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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



The Board is pleased to announce that on 17 June 2019 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, in aggregate up to 74,791,331 Placing Shares to not less than six Places who and whose ultimate beneficial owners are Independent Third Parties.

A maximum number of 74,791,331 Placing Shares under the Placing represent approximately 10.77% of the existing issued share capital of the Company of 694,323,113 Shares as at the date of this announcement, and approximately 9.72% of the then issued share capital of the Company of 769,114,444 Shares as enlarged by the Placing. The total nominal value of the Placing Shares under the Placing will be approximately HK\$119,666.

The Placing Price of HK\$0.124 represents (i) a premium of approximately 15.89% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) no discount or premium to the average closing price of HK\$0.124 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days prior to the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares on or before 30 June 2019 (or such later date the Company and the Placing Agent may agree in writing).

The maximum gross proceeds from the Placing will be HK\$9.27 million. The maximum net proceeds from the Placing are estimated to be approximately HK\$9 million, representing a net issue price of approximately HK\$0.120 per Placing Share, which are intended to be used for providing additional general working capital of the Group.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

17 June 2019 (after trading hours)

Issuer

The Company

Placing Agent

ChaoShang Securities Limited, which is a licensed corporation incorporated in Hong Kong to carry out Type 1 regulated activities for the purpose of the SFO.

The Placing Agent has conditionally agreed to place a maximum of 74,791,331 Placing Shares on a best endeavour basis and will receive a placing commission of 3.5% of the aggregate Placing Price of the Placing Shares placed by the Placing Agent. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of 3.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than six Placees which will be individuals, corporate, institutional investors or other investors, who and whose ultimate beneficial owners shall be Independent Third Parties. It is not expected that any Placee will become a Substantial Shareholder immediately after completion of the Placing.

Number of Placing Shares

A maximum of 74,791,331 new Shares, representing:

- (i) approximately 10.77% of the existing issued share capital of the Company of 694,323,113 Shares as at the date of this announcement; and
- (ii) approximately 9.72% of the then issued share capital of the Company of 769,114,444 Shares as enlarged by the allotment and issue of the Placing Shares to the fullest extent.

The aggregate nominal value of the Placing Shares under the Placing will amount to approximately HK\$119,666.

Placing Price

The Placing Price of HK\$0.124 represents:

- (i) a premium of approximately 15.89% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) no discount or premium to the average closing price of HK\$0.124 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent.

Ranking of the Placing Shares

The Placing Shares under the Placing, when allotted and issued and fully paid up, will rank pari passu in all respects with the then existing Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

If the above condition is not satisfied on or before 30 June 2019 (or such later date the Company and the Placing Agent may agree in writing), the Placing Agreement will lapse and become null and void and all obligations of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties shall have any claim against the other in relation thereto save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place on the fourth Business Day after the fulfillment of the condition set out in the preceding paragraph or any other date as the parties may agree.

Termination of the Placing Agreement

Under the Placing Agreement, if the above condition of completion of Placing is not satisfied on or before 30 June 2019 (or such later date the Company and the Placing Agent may agree in writing), the Placing Agreement will terminate.

Furthermore, the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the completion date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

In addition, the Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the completion date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all liabilities of the parties thereto thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the 2018 General Mandate. Under the 2018 General Mandate, the Directors are authorised to issue up to 1,099,560,000 Old Shares (adjusted to 137,445,000 Shares pursuant to the Share Consolidation) until the revocation, variation or expiration of the 2018 General Mandate.

As at the date of this announcement, (i) approximately 5.16% of the 2018 General Mandate has been utilised for up to 56,784,906 consideration Old Shares (adjusted to 7,098,113 consideration Shares pursuant to the Share Consolidation) being allotted and issued in the acquisition by the Group of certain equity interest in the relevant target company, for details, please refer to the announcements of the Company dated 4 September 2018 and 21 September 2018 respectively; and (ii) approximately 40.42% of the 2018 General Mandate has been utilised for up to 444,444,444 conversion Old Shares (adjusted to 55,555,555 conversion Shares pursuant to the Share Consolidation) upon conversion of the existing convertible bonds of the Company, for details, please refer to the announcements of the Company dated 5 March 2019 and 15 March 2019 respectively.

As at the date of this announcement, the Company is therefore entitled to issue up to 74,791,331 Shares pursuant to the 2018 General Mandate. Therefore, the maximum of 74,791,331 Placing Shares are capable of being issued under the 2018 General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

REASONS FOR THE PLACING

The Group is principally engaged in research and development, manufacture and sales of electronic devices, including fitness bracelets, GPS personal navigation devices, mobile internet devices and TV set-top boxes and software development. The Group provides one stop services to its customers by offering design, prototyping/sampling, manufacturing, assembling and packaging of its products.

The Directors consider that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet the operational needs of its existing core business and any other future development opportunities and obligations. The Placing also represents a good opportunity for the Company to raise additional capital to enhance its capital base and broaden its shareholders base.

