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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 2024**

#### **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 2024

The board of Directors (the “**Board**”) of the Company is pleased to announce the following consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the preceding year ended 31 December 2023.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Revenue</b>	6	<b>67,359</b>	61,456
Cost of sales		<u>(61,197)</u>	<u>(57,681)</u>
<b>Gross profit</b>		<b>6,162</b>	3,775
Other income	7	<b>4,344</b>	1,852
Selling and distribution costs		<b>(484)</b>	–
Administrative expenses		<b>(5,851)</b>	(7,630)
Impairment losses for trade receivables		<b>(207)</b>	–
Reversal of impairment losses for other receivables		<u>–</u>	<u>142</u>
<b>Profit/(loss) from operation</b>		<b>3,964</b>	(1,861)
Finance costs		<b>(1,273)</b>	(1,975)
Share of results of associates		<u>–</u>	<u>(13,691)</u>
<b>Profit/(loss) before tax</b>	8	<b>2,691</b>	(17,527)
Income tax	9	<u>–</u>	<u>–</u>
<b>Profit/(loss) for the year</b>		<u><b>2,691</b></u>	<u>(17,527)</u>

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		121	(1,570)
Release of exchange reserve upon disposals of subsidiaries		200	—
Share of other comprehensive loss of associates		—	(215)
		<u>321</u>	<u>(1,785)</u>
<b>Other comprehensive gain/(loss) for the year, net of tax</b>		<u>321</u>	<u>(1,785)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>3,012</u></u>	<u><u>(19,312)</u></u>
<b>Profit/(loss) for the year attributable to:</b>			
— the owners of the Company		2,890	(17,334)
— non-controlling interests		(199)	(193)
		<u>2,691</u>	<u>(17,527)</u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
— the owners of the Company		3,207	(17,321)
— non-controlling interests		(195)	(1,991)
		<u>3,012</u>	<u>(19,312)</u>
<b>Earnings/(loss) per share (cents)</b>			
— Basic	11	<u>2.31</u>	<u>(16.82)</u>
— Diluted	11	<u>2.31</u>	<u>(16.82)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>4</b>	<b>6</b>
Right-of-use assets		<b>–</b>	<b>–</b>
Interests in associates		<b>–</b>	<b>–</b>
Goodwill		<b>70</b>	<b>74</b>
		<b>74</b>	<b>80</b>
<b>Current assets</b>			
Inventories		<b>842</b>	<b>705</b>
Trade receivables	<i>12</i>	<b>41,489</b>	<b>29,629</b>
Other receivables, prepayments and deposits		<b>4,770</b>	<b>4,112</b>
Bank and cash balances		<b>4,664</b>	<b>1,864</b>
		<b>51,765</b>	<b>36,310</b>
<b>Current liabilities</b>			
Trade payables	<i>13</i>	<b>15,521</b>	<b>15,630</b>
Other payables, accrued expenses and contract liabilities		<b>18,779</b>	<b>18,454</b>
Amount due to an associate		<b>–</b>	<b>906</b>
Other borrowings		<b>7,166</b>	<b>6,901</b>
Lease liabilities		<b>–</b>	<b>544</b>
		<b>41,466</b>	<b>42,435</b>
<b>Net current assets/(liabilities)</b>		<b>10,299</b>	<b>(6,125)</b>
<b>Total assets less current liabilities</b>		<b>10,373</b>	<b>(6,045)</b>

