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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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.*

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of Directors (the “**Board**”) of the Company is pleased to announce the following consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the preceding year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	5	106,442	67,359
Cost of sales		<u>(99,041)</u>	<u>(61,197)</u>
Gross profit		7,401	6,162
Other income and gains	6	61	4,344
Selling and distribution costs		(3,584)	(484)
Administrative expenses		(9,973)	(5,851)
Impairment losses for trade receivables		(2,612)	(207)
Impairment losses for other receivables		<u>(103)</u>	<u>–</u>
(Loss)/profit from operation		(8,810)	3,964
Finance costs		<u>(510)</u>	<u>(1,273)</u>
(Loss)/profit before tax	7	(9,320)	2,691
Income tax	8	<u>–</u>	<u>–</u>
(Loss)/profit for the year		<u>(9,320)</u>	<u>2,691</u>

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(220)	121
Release of exchange reserve upon disposals of subsidiaries		—	200
		<u> </u>	<u> </u>
Other comprehensive (loss)/income for the year		<u>(220)</u>	<u>321</u>
Total comprehensive (loss)/income for the year		<u>(9,540)</u>	<u>3,012</u>
(Loss)/profit for the year attributable to:			
— Owners of the Company		(8,993)	2,890
— non-controlling interests		(327)	(199)
		<u> </u>	<u> </u>
		<u>(9,320)</u>	<u>2,691</u>
Total comprehensive (loss)/income for the year attributable to:			
— Owners of the Company		(9,238)	3,207
— non-controlling interests		(302)	(195)
		<u> </u>	<u> </u>
		<u>(9,540)</u>	<u>3,012</u>
(Loss)/earnings per share (HK cents)			
— Basic	<i>10</i>	<u>(5.14)</u>	<u>2.31</u>
— Diluted		<u>(5.14)</u>	<u>2.31</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		856	4
Interests in associates		–	–
Goodwill		75	70
		<u>931</u>	<u>74</u>
Current assets			
Inventories		1,653	842
Trade receivables	<i>11</i>	50,713	41,489
Prepayments, deposits and other receivables		5,822	4,770
Bank and cash balances		6,212	4,664
		<u>64,400</u>	<u>51,765</u>
Current liabilities			
Trade payables	<i>12</i>	19,837	15,521
Other payables, accruals and contract liabilities		28,351	18,779
Other borrowings		7,430	7,166
		<u>55,618</u>	<u>41,466</u>
Net current assets		<u>8,782</u>	<u>10,299</u>
Total assets less current liabilities		<u>9,713</u>	<u>10,373</u>

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liabilities			
Convertible bonds		—	6,541
		<u> </u>	<u> </u>
NET ASSETS		9,713	3,832
		<u> </u>	<u> </u>
Capital and reserves			
Share capital	<i>13</i>	3,316	2,443
Reserves		6,029	719
		<u> </u>	<u> </u>
Equity attributable to owners of the Company		9,345	3,162
Non-controlling interests		368	670
		<u> </u>	<u> </u>
TOTAL EQUITY		9,713	3,832
		<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Millennium Pacific Group Holdings Limited (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, Jiangsu 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 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 Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 July 2014.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) research and development, manufacture, sale of electronic devices, (ii) sale and distribution of specialised milk products and healthy food items and; (iii) trading of cigars.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which in collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**Int**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (the “**HKCO**”).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

3. ADOPTION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s financial position and performance for the current and prior year and/or the disclosures set out in the consolidated financial statements.

4. SEGMENT INFORMATION

Operating segment information

The Group is principally engaged in a single type business of research, development, manufacturing and sale of electronic devices. In addition, the Group is also involved in the sale and distribution of specialised milk products and healthy food items and trading of cigars. Information reported to the board of directors, being the chief operating decision maker, for the purposes of resources allocation and assessment focuses on revenue analysis by products. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosure, major customers and geographical information are presented.

Geographical information

Non-current assets of the Group are presented based on the geographical location as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	853	–
The People's Republic of China (the "PRC")	<u>3</u>	<u>4</u>
	<u><u>856</u></u>	<u><u>4</u></u>

Non-current assets represent property, plant and equipment.

