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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 ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

PROPOSED ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that on 1 August 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber in relation to the issue of Convertible Bonds in an aggregate principal amount of HK\$8,634,000.

Upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.25 per Conversion Share (subject to adjustments), a total of 34,536,000 Conversion Shares will be issued, representing approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the General Mandate.

The gross proceeds and net proceeds from the Subscription will be HK\$8,634,000 and approximately HK\$8.6 million respectively. The Group intends to use the net proceeds to be raised from the issue of the Convertible Bonds for general working capital.

The issue of Conversion Shares under the General Mandate is not subject to Shareholders' approval. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

As the Subscription Agreement is subject to the conditions precedent therein and therefore may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUE OF CONVERTIBLE BONDS

The Subscription Agreement

On 1 August 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber.

Date

1 August 2025 (after trading hours)

Parties

- (1) The Company (as issuer); and
- (2) Viva Gain Investments Limited (as Subscriber).

The Subscriber is a company incorporated in the Republic of Seychelles with limited liability and is principally engaged in investment holding. The Subscriber is wholly owned by Mr. Ma Xingzhong, who is also the sole director of the Subscriber.

Save as disclosed above, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

Conditions precedent

The Subscriber shall only be under obligation to subscribe and pay for the Convertible Bonds on the Bond Closing Date if:

- (i) the Stock Exchange grants the listing of and permission to deal in the Conversion Shares on the Stock Exchange;
- (ii) the Subscriber and the Company have complied with all applicable laws and rules;
- (iii) no facts or circumstances have occurred which would have any material adverse effect on the Company's business, assets, financial condition, performance, operation, properties or other affairs (financial or otherwise);
- (iv) there is no material breach of the Company's warranties under the Subscription Agreement; such warranties not being misleading or untrue in any material respects; and the Company has not committed any material breach of the Subscription Agreement; and
- (v) there is no material breach of the Subscriber's warranties under the Subscription Agreement; such warranties not being misleading or untrue in any material respects; and the Subscriber has not committed any material breach of the Subscription Agreement,

provided, however, that the Subscriber may waive satisfaction of items (iii) and (iv) of the conditions precedent specified above. If the conditions precedent are not fulfilled by the Long Stop Date, the Subscription Agreement will terminate and cease to have any effect. None of the parties to the Subscription Agreement shall have any claim against the other save for any antecedent breaches of the provisions thereof.

The Subscriber shall pay HK\$8,634,000, being the aggregate principal amount of the Convertible Bonds, to the Company no later than the Bond Closing Date.

Bond Closing Date

Subject to the conditions precedent of the Subscription Agreement set out above, the closing of the Subscription shall take place on the Bond Closing Date, whereupon the Company shall deliver the bond certificates duly executed on behalf of the Company to the Subscriber.

Principal terms of the Convertible Bonds

Principal terms of the Convertible Bonds are set out as follows:

Issuer:	The Company
Subscriber:	Viva Gain Investments Limited
Principal amount:	HK\$8,634,000
Interest:	5% per annum from the issue date of the Convertible Bonds, calculated on the basis of a 360-day year consisting of 12 months of 30 days each. The interest will be paid on the Maturity Date.
Maturity Date:	the second anniversary of the issue date of the Convertible Bonds.
Conversion Price:	HK\$0.25 per Conversion Share, subject to adjustment(s) upon occurrence of certain events as summarised in the paragraph headed “ADJUSTMENTS TO THE CONVERSION PRICE” below.
Conversion Right:	The Bondholders have the right to convert any of their Convertible Bonds into Shares at any time during the Conversion Period. Any Conversion Right of the Convertible Bonds may only be exercised in respect of a minimum of HK\$1,000,000 or an integral multiples thereof.
Conversion Period:	The Conversion Right may be exercised, at the option of the Bondholders, at any time commencing from the issue date of the Convertible Bonds up to 3:30 p.m. on the 5th Business Day prior to the Maturity Date.

Redemption:	On Maturity Date: Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the Convertible Bonds at its principal amount on the Maturity Date together with accrued but unpaid interest (if any). On redemption: The Company may, with the written consent of the Bondholders, at any time up to (and excluding) the commencement of the 7 calendar day period ending on (and including) the Maturity Date, by written notice to the Bondholders elect to redeem the whole or part (being an authorised denomination) of the then outstanding principal amount of the Convertible Bonds at an amount equal to the sum of (a) 100% of the principal amount of the Convertible Bonds sought to be redeemed as specified in the written notice; and (b) all unpaid interest up to the Maturity Date which the Bondholders are entitled to.
Status and listing:	The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves and pari passu with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Company. No application is intended to be made for the listing of the Convertible Bonds on any stock exchange.
Transferability:	The Convertible Bonds may be transferred by the Bondholders to any third party (whether he/she/it is a connected person of the Company), subject to prior written consent by the Company and compliance of the conditions of the Convertible Bonds and further subject to the conditions, approvals, requirements and any other provisions of or under: (a) the Stock Exchange or their rules and regulations (including any approval that may be required from the Stock Exchange in case the Convertible Bond (or part thereof) is transferred or assigned to a connected person of the Company); (b) the approval for listing in respect of the Conversion Shares; (c) the Hong Kong Code on Takeovers and Mergers; and (d) all applicable laws and regulations.

