and digital marketing services.

2. BASIS OF PRESENTATION AND PREPARATION OF FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 September 2023 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

These unaudited condensed consolidated results are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

These condensed consolidated results have not been audited but have been reviewed by the audit committee of the Company.

The unaudited condensed consolidated results of the Group for the nine months ended 30 September 2023 do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022 (the "2022 Consolidated Financial Statements"). The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated results are consistent with those used in the 2022 Consolidated Financial Statements, except for those new and revised HKFRSs and interpretation issued by the HKICPA that are adopted for the first time in the unaudited condensed consolidated financial statements for the nine months ended 30 September 2023.

The adoption of these new and revised HKFRSs had no significant effects on the results and financial position of the Group for the current and prior periods.

3. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Three months ended		Nine months ended	
	30 September	2022	30 September	2022
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of manufactured products	–	–	–	17,907
Sales on trading of electronic products, accessories and raw materials	23,863	1,364	46,922	47,409
Provision of online information and digital marketing services	–	243	–	243
	<u>23,863</u>	<u>1,607</u>	<u>46,922</u>	<u>65,559</u>

4. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September	2022	30 September	2022
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
Provision for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

No provision for Hong Kong Profits Tax has been made for the nine months ended 30 September 2023 and 2022 as the Group's Hong Kong subsidiaries did not generate any assessable profit for the nine months ended 30 September 2023 and 2022.

No provision for the PRC Enterprise Income Tax is required for the nine months ended 30 September 2023 and 2022 as the Group's PRC subsidiaries did not generate any assessable profit for the nine months ended 30 September 2023 and 2022.

5. DIVIDENDS

No dividend was declared or paid during the nine months ended 30 September 2023 and 2022, respectively.

6. LOSS PER SHARE

(a) Basic loss per Share

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss				
Loss for the purpose of calculating basic and diluted loss per Share (<i>HK\$'000</i>)	<u>(898)</u>	<u>(4,454)</u>	<u>(7,853)</u>	<u>(10,591)</u>
		(restated)		(restated)
Number of Shares				
Weighted average number of ordinary Shares for the purpose of calculating basic loss per Share (<i>Note</i>)	<u>103,073,897</u>	<u>103,073,897</u>	<u>103,073,897</u>	<u>103,073,897</u>

Note: The weighted average number of ordinary Shares was adjusted by the Share consolidation of every ten (10) issued and unissued ordinary shares of HK\$0.0016 each in the share capital of the Company into one (1) consolidated share of HK\$0.016 each effective on 30 June 2023 (the “**Share Consolidation 2023**”).

(b) Diluted loss per Share

The effects of the potential ordinary Shares in respect of the outstanding share options and convertible bonds of the Company are anti-dilutive for the period ended 30 September 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group engaged in the research and development, manufacture and sale of consumer electronic products. It also explored the business of online information and digital marketing services. We provide one-stop services to our customers by offering design, prototyping/sampling, manufacturing, assembling, packaging and marketing of their products.

BUSINESS ENVIRONMENT

During the nine months ended 30 September 2023, overall business sentiment continued to improve as post-pandemic life gradually returned to normal. During the period, the US Federal Reserve took a less aggressive approach in its contractionary policy as soft landing hopes grew. However, there was still no end in sight to escalating geopolitical rivalries and raising fragmentation. Not only the war between Russia and Ukraine continued, but also we witnessed the rising conflicts between Israel and Gaza in October 2023. Intensified tensions between China and the US and the resulting sanctions and bans on area such as those related to semiconductor chips continued to be introduced by the US government against China. This undoubtedly created headaches to our operation in mainland China. What's more, the interest rate may even be raised to a higher level and maintained for a longer period than previously expected.

BUSINESS REVIEW

The businesses of the Group and its associated companies in mainland China were inevitably largely constrained by the above-mentioned macro-environment. Yet, our trading business in Hong Kong, which is the primary stream of revenue, picked up growth momentum since the second quarter of 2023 thanks to the improvement in overall business sentiment and more competitive pricing strategies. Accordingly, the drop in our revenue slowed down in the second and third quarters of 2023. Total revenue of the Group decreased by HK\$18.7 million from HK\$65.6 million in the first three quarters of 2022 to HK\$46.9 million in the same period of 2023.