Information about the Group's revenue from external customers is presented based on the geographical location as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	96,160	59,981
The PRC	<u>10,282</u>	<u>7,378</u>
	<u><u>106,442</u></u>	<u><u>67,359</u></u>

Information about major customers

The Group's customer base included two (2024: one) customers with whom revenue have exceeded 10% of the Group's revenue for the year is set out as below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	74,544	59,981
Customer B (<i>note</i>)	<u>14,557</u>	<u>N/A</u>

Note:

The customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

5. REVENUE

Disaggregation of revenue from contracts with customers by major products for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<i>Products transferred at a point in time:</i>		
Sales of manufactured electronic devices	74,544	59,981
Sales on trading of cigars	21,616	–
Sale and distribution of specialised milk products and healthy food items	<u>10,282</u>	<u>7,378</u>
	<u>106,442</u>	<u>67,359</u>

6. OTHER INCOME AND GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	1	2
Gain on disposals of subsidiaries	–	3,241
Gain on disposal of an associate	–	905
Net foreign exchange gains	–	196
Others	<u>60</u>	<u>–</u>
	<u>61</u>	<u>4,344</u>

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation of property, plant and equipment	4	2
Staff costs (including directors' emoluments)		
— Salaries, bonus and allowances	4,081	3,233
— Share-based payments	—	262
— Retirement benefits scheme contributions	195	153
	4,276	3,648
Cost of inventories sold	99,041	61,197
Foreign exchange losses/(gains), net	143	(196)
Short-term lease charges on premises	44	662
Auditors' remuneration		
— Audit services	520	520
— Non-audit services	20	20
	540	540
Impairment losses for trade receivables	2,612	207
Impairment losses for other receivables	103	—
	<u> </u>	<u> </u>

8. INCOME TAX

Under the two-tiered profits tax regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered profit tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the years ended 31 December 2025 and 2024.

No provision for Hong Kong Profits Tax has been made for current year since the Group's entities operating in Hong Kong either had no assessable profit generated for current year or had sufficient tax losses brought forward to set off against current year's assessable profits.

The tax rate applicable to the Group's PRC subsidiaries were 25% (2024: 25%) during the year.

No provision for PRC EIT is required since the PRC subsidiaries has no assessable profits for the years ended 31 December 2025 and 2024.

9. DIVIDEND

No dividend had been paid or declared by the Company during the year (2024: Nil).

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit		
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share	<u>(8,993)</u>	<u>2,890</u>
	2025	2024
Number of shares		
Issued ordinary shares at the beginning of the year	152,693,597	103,073,897
Effect of conversion of shares	22,154,762	18,614,242
Effect of exercise of share option	<u>–</u>	<u>3,407,554</u>
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>174,848,359</u>	<u>125,095,693</u>

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for both years ended 31 December 2025 and 2024 because the Company's outstanding share options and convertible bonds years ended 31 December 2025 and 2024 do not give rise to any dilution effect.

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	54,469	42,630
Less: Loss allowance	<u>(3,756)</u>	<u>(1,141)</u>
	<u>50,713</u>	<u>41,489</u>

The Group's trading terms with its major customers is on credit with terms within 30 days (2024: 30 to 90 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

An ageing analysis of the Group's trade receivables based on the invoice date is net of loss allowance as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	8,476	5,820
31–60 days	17,757	4,722
61–90 days	705	6,869
Over 90 days	<u>23,775</u>	<u>24,078</u>
	<u>50,713</u>	<u>41,489</u>

12. TRADE PAYABLES

An ageing analysis of the Group's trade payables, based on the invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	8,308	4,336
31–60 days	5,484	3,572
61–90 days	2,400	4,945
Over 90 days	3,645	2,668
	<u>19,837</u>	<u>15,521</u>

13. SHARE CAPITAL

	Number of ordinary shares	Amount <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.016 each		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025		
	<u>625,000,000</u>	<u>10,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.016 each		
At 1 January 2024	103,073,897	1,649
Exercise of share option (<i>note a</i>)	9,307,200	149
Conversion (<i>note b</i>)	40,312,500	645
At 31 December 2024 and 1 January 2025	152,693,597	2,443
Conversion (<i>note c</i>)	<u>54,536,000</u>	<u>873</u>
At 31 December 2025	<u>207,229,597</u>	<u>3,316</u>

Note a: On 20 August 2024, the Group issued 9,307,200 shares at HK\$0.32 each following the exercise of share options under the share option scheme, generating proceeds of HK\$2,978,000.