Any transfer of the Convertible Bonds shall be in respect of a minimum of HK\$1,000,000 or an integral multiples thereof.

Events of Default:

If any of the events specified below occurs, any Bondholder may give notice to the Company that the Convertible Bonds held by such Bondholder are immediately due and payable:

- (i) a default is made for more than 7 Business Days in the payment of the principal or interest under the Convertible Bonds;
- (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision of the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal and interest payable under the Convertible Bond) and such default continues without remedy for the period of 30 calendar days next following the service by a Bondholder on the Company a notice requiring such default to be remedied;
- (iii) an order of a court of competent jurisdiction is made that the Company be wound up or dissolved;
- (iv) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganisation, receiverships or insolvency law and such proceedings shall not have been discharged or stayed within a period of 120 calendar days;
- (v) any event occurs which has an analogous effect to any of the events referred to in paragraphs (i) to (iv) above;
- (vi) the listing of the Shares is withdrawn from the Stock Exchange; and
- (vii) the listing of the Shares on the Stock Exchange is suspended for a continuous period of 15 trading days on each of which the Stock Exchange is generally open for trading, save as any suspension in relation to the clearance of any announcement, circular or other documents pursuant to the GEM Listing Rules or the Hong Kong Code on Takeovers and Mergers.

The Company shall forthwith on becoming aware of any such event as is mentioned above give notice in writing thereof to the Bondholders. Notwithstanding the foregoing, if the Company shall fail to issue the Conversion Shares in accordance with the terms and conditions of the Convertible Bonds, any Bondholder shall be entitled to bring an action against the Company for either specific performance or direct damages which shall not in aggregate exceed the aggregate principal amount of the Convertible Bonds plus interest accrued.

ADJUSTMENTS TO THE CONVERSION PRICE

The initial Conversion Price will be subject to adjustment in the following events:

- (i) an alteration to the nominal value of issued Share as a result of consolidation, subdivision or reclassification;
- (ii) capitalisation of profits or reserves of the Company;
- (iii) a capital distribution being made by the Company to the Shareholders (whether on a reduction of capital or otherwise, except where the Conversion Price falls to be adjusted under (ii) above);
- (iv) issue of new Shares to all or substantially all existing Shareholders as a class by way of rights, or issue or grant to all or substantially all existing Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 90% of the Current Market Price;
- (v) issue of an securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or grant to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares);
- (vi) issue (otherwise than as mentioned in (iv) above) wholly for cash any new Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise as mentioned in condition (iv) above) options, warrants or other rights to subscribe or purchase Shares, in each case at a price per Share which is less than 90% of the Current Market Price;
- (vii) issue of any securities (other than the Convertible Bonds), by the Company or any of its subsidiaries (otherwise than as mentioned in (iv), (v) or (vi) above) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity, which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 90% of the Current Market Price;

- (viii) any modification of the rights of conversion, exchange or subscription attaching to any such securities mentioned in (vii) above (other than in accordance with the terms applicable to such securities) arises, so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 90% of the Current Market Price; and
- (ix) the occurrence of any other event(s) or circumstance(s) not referred to in (i) to (viii) above, which is/are corporate action(s) within the Company's control, and in such case the Company shall at its own expense request an independent valuer to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable.

If any adjustment made to the Conversion Price would require the Company to allot and issue Shares in excess of 34,538,719 unissued Shares under the General Mandate, the Bondholders would be entitled to convert up to the maximum of 34,538,719 Conversion Shares and all remaining portion of the principal amount will be redeemed on a dollar-to-dollar basis plus interest accrued on the conversion date of the Convertible Bonds.

Conversion Price

The Conversion Price of HK\$0.25 per Conversion Share represents:

- (i) a premium of approximately 2.04% to the closing price of HK\$0.245 per Share as quoted on the Stock Exchange on 1 August 2025, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 2.04% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement of HK\$0.245 per Share.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber which had taken into account, among other things, the market condition, the prevailing market price of the Shares and the financial conditions, performance and business prospects of the Group. The Directors consider the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion Shares

Assuming the Conversion Rights are exercised in full at the initial Conversion Price of HK\$0.25, a maximum of 34,536,000 Conversion Shares will be allotted and issued, which represents:

- (i) approximately 20.00% of the total number of Shares in issue of 172,693,597 Shares as at the date of this announcement; and
- (ii) approximately 16.67% of the total number of Shares in issue as enlarged by the allotment and issuance of the Conversion Shares upon the full conversion of the Convertible Bond at the Conversion Price without adjustment (assuming there is no other change in the total number of Shares from the date of this announcement up to the issue of the Conversion Shares).