The gross profit margin of the Group decreased from 4.3% in the first three quarters of 2022 to 3.9% in the same period of 2023 due to the more competitive pricing strategies. Our gross profit decreased by HK\$1.0 million due to the drop in revenue and margin.

FINANCIAL REVIEW

Staff costs represented one of the major components of the Group's administrative expenses, which mainly consisted of directors' emoluments, salaries, retirement benefit scheme contribution, share-based expense and other benefits. Staff costs decreased by HK\$0.7 million from HK\$4.4 million in the first three quarters of 2022 to HK\$3.7 million in the same period of 2023. The drop was mainly due to tightened control and downsize in operation scale in mainland China under the aforesaid challenging macro-environment.

Depreciation of right-of-use assets was HK\$1.7 million in the first three quarters of 2022 whereas the Group did not recorded any amount in 2023, as full impairment was provided in 2022 for the factory under right-of-use assets due to the uncertainties in operation and disruptions.

Our total administrative expenses decreased by HK\$2.8 million from HK\$7.7 million in the first three quarters of 2022 to HK\$4.9 million in the same period of 2023. Excluding the effect of decrease in staff costs and depreciation of right-of-use assets, the administrative expenses still recorded a decrease of HK\$0.4 million as the Group continued to strive to strengthen its controls on operating costs, resulting in further general savings.

Finance costs represented imputed interest on lease liabilities and convertible bonds and remained fairly stable at around HK\$1.5 million.

Operation of Associates

Our associate, Celestial Rainbow Group, which has been equity accounted for, mainly engaged in manufacturing of electronic products in mainland China, such as fitness bracelets, targeting overseas market. Its operation was vulnerable to the prevailing environment. Accordingly, the associate continued to contribute negatively to our bottom line. We shared its loss of HK\$3.4 million in the first three quarters of 2023 whereas we shared its loss of HK\$5.3 million in the same period of 2022.

Loss Attributable to Owners of the Company

The Group recorded a loss attributable to owners of the Company of HK\$7.9 million in the first three quarters of 2023, representing a decrease of HK\$2.7 million from HK\$10.6 million in the same period of 2022. The drop was mainly due to the combined effect of (i) the drop in total administrative expenses of HK\$2.8 million; (ii) the drop in share of the associate's loss of HK\$1.9 million; partially offset by (iii) the drop in gross profit of HK\$1.0 million; and (iv) the decrease in share of losses by non-controlling interests of HK\$1.0 million.

BUSINESS DEVELOPMENT AND OUTLOOK

We still believe that businesses will eventually be resumed as we entered post-pandemic era. The Group maintains a cautious stance and makes tactical adjustments where appropriate such that we are ready to capture new opportunities and adjust our priorities and resources.

Disposal and Acquisitions

During the second quarter of 2023, we disposed our 51% interests (the “**Disposal**”) in our investment in the joint venture, Millennium Pacific Electronics Limited, to an independent third party at the consideration of HK\$5,100. The joint venture recorded no revenue in 2021 and 2022 and was inactive prior to the Disposal. The net book value of the investment is zero and we recognised a gain of the Disposal of HK\$5,100.

On the other hand, the Group has been actively conducting and developing the business of consumer products and exploring various opportunities for investment projects to broaden the scope of investment according to the market conditions with an aim to enhance the value of its shareholders.

In June 2023, the Board has approved the acquisition of 51% interests (the “**Acquisition I**”) in Guangzhou Huawei Electric Appliance Technology Co. Ltd 廣州華唯電器科技有限公司 (“**GZ Huawei**”) from an independent third party at the consideration of RMB1 and obliged to contribute 51% of the registered capital to GZ Huawei. GZ Huawei is a PRC company with registered capital of RMB2 million and paid-up capital of zero. It engages in the research and development, production, sales and provision of services in relation to professional touch and commercial display equipment. Upon completion of the Acquisition I, GZ Huawei will be an indirect non-wholly owned subsidiary of the Company. As at the date of this announcement, the Acquisition I is not yet completed.

As all the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules of the Stock Exchange) in respect of each of the Acquisition I and the Disposal were less than 5%, they did not constitute any notifiable transactions under Chapter 19 of the GEM Listing Rules and were exempt from the requirements under Chapter 19 of the GEM Listing Rules.