Note b: On 19 July 2024, the Group issued 20,312,500 shares at HK\$0.32 each and 20,000,000 shares at HK\$0.15 each following the conversion of convertible bonds held by the bondholders.

Note c: On 15 April 2025 and 10 October 2025, the Group issued 20,000,000 shares at HK\$0.34 each and 34,536,000 shares at HK\$0.25 each, respectively, following the conversions of convertible bonds held by the bondholders.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 December 2025, the Group continued to engage in the research and development, manufacture, sale of electronic devices, trading of cigars, and sales and distribution of specialized milk products and health food.

The Group has been actively conducting and developing the business of consumer products and optimising its structure according to the market conditions to enhance its competitiveness. In the third quarter of 2025, the Group acquired 100% of the shares of Himalaya Cigar & Wine Limited (喜馬拉雅茄酒有限公司), a company specializing in the sale and distribution of cigars, providing a valuable opportunity for the Group to expand its business landscape into a different industry, enabling it to increase and diversify its revenue streams and broaden its business network.

BUSINESS ENVIRONMENT AND DEVELOPMENT

In 2025, the global business environment saw intensified competition, with geopolitical tensions and trade protectionism weighing on the economy. The protracted and unresolved Russia-Ukraine conflict continued to disrupt energy and food supply chains, impacting global energy stability and food prices. The economic and technological rivalry between China and the U.S. was characterized by a mix of limited openness and targeted suppression, with tariff-related adjustments on semiconductors and electronics adding to the uncertainty. Global trade policies deteriorated, marked by a surge in restrictive measures, forcing multinational corporations to adjust their production structures. While inflationary pressures eased, the impact of policy shifts remained profound. Interest rate adjustments by the Federal Reserve led to capital divergence, policy competition in emerging fields intensified, and global demand remained under pressure.

Faced with fierce competition and rising policy uncertainties in the global business environment of 2025, the operations of the Group and its associates inevitably encountered challenges. However, the Group seized market opportunities, expanded its business landscape through acquisitions and mergers, and promoted a diversified business layout by proactively responding with forward-looking strategic planning. At the same time, the Group continuously optimized its operational management system, further solidified its business foundation, expanded market coverage, and effectively enhanced its resilience to risks and core competitiveness, achieving steady development.

BUSINESS REVIEW

In 2025, revenue from sales of manufactured products remained the Group's primary stream of revenue, which accounted for approximately 70% of our overall revenue in 2025 while it accounted for approximately 89% in 2024. However, given the negative impact on industries relating to semiconductors, electronic components and products under the abovementioned macro-environment. We promoted the diversification of our revenue streams by adding a new business line of cigar trading during the year. As such, the total revenue of the Group increased by approximately 58% from approximately HK\$67.4 million in 2024 to approximately HK\$106.4 million in 2025. Overall gross profit margin decreased from approximately 9.2% in 2024 to approximately 7.0%, while our gross profit increased by approximately HK\$1.2 million from approximately HK\$6.2 million in 2024 to approximately HK\$7.4 million in 2025.

FINANCIAL REVIEW

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total operation-related expenses		
Selling and distribution costs		
– Staff costs	734	–
– Marketing fee	2,600	–
– Others	250	484
Administrative expenses		
– Staff costs	3,542	3,648
– Legal and professional fee	3,097	533
– Others	3,334	1,670
Impairment losses for trade receivables	2,612	207
Impairment losses for other receivables	103	–
	<u>16,272</u>	<u>6,542</u>

Staff costs represented one of the major components of the Group's operating expenses, which mainly consisted of directors' emoluments, salaries, retirement benefit scheme contributions, share-based expenses and other benefits. Staff costs increased by approximately HK\$0.7 million from approximately HK\$3.6 million in 2024 to approximately HK\$4.3 million in 2025. The increase was mainly attributable to the Group's normal investments made for business expansion and fostering new growth engines.