	<i>Notes</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Convertible bonds		<u>6,541</u>	<u>7,856</u>
<b>NET ASSETS/(NET LIABILITIES)</b>		<u><b>3,832</b></u>	<u>(13,901)</u>
<b>Capital and reserves</b>			
Share capital		2,443	1,649
Reserves		<u>719</u>	<u>(14,052)</u>
		<b>3,162</b>	(12,403)
Non-controlling interests		<u>670</u>	<u>(1,498)</u>
<b>TOTAL EQUITY/(CAPITAL DEFICIENCY)</b>		<u><b>3,832</b></u>	<u>(13,901)</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to the owners of the Company									
	Share capital	Share premium	Foreign currency translation reserve	Option reserve	Statutory reserve	Equity component of convertible bonds	Accumulated losses	Total reserve	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	1,649	110,537	(160)	2,526	–	2,212	(115,149)	(34)	(536)	1,079
Lapse of convertible bonds	–	–	–	–	–	(2,212)	2,212	–	–	–
Issue of convertible bonds	–	–	–	–	–	2,240	–	2,240	–	2,240
Recognition of share-based payments	–	–	–	1,063	–	–	–	1,063	–	1,063
Transfer of share option reserve upon lapse of share options	–	–	–	(216)	–	–	216	–	–	–
Non-controlling interest on acquisition of a subsidiary	–	–	–	–	–	–	–	–	1,029	1,029
Transfer to statutory reserves	–	–	–	–	166	–	(166)	–	–	–
Total comprehensive loss for the year	–	–	13	–	–	–	(17,334)	(17,321)	(1,991)	(19,312)
Changes in equity for the year	–	–	13	847	166	28	(15,072)	(14,018)	(962)	(14,980)
<b>At 31 December 2023 and 1 January 2024</b>	<b>1,649</b>	<b>110,537</b>	<b>(147)</b>	<b>3,373</b>	<b>166</b>	<b>2,240</b>	<b>(130,221)</b>	<b>(14,052)</b>	<b>(1,498)</b>	<b>(13,901)</b>
Recognition of share-based payments	–	–	–	262	–	–	–	262	–	262
Issue of convertible bonds	–	–	–	–	–	430	–	430	–	430
Conversion of convertible bonds	645	10,283	–	–	–	(2,240)	–	8,043	–	8,688
Exercise of share option	149	5,149	–	(2,320)	–	–	–	2,829	–	2,978
Disposals of subsidiaries	–	–	–	–	–	–	–	–	2,363	2,363
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>317</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,890</b>	<b>3,207</b>	<b>(195)</b>	<b>3,012</b>
Changes in equity for the year	794	15,432	317	(2,058)	–	(1,810)	2,890	14,771	2,168	17,733
<b>At 31 December 2024</b>	<b>2,443</b>	<b>125,969</b>	<b>170</b>	<b>1,315</b>	<b>166</b>	<b>430</b>	<b>(127,331)</b>	<b>719</b>	<b>670</b>	<b>3,832</b>

# NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 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 research and development, manufacture, sale of electronic devices and sale and distribution of specialised milk products and healthy food items.

## 2. BASIS OF PREPARATION

These 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 issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. These 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 these consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Amendments to standards adoption by the Group

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 2024, for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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.

#### (b) New standards and amendments to standards not yet effective

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2024. The new and amendments to HKFRS Accounting Standards include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFR 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA



The Group is in the process of making an assessment of what the impact of these new and amendments to standards are expected to be in the period of initial application. Except for below, the new and amendments to HKFRS Accounting Standards are unlikely to have a significant impact on the consolidated financial statements.

*HKFRS 18 “Presentation and Disclosure in Financial Statements”*

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

*Amendments to HKFRS 10 and HKAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”*

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention.

#### 5. SEGMENT INFORMATION

##### Operating segment information

The Group is principally engaged in a single type business of research, development, manufacturing and trading of electronic devices, while the revenue from sale and distribution of specialised milk products and healthy food items contributed approximately 11% to the Group's consolidated revenue. 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:

	2024 HK\$'000	2023 HK\$'000
Chinese Mainland	<u>4</u>	<u>6</u>

Non-current assets include property, plant and equipment and right-of-use assets.

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

	2024 HK\$'000	2023 HK\$'000
Hong Kong	59,981	60,662
Chinese Mainland	<u>7,378</u>	<u>794</u>
	<u>67,359</u>	<u>61,456</u>

##### Information about major customers

The Group's customer base included one (2023: two) customers with whom transactions have exceeded 10% of its revenue during the year is set out as below:

	2024 HK\$'000	2023 HK\$'000
Customer A	59,981	40,799
Customer B (note (i))	<u>N/A</u>	<u>12,980</u>

- (i) These customers did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2024.