The Directors consider that the terms of the Placing Agreement and the Placing, including the Placing Price and the Placing commission payable to the Placing Agent, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable based on the current market conditions, and are in the interests of the Group and the shareholders of the Company as a whole.

USE OF PROCEEDS

The maximum gross proceeds from the Placing will be approximately HK\$9.27 million. The maximum net proceeds from the Placing, after deduction of the placing commission and other related expenses, are estimated to be approximately HK\$9 million, representing a net issue price of approximately HK\$0.120 per Placing Share.

The net proceeds from the Placing are intended to be used to provide additional general working capital of the Group.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity in the past twelve months immediately prior to the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds	Intended use of the net proceeds	Actual use of the net proceeds
Announcements dated 3 March 2019 and 15 March 2019	Issue of convertible bonds under general mandate	Approximately HK\$20 million	Approximately HK\$10 million for the repayment of the outstanding liabilities of the Group and approximately HK\$10 million for general corporate purposes, including salary payments, rental payments, utilities and other operating expenses.	Approximately 98% used as intended as at the date of this announcement

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

Furthermore, the Company has not repurchased any Shares within the last twelve months prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company immediately after completion of the Placing (assuming that all of the 74,791,331 Placing Shares will be placed in full and no further Shares will be issued or repurchased before completion of the Placing) are set out below:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Shareholders				
Martford Limited (<i>Note 1</i>)	384,218,750	55.3%	384,218,750	50.0%
Mr. Tang Wai Ting, Samson (“ Mr. Tang ”) (<i>Note 2</i>)	4,487,500	0.6%	4,487,500	0.6%
Other Public Shareholders				
Placees	—	—	74,791,331	9.7%
Other public shareholders	<u>305,616,863</u>	<u>44.1%</u>	<u>305,616,863</u>	<u>39.7%</u>
Total	<u><u>694,323,113</u></u>	<u><u>100%</u></u>	<u><u>769,114,444</u></u>	<u><u>100%</u></u>

Notes:

1. Martford Limited is wholly-owned by Mr. Wang Liang Hai.
2. The 4,487,500 Shares are held by CPIT Investments Limited which is beneficially owned as to 99% by Mr. Tang, who was resigned as an executive Director on 25 March 2019. According to Rule 20.07 of the GEM Listing Rules, Mr. Tang is a connected person to the Company.

GENERAL

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associate”	has the meaning as ascribed to it under Rules 20.10 to 20.13 of the GEM Listing Rules;
“Board”	means the board of Directors;
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Company”	means Millennium Pacific Group Holdings Limited (匯思太平洋集團控股有限公司), a limited company incorporated in the Cayman Islands and whose Shares are listed on GEM (stock code: 8147);
“connected person”	has the meaning as ascribed to it under Rules 20.07 to 20.09 of the GEM Listing Rules;
“Director(s)”	means the director(s) of the Company;
“GEM”	means GEM of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM;
“2018 General Mandate”	the general and unconditional 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 21 June 2018 to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of that resolution;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	means party(ies) who are independent of and not connected with the Company, the Directors, chief executive, or Substantial Shareholders of the Company or any of its subsidiaries or their respective associates;

“Old Share(s)”	ordinary share(s) of nominal value of HK\$0.0002 each in the share capital of the Company prior to the Share Consolidation becoming effective on 29 May 2019;
“Placing”	means the placing of up to a total of 74,791,331 new Shares to be allotted and issued pursuant to the terms and subject to the conditions of the Placing Agreement;
“Placing Agent”	means ChaoShang Securities Limited, a licensed corporation incorporated in Hong Kong to carry out Type 1 regulated activities (dealing in securities) for the purpose of the SFO;
“Placing Agreement”	means the conditional placing agreement dated 17 June 2019 entered into between the Company and the Placing Agent in relation to the Placing;
“Placing Price”	means HK\$0.124 per Placing Share;
“Placing Shares”	means a maximum of 74,791,331 new Shares to be placed under the Placing and pursuant to the Placing Agreement;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of nominal value of HK\$0.0016 each in the share capital of the Company;
“Share Consolidation”	the consolidation of every eight (8) existing issued and unissued Old Shares into one (1) consolidated Share pursuant to the share consolidation of the Company which became effective on 29 May 2019;
“Substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rules;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“%”	means per cent.

By order of the Board
Millennium Pacific Group Holdings Limited
Liu Liang
Executive Director

Hong Kong, 18 June 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Liu Liang, Mr. Wang Li, Mr. Wu Yong Fu and Mr. Zhou Chuang Qiang; the non-executive Director of the Company is Mr. Chong Yu Keung; and the independent non-executive Directors of the Company 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 (www.hkgem.com) for at least seven days from the date of its posting and on the Company’s website at (www.mpgroup.hk).