The total operation-related expenses increased by approximately HK\$9.7 million from approximately HK\$6.5 million in 2024 to approximately HK\$16.3 million in 2025, mainly due to (i) the launch of the new cigar trading business during the year, which required various upfront start-up expenses, resulting in an increase in operating expenses; and (ii) delayed payment collection from certain customers, extended aging structure of receivables, and additional provision for impairment made in accordance with the expected credit loss model.

Finance costs represented imputed interest on lease liabilities and convertible bonds and interest on other payables. Total finance cost decreased from approximately HK\$1.3 million in 2024 to approximately HK\$0.5 million in 2025.

Profit/(loss) Attributable to Owners of the Company

The Group recorded a loss attributable to owners of the Company of approximately HK\$9.0 million in 2025, representing an increase in loss of approximately HK\$11.9 million from a profit attributable to owners of approximately HK\$2.9 million in 2024, primarily due to excessive initial market and channel investments for the new business line of cigar trading added during the year, where the scale of losses exceeded the profit contributions from the traditional businesses, ultimately resulting in the Group recording an overall loss.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Below is a summary of the key financial ratio:

		As at 31 December	
	<i>Notes</i>	2025	2024
Current ratio	<i>1</i>	1.16	1.25
Quick ratio	<i>2</i>	1.13	1.23
Gearing ratio	<i>3</i>	0.76	3.58

Notes:

1. Current ratio is calculated by dividing total current assets by total current liabilities as at the respective period end.
2. Quick ratio is calculated by dividing total current assets less inventories by total current liabilities as at the respective period end.
3. Gearing ratio is calculated by dividing total debt by total equity as at the respective period end. For the avoidance of doubt, total debt includes other borrowings, liability component of convertible bonds and lease liabilities.

Historically, the Group has funded its liquidity and capital requirements primarily through operating cash flows, borrowings and funds from the listing of the Company's shares on the GEM of the Stock Exchange. The Group requires cash primarily for working capital needs.

CONVERTIBLE BONDS

On 2 July 2021, convertible bonds in an aggregate principal amount of HK\$20,000,000 with 4% interest per annum and two-year lifespan were issued to Mr. Wu Xiongbin, under the general mandate granted to the Directors. Assuming full conversion at the conversion price of HK\$0.12, the convertible bonds will be convertible into 166,666,667 conversion Shares ("**2021 CB**").

The 2021 CB was matured in July 2023. The Company redeemed HK\$15 million in principal and reached an agreement with the holder of the 2021 CB that the remaining principal shall continue to bear an interest rate of 4% per annum until repayment. For more details, please refer to "Other borrowings" in the consolidated financial statements.

On 14 June 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 to Viva Gain Investments Limited ("**Viva Gain**"), under the general mandate granted to the Directors, assuming full conversion of the 2023 Convertible Bonds ("**2023 CB I**") at the initial conversion price of HK\$0.032, the 2023 Convertible Bonds 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.

As a result of the share consolidation of every 10 issued and unissued ordinary Shares into 1 consolidated Share effective on 30 June 2023 (the "**Share Consolidation**"), the conversion prices of the 2023 CB I have been adjusted to HK\$0.32. The 2023 CB I will be convertible into 20,312,500 conversion shares.

On 16 July 2024, the Company received a conversion notice from Viva Gain in relation to the exercise of the conversion rights attaching to the 2023 CB I to convert the convertible bonds in the principal amount of HK\$6,500,000.00 into 20,312,500 conversion shares at the conversion price of HK\$0.32 per conversion share (“**VG Conversion**”). Accordingly, on 19 July 2024, 20,312,500 conversion shares, representing approximately 19.71% of the total number of issued Shares immediately before the Conversions (as defined below) and approximately 14.17% of the total number of issued Shares as enlarged by the issue of the conversion shares after the Conversions (as defined below), were allotted to Viva Gain under the relevant general mandate in accordance with the terms and conditions of the 2023 CB I. The conversion shares shall rank pari passu with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares in issue as at the date of the allotment and among themselves in all respects. For more details, please refer to the announcement of the Company dated 19 July 2024.