## 6. REVENUE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<i>Products and services transferred at a point in time:</i>		
Provision of online information and digital marketing services	–	794
Sales of manufactured products	59,981	53,779
Sales on trading of electronic products, accessories and raw materials	–	6,883
Sale and distribution of specialised milk products and healthy food items	7,378	–
	<u>67,359</u>	<u>61,456</u>

## 7. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income	2	3
Gain on disposals of subsidiaries	3,241	–
Gain on disposal of an associate	905	–
Gain on disposal of a joint venture	–	5
Gain on dividend forfeited by non-controlling interests (“NCI”)	–	1,821
Others	–	23
Net foreign exchange gain	196	–
	<u>4,344</u>	<u>1,852</u>

## 8. PROFIT/(LOSS) BEFORE TAX

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Depreciation		
— Owned assets	2	54
Staff costs (including directors' emoluments)		
— Salaries, bonus and allowances	3,233	3,773
— Share-based payments	262	1,063
— Retirement benefits scheme contributions	153	176
	<b>3,648</b>	5,012
Cost of inventories sold	<b>61,197</b>	57,646
Foreign exchange (gains)/losses, net	<b>(196)</b>	1
Short-term lease charges on premises	<b>662</b>	367
Auditors' remuneration		
— Audit services	<b>520</b>	570
— Non-audit services	<b>20</b>	60
Impairment losses for trade receivables	<b>207</b>	—
Reversal of impairment losses for other receivables	—	(142)
Gain on disposal of a joint venture	—	(5)
Gain on dividend forfeited by NCI	—	(1,821)
Gain on disposals of subsidiaries	<b>(3,241)</b>	—
Gain on disposal of an associate	<b>(905)</b>	—
	<b>=====</b>	<b>=====</b>

## 9. 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 2024 and 2023.

No provision for Hong Kong Profits Tax is required since the Hong Kong subsidiaries have 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% (2023: 25%) during the year.

No provision for PRC EIT is required since the PRC subsidiaries has no assessable profits for the year for the years ended 31 December 2024 and 2023.

## 10. DIVIDEND

No dividend had been paid or declared by the Company during the year (2023: Nil).

## 11. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

	2024 HK\$'000	2023 HK\$'000
<b>Earnings/(loss)</b>		
Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share	<u>2,890</u>	<u>(17,334)</u>
	2024	2023
<b>Number of shares</b>		
Issued ordinary shares at the beginning of the year	103,073,897	103,073,897
Effect of conversion of shares	18,614,242	—
Effect of exercise of share option	<u>3,407,554</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings/(loss) per share	<u>125,095,693</u>	<u>103,073,897</u>

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for both years ended 31 December 2024 and 2023 because the Company's outstanding share options and convertible bonds years ended 31 December 2024 and 2023 do not give rise to any dilution effect.

## 12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	42,630	30,563
Less: Impairment loss	<u>(1,141)</u>	<u>(934)</u>
	<u><b>41,489</b></u>	<u><b>29,629</b></u>

The Group's trading terms with its major customers is either on credit or to provide the Group with irrecoverable letters of credit issued by reputable banks, with terms within 30 to 90 days (2023: 60 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 as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	5,820	4,195
31–60 days	4,722	596
61–90 days	6,869	–
Over 90 days	<u>24,078</u>	<u>24,838</u>
	<u><b>41,489</b></u>	<u><b>29,629</b></u>

As of 31 December 2024, trade receivables of approximately HK\$35,264,000 (2023: HK\$25,434,000) were past due. These trade receivables related to customers for whom there was no recent history of default. The ageing analysis of these trade receivables, based on due date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	4,359	596
31–60 days	6,882	–
Over 60 days	<u>24,023</u>	<u>24,838</u>
	<u><b>35,264</b></u>	<u><b>25,434</b></u>

The Group does not charge interest or hold any collateral over these balances.

The carrying amounts of the Group's trade receivables at the end of reporting period are denominated in the following currencies:

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
RMB	<b>3,658</b>	—
US\$	<b>37,831</b>	29,629
	<b>41,489</b>	29,629

### 13. TRADE PAYABLES

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

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
0–30 days	<b>4,336</b>	4,625
31–60 days	<b>3,572</b>	3,447
61–90 days	<b>4,945</b>	4,532
Over 90 days	<b>2,668</b>	3,026
	<b>15,521</b>	15,630

The carrying amounts of the Group's trade payables at the end of reporting period are denominated in the following currencies:

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
RMB	<b>797</b>	1,250
US\$	<b>14,724</b>	14,380
	<b>15,521</b>	15,630

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the year ended 31 December 2024, the Group continued to engage in the research and development, manufacture and sales of manufactured products and distribution of specialised milk products and healthy food items.

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 last quarter of 2024, the Group disposed of its loss-making associated companies, Millennium Pacific Internet Finance Services Company Limited and its subsidiaries, which are principally engaged in the production of electronic products, and Celestial Rainbow Limited and its subsidiaries, which are principally engaged in the manufacturing and purchase and sales of electronic products, in order to improve its financial structure and reduce its loss.