The maximum aggregate nominal value of the Conversion Shares (upon exercise in full of the Conversion Rights) will be HK\$552,576 based on the nominal value of HK\$0.016 per Share.

Effect on the shareholding structure of the Company

The shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Existing Convertible Bonds; and (iii) upon full conversion of the Existing Convertible Bonds and the Convertible Bonds are set out as follows:

	As at the date of this announcement		Upon full conversion of the Existing Convertible Bonds and the Convertible Bonds	
	<i>Number of Shares</i>	<i>approx. % of shareholding</i>	<i>Number of Shares</i>	<i>approx. % of shareholding</i>
Zhang Aiguo	20,312,500	11.76%	20,312,500	9.80%
Bao Hongsheng	20,000,250	11.58%	20,000,250	9.65%
Li Qi	20,000,000	11.58%	20,000,000	9.65%
Huang Baolin	20,000,000	11.58%	20,000,000	9.65%
Lucky Most Investments Limited (note 1)	8,724,000	5.05%	8,724,000	4.21%
The Subscriber	—	0.00%	34,536,000	16.67%
Public Shareholders	<u>83,656,847</u>	<u>48.44%</u>	<u>83,656,847</u>	<u>40.37%</u>
Total	<u><u>172,693,597</u></u>	<u><u>100.00%</u></u>	<u><u>207,229,597</u></u>	<u><u>100.00%</u></u>

Note:

1. The 8,724,000 Shares are held by Lucky Most Investments Limited, which is wholly and beneficially owned by Mr. Zhou Yihong.

Reasons for and benefits of the Subscription and use of proceeds

The Group is principally engaged in research and development, manufacture and sales of electronic products and provision of application software development and online information and digital marketing services. The Group provides one-stop services to the customers by offering design, prototyping/sampling, manufacturing, assembling and packaging and marketing of their products.

The gross proceeds from the issue of the Convertible Bonds will be HK\$8,634,000 and the net proceeds from the issue of the Convertible Bonds will be approximately HK\$8.6 million (after deducting the related expenses and professional fees). The Group intends to use the net proceeds from the Subscription for general working capital, including ordinary business cash flows, staff costs, legal and professional fees, auditor's remuneration, rental and other operating expenses.

The Directors are of the view that (i) the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber; (ii) the Conversion Price represents a premium to the recent price of the Shares; and (iii) the interest payable by the Company to the Bondholder is comparatively lower than the market interest rate provided by the banks. Accordingly, the Directors consider that the Subscription (including terms of the Convertible Bonds) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Fund raising activities of the Company in the past twelve months

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual of use of net proceeds
9 August 2024	Issue of convertible bonds of HK\$6,800,000 at the initial conversion price of HK\$0.34 per conversion share	Approximately HK\$6.8 million	Staff costs, legal and professional fees, auditor's remuneration and rental expenses	Used as intended

General mandate

The Conversion Shares will be allotted and issued under the General Mandate upon conversion of the Convertible Bonds. Under the General Mandate, the Company is authorised to issue up to 34,538,719 Shares until the revocation, variation or expiration of the General Mandate.

As at the date of this announcement, the Company is entitled to issue up to 34,538,719 Shares pursuant to the General Mandate. The issue of Conversion Shares under the General Mandate is not subject to the Shareholders' approval.

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

As the Subscription Agreement is subject to the conditions precedent therein and therefore may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	board of Directors
“Bond Closing Date”	a date to be agreed by the parties after the fulfilment of the conditions precedent, and in any event no later than 1 September 2025
“Bondholder(s)”	in relation to any Convertible Bonds at any time the person whose name appears in the register of holder of the Convertible Bonds as the holder of Convertible Bonds at the relevant time
“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
“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
“Conversion Price”	HK\$0.25 subject to adjustments in accordance with the terms and conditions of the Convertible Bonds
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the aggregate principal amount or a part thereof into Conversion Shares
“Conversion Share(s)”	the Shares to be issued by the Company under the Convertible Bonds
“Convertible Bond(s)”	the convertible bond(s) in an aggregate principal amount of HK\$8,634,000 to be issued by the Company to the Subscriber subject to the provisions of the terms and conditions of the Convertible Bonds
“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
“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 23 June 2025 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”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	29 August 2025 or such later date as may be mutually agreed by the Company and the Subscriber in writing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of nominal value of HK\$0.016 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber”	Viva Gain Investments Limited
“Subscription”	the subscription for the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 1 August 2025 entered into between the Company and the Subscriber in relation to the Subscription
“%”	per cent

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

Hong Kong, 1 August 2025

As at the date of this announcement, the executive Directors are Mr. Chen Yiliang, Mr. Pan Xiaodong (co-chairman) and Mr. Li Qi (co-chairman); and the independent non-executive Directors are Mr. Chen Yifan, Mr. Zhou Fenli and Ms. Zhi Jiangbo.

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.8147.hk).