On 14 September 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 were issued to Mr. Wei Haiquan, (“**Mr. Wei**”) under the general mandate granted to the Directors, assuming full conversion of the 2023 Convertible Bonds II (“**2023 CB II**”) at the conversion price of HK\$0.15, the 2023 CB 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.

On 16 July 2024, the Company received a conversion notice from Mr. Wei in relation to the exercise of the conversion rights attaching to the 2023 CB II to convert the convertible bonds in the principal amount of HK\$3,000,000.00 into 20,000,000 conversion shares at the conversion price of HK\$0.15 per conversion share (“**Mr. Wei Conversion**”, and together with VG Conversion, the “**Conversions**”). Accordingly, on 19 July 2024, 20,000,000 conversion shares, representing approximately 19.40% of the total number of issued Shares immediately before the Conversions and approximately 13.95% of the total number of issued Shares as enlarged by the issue of the conversion shares after the Conversions, were allotted to Mr. Wei under the relevant general mandate in accordance with the terms and conditions of the 2023 CB II. The conversion shares shall rank pari passu with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares in issue as at the date of the allotment and among themselves in all respects. For more details, please refer to the announcement of the Company dated 19 July 2024.

On 9 September 2024, the Company issued convertible bonds in an aggregate principal amount of HK\$6,800,000 with 5% interest per annum and two-year lifespan to Lucky Most Investments Limited (“**Lucky Most**”), under the general mandate granted to the Directors (the “**2024 CB**”). Based on the initial conversion of each conversion share price of HK\$0.34, the 2024 CB can be converted into 20,000,000 conversion shares. The conversion price of HK\$0.34 represented a premium of approximately 17.24% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on 9 August 2024, being the date of the relevant subscription agreement.

The gross proceeds from the issue of the 2024 CB were HK\$6,800,000 and the net proceeds from the issue of the 2024 CB were approximately HK\$6.8 million (after deducting the related expenses and professional fees). The Group intended to use the net proceeds from the subscription for general working capital purposes including staff costs, legal and professional fees, auditor’s remuneration and rental expenses. 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 2024 CB) 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 9 August 2024, 30 August 2024 and 9 September 2024.

On 10 April 2025, the Company received a conversion notice from Lucky Most in relation to the exercise of the conversion rights attached to the 2024 CB to convert the convertible bonds in the principal amount of HK\$6,800,000.00 into 20,000,000 conversion shares at the conversion price of HK\$0.34 per conversion share (“**Lucky Most Conversion**”). Accordingly, on 15 April 2025, 20,000,000 conversion shares, representing approximately 13.10% of the total number of issued Shares immediately before the conversion and approximately 11.58% of the total number of issued Shares as enlarged by the issue of the conversion shares after the conversion, were allotted to Lucky Most under the relevant general mandate in accordance with the terms and conditions of the 2024 CB. The conversion shares shall rank pari passu with, and carry the same rights as, the other Shares in issue as at the date of the allotment and among themselves in all respects (including the rights to dividends). For more details, please refer to the announcement of the Company dated 15 April 2025.

The table below sets out the detailed breakdown and description of the utilised net proceeds and unutilised net proceeds as at 31 December 2025. The utilised net proceeds were used as intended.

Actual use of net proceeds	Allocation of net proceeds (HK\$)	Percentage to the total net proceeds (%)	Amount utilised up to 31 December 2024 (HK\$)	Amount utilised up to 31 December 2025 (HK\$)	Remaining balance as of 31 December 2025 (HK\$)
Staff costs	approximately 4,000,000	58.8	approximately 1,470,000	approximately 4,000,000	0
Legal and professional fees	approximately 1,000,000	14.7	approximately 510,000	approximately 1,000,000	0
Auditor's remuneration	approximately 1,000,000	14.7	approximately 500,000	approximately 1,000,000	0
Rental expenses	approximately 800,000	11.8	approximately 320,000	approximately 800,000	0
Total	approximately 6,800,000	100.0	approximately 2,800,000	approximately 6,800,000	0

On 1 August 2025, the Company issued convertible bonds with an aggregate principal amount of HK\$8,634,000, bearing a coupon of 5% per annum and a term of two years, to Viva Gain (the “**2025 Convertible Bonds**”) pursuant to the general mandate granted to the Directors. Based on the initial conversion price of HK\$0.25 per convertible share, the 2025 Convertible Bonds were convertible into 34,536,000 conversion shares. The conversion price of HK\$0.25 represented a premium of approximately 2.04% over the closing price of HK\$0.245 per share quoted on the Stock Exchange on 1 August 2025, being the date of the relevant subscription agreement.