## **BUSINESS ENVIRONMENT AND DEVELOPMENT**

2024 was a year of even greater complexity in terms of international environment, with the impacts of wars and geopolitics becoming more profound. The expanding scale of the Russia-Ukraine severely affected energy, commodities and food supplies in Russia and Europe, further driving up inflation. In addition, the Palestinian-Israeli conflict has escalated into a larger-scale war that has involved several neighbouring countries and significantly disrupted trade routes from the Red Sea to the Mediterranean Sea. This has impacted energy, commodity and food trade in the Middle East and Europe to some extent, further influencing global inflation levels. In 2024, trade sanctions between China and the United States have escalated to a new level as not only the list of sanctioned companies was expanded, but also the sectors affected were broadened. This will undoubtedly affect capital flows investments and global demand.

The manufacturing and trading businesses of the Group and its associated companies and their operations were inevitably disrupted and negatively hit under such multiple headwinds and tough macro-environment. The Group has been vigilant in monitoring and managing its operations in light of the challenges. We made strategic adjustments by divesting from underperforming subsidiary businesses and streamlining the Group's structure to ensure that the Group maintains strong competitiveness.



## BUSINESS REVIEW

In 2024, revenue from sales of manufactured products remained the Group's primary stream of revenue, which accounted for approximately 89% of our overall revenue in 2024 while it accounted for approximately 87.5% in 2023. However, given the negative impact on industries relating to semiconductors, electronic components and products under the abovementioned macro-environment, our revenue growth momentum is still weak during the year. As such, the total revenue of the Group increased by approximately 9.6% from approximately HK\$61.5 million in 2023 to approximately HK\$67.4 million in 2024. Overall gross profit margin was slightly increase to approximately 9.2% as compared to approximately 6.1% in 2023. Our gross profit increased by approximately HK\$2.4 million from approximately HK\$3.8 million in 2023 to approximately HK\$6.2 million in 2024.

## FINANCIAL REVIEW

	2024 HK\$'000	2023 HK\$'000
<b>Total operation-related expenses</b>		
Selling and distribution costs	484	—
Administrative expenses		
— Staff costs	3,648	5,012
— Others	2,203	2,618
Impairment losses for trade receivables	207	—
Reversal of impairment losses for other receivables	—	(142)
	<u>6,542</u>	<u>7,488</u>

Staff costs represented one of the major components of the Group's administrative expenses, which mainly consisted of directors' emoluments, salaries, retirement benefit scheme contributions, share-based expenses and other benefits. Staff costs decreased by approximately HK\$1.4 million from approximately HK\$5.0 million in 2023 to approximately HK\$3.6 million in 2024. The decrease was mainly due to tightened control and downsized in operation scale.

No depreciation of right-of-use assets was recognised in both 2024 and 2023, as full impairment was recognised in 2022. Accordingly, no impairment losses were provided in both 2024 and 2023 for the factory under right-of-use assets.

The total operation-related expenses decreased by approximately HK\$1.0 million from approximately HK\$7.5 million in 2023 to approximately HK\$6.5 million in 2024, mainly due to (i) the aforesaid decrease in staff costs; and (ii) general savings in administrative and operating expenses resulting from tightened cost control and downsize in operation to preserve our resources under the tough and uncertain environment;

Finance costs represented imputed interest on lease liabilities and convertible bonds and interest on other payables. Total finance cost decreased from approximately HK\$2.0 million in 2023 to approximately HK\$1.3 million in 2024.

### **Profit/(loss) Attributable to Owners of the Company**

The Group recorded a profit attributable to owners of the Company of approximately HK\$2.9 million in 2024, representing an increase of approximately HK\$20.2 million from a loss attributable to owners of approximately HK\$17.3 million in 2023, mainly due to (i) increase in revenue derived from sales of manufactured products and distribution of specialised milk products and healthy food items leading to increase in gross profit; and (ii) lack of share of loss of an associate amounted to approximately HK\$13.7 million recognised in the year ended 31 December 2023 after disposals of the associate.

### **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

Below is a summary of the key financial ratio:

		<b>As at 31 December</b>	
	<i>Notes</i>	<b>2024</b>	2023
Current ratio	<i>1</i>	<b>1.25</b>	0.86
Quick ratio	<i>2</i>	<b>1.23</b>	0.84
Gearing ratio	<i>3</i>	<b>3.58</b>	(1.10)

*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 Xiongbín, 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, 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.

