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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.0016 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.016 each.

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the AGM.

A circular containing, among other things, further details of the proposed Share Consolidation together with a notice of the AGM will be despatched to the Shareholders on or before 6 June 2023.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 6,250,000,000 Shares of HK\$0.0016 each, of which 1,030,738,970 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$10,000,000 divided into 625,000,000 Consolidated Shares of HK\$0.016 each, of which 103,073,897 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari* passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions Precedent to the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM;
- (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the Cayman Islands Law (if applicable) and the GEM Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled. The Share Consolidation will become effective when the conditions mentioned above are fulfilled.

Listing Application

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought.

Other arrangements

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 30 June 2023, the Shareholders may during the period from Friday, 30 June 2023 to Monday, 7 August 2023 (both days inclusive) submit the existing share certificates in the colour of red for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange, at the expense of the Company, for new share certificates in the colour of yellow for the Consolidated Shares.

Thereafter, certificates of the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Thursday, 3 August 2023, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 128,264,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules.

As at the date of this announcement, there are outstanding 2021 Convertible Bonds in the principal amount of HK\$20,000,000 which carry rights to convert into approximately 166,666,666 conversion Shares in full based on the existing conversion price of HK\$0.12 per conversion Share. On 22 May 2023, the Company issued the announcement in relation to the proposed issue of the convertible bonds in an aggregate principal amount of HK\$6,500,000, which carry rights to convert into 203,125,000 conversion Shares in full based on the initial conversion price of HK\$0.032 per conversion Share. The Share Consolidation may lead to adjustments to the conversion price and/or the number of Shares falling to be issued upon conversion of the outstanding 2021 Convertible Bonds and the Convertible Bonds (if the Convertible Bonds are issued before the Share Consolidation becoming effective) pursuant to the terms and conditions of the 2021 Convertible Bonds and the Convertible Bonds.

The Company will make further announcement(s) on such adjustment(s) to the Share Options, the 2021 Convertible Bonds and the Convertible Bonds as and when appropriate pursuant to the GEM Listing Rules.

Save for the aforesaid, the Company has no other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

Reasons for the proposed Share Consolidation

According to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The Guide on Trading Arrangements has further stated that market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules. It has also stated in the Guide on Trading Arrangements that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Based on the closing price of HK\$0.027 per Share as at the date of this announcement, which is less than HK\$0.10, and board lot size of 8,000 Shares, the existing board lot value is HK\$216, which is lower than HK\$2,000. The Board considers that after the Share Consolidation (resulting in a theoretical price of HK\$0.27 per Consolidated Share), the estimated board lot value will be HK\$2,160.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Share, the Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The proposed Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Company believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors, and thus further broaden the shareholder base of the Company.

In view of the above reasons, the Company considers the Share Consolidation is justifiable. Accordingly, Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole, notwithstanding the potential costs and the impact arising from the creation of odd lots to the Shareholders.

Other corporate actions and fundraising activities in the next twelve months

As at the date of this announcement, (i) the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation; and (ii) the Company does not have any other plan, arrangement, understanding or intention on any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the AGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced under a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.:

Expected despatch date of the circular with notice of the AGM
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the AGM
Register of members closes (both days inclusive) Friday, 23 June to Wednesday, 28 June 2023
Latest time for lodging proxy form for the AGM
Date and time of the AGM
Publication of the announcement of the results of the AGM
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.
implementation of the Share Consolidation as set out in this announcement.
 implementation of the Share Consolidation as set out in this announcement. Effective date of the Share Consolidation Friday, 30 June 2023 First day of free exchange of existing share certificates
 implementation of the Share Consolidation as set out in this announcement. Effective date of the Share Consolidation

Original counter for trading in the Consolidated Shares
in board lots of 8,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens
Parallel trading in the Shares and Consolidated Shares (in the form of the existing and
new share certificates) commences
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd
lots of the Consolidated Shares
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares
Temporary counter for trading in board lots of 800 Consolidated Shares (in the form of existing share certificates) closes
3 August 2023
Parallel trading in the Shares and the Consolidated Shares (in the form of new and existing share certificates) ends 4:10 p.m. on Thursday, 3 August 2023
Last day of free exchange of existing share certificates for new share certificates for the Consolidated Shares

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the AGM.

A circular containing, among other things, further details of the Share Consolidation together with a notice of the AGM will be despatched to the Shareholders on or before 6 June 2023.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

"2021 Convertible Bonds" the outstanding convertible bonds issued on 2 July 2021

and due on 2 July 2023 in the principal amount of HK\$20,000,000 which could be converted into a total of 166,666,666 Shares at the conversion price of HK\$0.12 per

conversion Share

"AGM" the annual general meeting of the Company to be convened

and held on 28 June 2023 to consider, and if thought fit, to

approve, among other things, the Share Consolidation

"Board" board of Directors

"Business Day(s)" a day (excluding Saturday and Sunday and any day on

which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong

are open for business

"CCASS" the Central Clearing and Settlement System operated by the

HKSCC

"CCASS Operational the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and

CCASS, containing the practices, procedures and administrative requirements relating to operations and

functions of CCASS, as from time to time

"Circular" the circular of the Company to be despatched to the

Shareholders to provide, among other things, further details

regarding the Share Consolidation

"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)

"connected person(s)" as defined under the GEM Listing Rules

"Consolidated Share(s)" ordinary share(s) of HK\$0.016 each in the share capital of

the Company upon the Share Consolidation becoming

effective

"Convertible Bond(s)" the convertible bonds in an aggregate principal amount of

HK\$6,500,000 to be issued by the Company to the subscriber subject to the provisions of the terms and conditions of the Convertible Bonds pursuant to the

subscription agreement dated 22 May 2023

"Director(s)" Director(s) of the Company

"GEM" GEM of the Stock Exchange

"GEM Listing Committee" the GEM listing sub-committee of the board of the Stock

Exchange

"GEM Listing Rules" the Rules Governing the Listing of Securities on GEM

"Group" the Company and its subsidiaries

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"HKSCC" Hong Kong Securities Clearing Company Limited

"Hong Kong" the Hong Kong Special Administrative Region of the

People's Republic of China

"Share(s)" ordinary share(s) of nominal value of HK\$0.0016 each in

the share capital of the Company before the implementation

of the Share Consolidation

"Share Consolidation" the consolidation of every ten (10) issued and unissued

Shares of HK\$0.0016 each into one (1) Consolidated Share

of HK\$0.016 each

"Share Option(s)" share option(s) granted under the Share Option Scheme

entitling the holders thereof to subscribe for Share(s)

"Share Option Scheme" the share option scheme adopted by the Company on 20

June 2014

"Shareholder(s)" holder(s) of the Share(s)

"Stock Exchange" the Stock Exchange of Hong Kong Limited

"%" per cent

By order of the Board

Millennium Pacific Group Holdings Limited

Zhou Chuang Qiang

Executive Director

Hong Kong, 23 May 2023

As at the date of this announcement, the executive Director is Mr. Zhou Chuang Qiang; and the independent non-executive Directors are Mr. Wong Tik Tung and Mr. Man Wai Lun.

This announcement, for which the Directors 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 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 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).