The gross proceeds from the issue of the 2025 Convertible Bonds amounted to HK\$8,634,000, and the net proceeds from the issue of the 2025 Convertible Bonds were approximately HK\$8.6 million (after deducting related expenses and professional fees). The Group intended to apply the net proceeds from the Subscription as general working capital, including staff costs, legal and professional fees, auditor's remuneration, rental expenses and other operating expenses. The directors considered that (i) the subscription agreement was entered into by the Company and the subscriber on normal commercial terms after arm's length negotiation; (ii) the conversion price represented a premium to the recent price of the Shares; and (iii) the interest payable by the Company to the bondholders was relatively lower than the market interest rate offered by banks. Accordingly, the directors considered that the subscription (including the terms of the 2025 Convertible Bonds) was fair and reasonable and in the interests of the Company and its shareholders of the Company as a whole. Please refer to the announcements of the Company dated 1 August 2025, 20 August 2025 and 22 August 2025 for details.

On 9 October 2025, the Company received a conversion notice from Viva Gain for the exercise of the conversion rights attaching to the 2025 Convertible Bonds to convert the convertible bonds with a principal amount of HK\$8,634,000.00 into 34,536,000 conversion shares at a conversion price of HK\$0.25 per conversion share. Accordingly, on 10 October 2025, pursuant to the terms and conditions of the 2025 Convertible Bonds, 34,536,000 conversion shares were allotted and issued to Viva Gain under the relevant general mandate, representing approximately 20.00% of the total number of issued shares immediately prior to such conversion and approximately 16.67% of the total number of issued shares as enlarged by the issue of the conversion shares immediately after such conversion. The conversion shares will rank pari passu and equally in all respects (including dividend rights) with the other shares in issue on the date of allotment and with each other. For further details, please refer to the announcement of the Company dated 10 October 2025.

The table below sets out the detailed breakdown and description of the utilised net proceeds and unutilised net proceeds as at 31 December 2025. The utilised net proceeds were used as intended.

Actual use of net proceeds	Allocation of net proceeds (HK\$)	Percentage to the total net proceeds (%)	Amount utilised up to 31 December 2025 (HK\$)	Remaining balance as of 31 December 2025 (HK\$)
Settlement of Trade Payables	Approximately 6,800,000	79.1	Approximately 6,800,000	0
Staff costs	approximately 700,000	8.1	approximately 700,000	0
Legal and professional fees	approximately 1,000,000	11.6	approximately 1,000,000	0
General administrative expenses	approximately 100,000	1.2	approximately 100,000	0
Total	approximately 8,600,000	100.0	approximately 8,600,000	0

As at 31 December 2025, there were outstanding convertible bonds with the aggregate principal amount of approximately nil (31 December 2024: HK\$6.8 million). As at 31 December 2025, the Group had bank and cash balances of approximately HK\$6.2 million (31 December 2024: HK\$4.7 million).

CAPITAL COMMITMENTS

Saved for those disclosed in this announcement, the Group did not have any other significant capital commitments as at 31 December 2025 and 2024.

CAPITAL EXPENDITURE

Saved for those disclosed in this announcement, the Group did not have any other significant capital expenditure for the year ended 31 December 2025 and 2024.

CHARGES ON ASSETS

As at 31 December 2025 and 2024, the Group did not have any charges on its assets.

FOREIGN EXCHANGE EXPOSURE

The Group's reporting currency is Hong Kong dollars and the functional currencies of the Group's entities are principally denominated in Hong Kong dollars and Renminbi. A portion of the Group's transactions are denominated and settled in United States dollars, which has very limited exchange fluctuation with Hong Kong dollars historically. The Group currently has not implemented any foreign currency hedging policy and we will consider hedging against significant foreign exchange exposure should the need arise.