We also explored opportunities to extend our business footprints in different industries which enable the Group to increase and diversify its revenue stream and broaden its business networks in different industries, with focus on ones that are less vulnerable to the existing macro-environment and global geopolitical conflicts. In October 2023, the Board has approved the acquisition of totally 70% interests (the “**Acquisition II**”) in 國科特微(北京)生物科技有限公司 (the “**Target Company**”) from independent third parties at the aggregate consideration of RMB2 and obliged to contribute 70% of the registered capital to the Target Company. The Target Company is a PRC company with registered capital of RMB3.2 million and paid-up capital of RMB574,000. It is principally engaged in the sale and distribution of specialized milk products and healthy food items developed and manufactured by renowned brands. Upon completion of the Acquisition II, the Target Company will be an indirect non-wholly owned subsidiary of the Company. As at the date of this announcement, the Acquisition II is not yet completed.

As one or more of the applicable percentage ratios of the Acquisition II was more than 5% but were all less than 25%, the Acquisition II constituted a discloseable transaction of the Company and was therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. For details, please refer to the announcement of the Company dated 30 October 2023.

The Disposal, the Acquisition I and the Acquisition II enable the Group to optimize its resources and broaden our sources of revenue, within acceptable risk level and capital requirement.

Convertible Bonds and Share Consolidation

Pursuant to the subscription agreement dated 17 June 2021, the Company issued convertible bonds in an aggregate principal amount of HK\$20,000,000 with 4% interest per annum and two-year lifespan (the “**2021 Convertible Bonds**”) to Mr. Wu Xiongbin on 2 July 2021 under the general mandate granted to the Directors by way of an ordinary resolution of the shareholders passed at the annual general meeting of the Company held on 26 June 2020. Assuming full conversion of the 2021 Convertible Bonds at the initial conversion price of HK\$0.12, the 2021 Convertible Bonds will be convertible into 166,666,666 conversion shares.

Pursuant to the subscription agreement dated 22 May 2023, the Company issued convertible bonds in an aggregate principal amount of HK\$6,500,000 with 4% interest per annum and two-year lifespan (the “**2023 Convertible Bonds I**”) to Viva Gain Investments Limited on 14 June 2023 under the general mandate granted to the Directors by way of an ordinary resolution of the shareholders passed at the annual general meeting of the Company held on 23 June 2022. Assuming full conversion of the 2023 Convertible Bonds I at the initial conversion price of HK\$0.032, the 2023 Convertible Bonds I will be convertible into 203,125,000 conversion shares. The conversion price of HK\$0.032 represented a premium of approximately 18.5% to the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on 22 May 2023, being the date of the relevant subscription agreement.

The gross proceeds from the issue of the 2023 Convertible Bonds I were HK\$6,500,000 and the net proceeds from the issue of the Convertible Bonds were approximately HK\$6.4 million (after deducting the related expenses and professional fees). The Group intended to use the net proceeds from the subscription for general working capital. The Directors were of the view that (i) the subscription agreement was entered into upon normal commercial terms following arm’s length negotiations between the Company and the subscriber; (ii) the conversion price represented a premium to the recent price of the Shares; and (iii) the interest payable by the Company to the bondholder was comparatively lower than the market interest rate provided by the banks. Accordingly, the Directors considered that the subscription (including terms of the 2023 Convertible Bonds I) was fair and reasonable and in the interests of the Company and the Shareholders as a whole. Details are disclosed in the announcements of the Company dated 22 May 2023 and 14 June 2023.

As a result of the Share Consolidation 2023, the conversion prices of the 2021 Convertible Bonds and the 2023 Convertible Bonds I have been adjusted to HK\$1.2 and HK\$0.32 respectively. The 2021 Convertible Bonds and the 2023 Convertible Bonds I will be convertible into 16,666,666 conversion shares and 20,312,500 conversion shares respectively. The 2021 Convertible Bonds are matured in July 2023. The Company reached an agreement with the holder of the 2021 Convertible Bonds and obtained written consent that the holder committed not to request for the repayments of the outstanding principal and interest before 30 September 2024. The amount outstanding shall bear an interest rate of 4% per annum until repayment.