CONTINGENT LIABILITIES

Saved for those disclosed in this announcement, the Group did not have any other contingent liabilities as at 31 December 2025 and 2024.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved for those disclosed in this announcement, there were no other significant investments held by the Group for the year ended 31 December 2025 and there were no other material acquisitions and disposals of subsidiaries by the Group for the year ended 31 December 2025.

OUTLOOK

In 2025, amid a subdued global economic recovery and a resurgence of protectionist sentiment, compounded by policy adjustments and market volatility, the uncertainties in the overall operating environment continued to intensify. The Group will maintain a prudent and steady operational approach, flexibly refine its tactical deployment, and dynamically adjust business priorities and resource allocation strategies in response to external macroeconomic conditions and industry changes. As a one-stop service provider for our clients, we will continue to deepen our value-added service system, strengthen customised business solutions, and precisely respond to the diverse needs of the market and our customers.

To broaden its income sources and enrich its business matrix, the Group added a new business line of cigar trading in 2025, entering the specialised segment of the tobacco industry. Leveraging its existing mature channels and stable customer base, the Group will steadily advance the rollout of the cigar business and establish a suitable business model, while strictly adhering to industry regulatory requirements to ensure all business activities are conducted in a compliant and orderly manner.

The Group will advance its business operations whilst managing risks within a controlled framework, strengthen cost control, and optimise the resource allocation between new and existing businesses. We will review the performance of current operations, focus on core profit-generating segments, and do not rule out the possibility of disposing of non-core assets or adjusting asset allocation. At the same time, we will establish a dedicated risk control system for the cigar business to address potential industry risks and steadily enhance its profitability.

Financially, the Group will optimise its capital structure. Should suitable opportunities arise, it will advance debt restructuring and investment and financing plans to provide financial support for the expansion of its cigar business and the upgrading of its core operations. Material matters in this regard will be disclosed in a timely manner in accordance with the Listing Rules to safeguard the interests of investors.

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 year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Group has recognized the importance of transparency and accountability, and the Board considers that enhanced public accountability and corporate governance are beneficial for the healthy development of the Group, improving customer and supplier confidence. We believe that this can create long-term value for the shareholders of the Company and is beneficial for the Group's sustainable growth. Saved as disclosed below, the Company adopted and complied with the principles and code provisions ("**Code Provision(s)**") in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules during the year ended 31 December 2025. The Group strives to achieve sound corporate governance standards as far as practicable and utilizes our resources efficiently and effectively.

Mr. Li Qi and Mr. Pan Xiaodong were respectively appointed as the executive Director and the executive Director (chairman of the Board) of the Company on 10 February 2025. Mr. Li Qi was appointed as Co-Chairman of the Board of Directors of the Company on 3 July 2025 and continued to serve as an executive Director. Mr. Pan Xiaodong was redesignated as Co-Chairman of the Board of Directors of the Company on 3 July 2025 and continued to serve as an executive Director. They both obtained legal advice on 7 February 2025 according to the requirements of Rule 5.02D of the GEM Listing Rules, and both have confirmed they understood their obligations as a director of a listed issuer.

AUDIT COMMITTEE

The Company has established an audit committee ("**Audit Committee**") with written terms of reference that are in conformity of the requirements of the CG Code which are available on the websites of the Stock Exchange and the Company.

As at 31 December 2025, the Audit Committee comprised of the 3 independent non-executive Directors, namely Ms. Zhi Jiangbo, Mr. Chen Yifan and Mr. Zhou Fenli and chaired by Ms. Zhi Jiangbo, a Director with the appropriate professional qualifications, with all members being independent non-executive Directors of the Company in full compliance with Rule 5.28 of the GEM Listing Rules.

The Audit Committee has reviewed the financial statements and annual results for the year ended 31 December 2025 and has provided advice and comments thereon.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on this announcement.

**PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE
COMPANY AND THE STOCK EXCHANGE**

According to the GEM Listing Rules, the 2025 Annual Report of the Company shall contain all information as required by the GEM Listing Rules and will be published on the Company's website at www.8147.hk and the Stock Exchange's website at www.hkexnews.hk in due course.

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

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Director is 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 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).