Pursuant to the subscription agreement dated 30 August 2023, the Company issued convertible bonds in an aggregate principal amount of HK\$3,000,000 with 4% interest per annum and two-year lifespan (the “**2023 Convertible Bonds II**”) to Wei Haiquan on 14 September 2023 under the general mandate granted to the Directors by way of an ordinary resolution of the shareholders passed at the annual general meeting of the Company held on 28 June 2023. Assuming full conversion of the 2023 Convertible Bonds II at the initial conversion price of HK\$0.15, the 2023 Convertible Bonds II will be convertible into 20,000,000 conversion shares. The conversion price of HK\$0.15 represented a premium of approximately 10.3% to the closing price of HK\$0.136 per Share as quoted on the Stock Exchange on 30 August 2023, being the date of the relevant subscription agreement.

The gross proceeds from the issue of the 2023 Convertible Bonds II were HK\$3,000,000 and the net proceeds from the issue of the Convertible Bonds were approximately HK\$3 million (after deducting the related expenses and professional fees). The Group intended to use the net proceeds from the subscription for general working capital. The Directors were of the view that (i) the subscription agreement was entered into upon normal commercial terms following arm’s length negotiations between the Company and the subscriber; (ii) the conversion price represented a premium to the recent price of the Shares; and (iii) the interest payable by the Company to the bondholder was comparatively lower than the market interest rate provided by the banks. Accordingly, the Directors considered that the subscription (including terms of the 2023 Convertible Bonds II) was fair and reasonable and in the interests of the Company and the Shareholders as a whole. Details are disclosed in the announcements of the Company dated 30 August 2023 and 14 September 2023.

Outlook

Looking ahead, the Group will continue to control its costs of operation and select the appropriate product mix, regions and industries that the Group should focus on and devote its resources to. We will also review the performance of our existing business portfolio and make suitable investment decisions. Subject to the review results, we do not preclude the possibility that we may dispose the whole or part of our existing business portfolio and/or change the asset allocation of our businesses. The Group may also restructure its existing debts and implement debt and/or equity fund raising plan(s) to satisfy the financing needs and improve its financial position in the event suitable fund raising opportunities arise. In these regards, the Company will publish announcement as and when appropriate according to the requirements under the applicable listing rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED COMPANY

As at 30 September 2023, so far as is known to the Directors, none of the Directors and the Company's chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions

Ordinary Shares

Name	Capacity and nature of interest	Class of Shares	Number of Shares (note 1)	Percentage of the Company's issued share capital
Martford Limited (note 3)	Beneficial owner	Ordinary Shares	31,698,125 (L)	30.75%
Viva Gain Investments Limited (note 4)	Beneficial owner	Ordinary Shares	20,312,500 (L)	19.71%
Wei Haiquan (note 5)	Beneficial owner	Ordinary Shares	20,123,200 (L)	19.52%
Pu Wei	Beneficial owner	Ordinary Shares	8,800,800 (L)	8.54%

Notes:

1. The letter “L” denotes a long position in the shareholder’s interest in the share capital of the Company.
2. The figures were adjusted by the Share Consolidation 2023.
3. The 31,698,125 Shares were held by Martford Limited which is wholly and beneficially owned by Mr. Wang Lianghai.
4. On 22 May 2023, Viva Gain Investments Limited, which is wholly and beneficially owned by Mr. Ma Xingzhong, subscribed convertible bonds in aggregate principal amount of HK\$6.5 million which can be convertible into 20,312,500 conversion shares at conversion price of HK\$0.32 per conversion share.
5. On 30 August 2023, Mr. Wei Haiquan subscribed convertible bonds in aggregate principal amount of HK\$3 million which can be convertible into 20,000,000 conversion shares at conversion price of HK\$0.15 per conversion shares.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2023, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the business of the Group during the nine months ended 30 September 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 30 September 2023.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Man Wai Lun (committee chairman), Mr. Wong Tik Tung and Mr. Chen Yifan.

The unaudited condensed consolidated financial statements of the Company for the nine months ended 30 September 2023 has been reviewed by the audit committee. The audit committee is of the opinion that such financial information complies with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

By order of the Board
Millennium Pacific Group Holdings Limited
Chen Yiliang
Executive Director

Hong Kong, 10 November 2023

As at the date of this announcement, the executive Directors is Mr. Chen Yiliang; and the independent non-executive Directors are Mr. Wong Tik Tung, Mr. Man Wai Lun and Mr. Chen Yifan.

This announcement will remain on the “Latest Listed Company Information” page of the GEM of the Stock Exchange’s website (www.hkexnews.hk) for at least seven days after the date of publication and on the website of the Company (www.mpgroup.hk).