The table below sets out the detailed breakdown and description of the utilised net proceeds, unutilised net proceeds and the expected timeline of utilisation as at 31 December 2024. The utilised net proceeds were used as intended and the unutilised net proceeds are proposed to be 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\$)	Remaining balance as of 31 December 2024 (HK\$)	Expected timeline for fully utilizing the remaining balance
Staff costs	approximately 4,000,000	58.8	approximately 1,470,000	2,530,000	Before 31 December 2025
Legal and professional fees	approximately 1,000,000	14.7	approximately 510,000	490,000	Before 31 December 2025
Auditor's remuneration	approximately 1,000,000	14.7	approximately 500,000	500,000	Before 31 December 2025
Rental expenses	approximately 800,000	11.8	approximately 320,000	480,000	Before 31 December 2025
Total	approximately 6,800,000	100.0	approximately 2,800,000	4,000,000	

As at 31 December 2024, there were outstanding convertible bonds with the aggregate principal amount of approximately HK\$6.8 million (31 December 2023: HK\$9.5 million). As at 31 December 2024, the Group had bank and cash balances of approximately HK\$4.7 million (31 December 2023: HK\$1.9 million).

## **CAPITAL COMMITMENTS**

Saved for those disclosed in this announcement, the Group did not have any other significant capital commitments as at 31 December 2024 and 2023.

## **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 2024 and 2023.

## **CHARGES ON ASSETS**

As at 31 December 2024 and 2023, 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 2024 and 2023.

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

On 2 December 2024, the Group disposed of the entire equity interest of its loss-making associated companies Millennium Pacific Internet Finance Services Company Limited and its subsidiaries, which are principally engaged in the production of electronic products, to an independent third party at a consideration of HK\$1. On 27 September 2024, the Group disposed of the entire equity interest in Celestial Rainbow Limited and its subsidiaries, which are principally engaged in the manufacturing and purchase and sales of electronic products, to an independent third party at a consideration of USD46.

Saved for those disclosed in this announcement, there were no other significant investments held by the Group for the year ended 31 December 2024 and there were no other material acquisitions and disposals of subsidiaries by the Group for the year ended 31 December 2024.

## OUTLOOK

With the conclusion of the US presidential election, the global economic outlook remains unclear due to the uncertainty of the implementation of the policies of the new administration. The Group will continue to maintain a prudent approach and make timely strategic adjustments. We will be ready to seize new opportunities at any time and adjust our priorities and resources in light of prevailing external factors and the new normal. As a one-stop service provider for customers, we aim to provide enhanced business solutions through value-added services to meet the ever-changing needs of our customers.

While the Group will develop and explore ways to improve its financial performance and broaden the sources of revenue, it is the Group's strategy to do so within acceptable risk level and capital requirement. It will continue to control its costs of operation and select the appropriate product mix and regions that the Group should focus on and devote its resources to. We will also review the performance of our existing business portfolio and make suitable investment decisions. Subject to the review results, we do not preclude the possibility that we may dispose of the whole or part of our existing business portfolio and/or change the asset allocation of our businesses.

The Group may restructure its existing debts and implement debt and/or equity fundraising plan(s) to satisfy the financing needs and improve its financial position in the event suitable fundraising opportunities arise. In these regards, the Company will publish announcements as and when appropriate according to the requirements under the applicable listing rules.

## 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 2024.

## 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 2024. The Group strives to achieve sound corporate governance standards as far as practicable and utilizes our resources efficiently and effectively.



Code Provision C.2 stipulates the role of the chairman of the Board. Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2024, the Company did not have the chairman of the Board and the chief executive officer. The day-to-day management of the Group's business is handled by the executive Directors and the senior management collectively. The Board considers that the principle of balance of power and authority is achieved by the check and balance between the executive directors and the independent non-executive directors and the functions and responsibilities of the chairman under Code Provisions C.2.2 to C.2.9 are, in practice, delegated to a designated director. We believe that the present arrangement is adequate to ensure an effective management and control of the Group's business operations and the Board will keep monitoring and review the arrangement.

Following the resignation of Mr. Wong Tik Tung on 31 December 2023, the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company comprised only two members, and the Remuneration Committee was not chaired by an independent non-executive Director, which resulted in non-compliance with Rule 5.05(1), 5.28 and 5.34 of the GEM Listing Rules and the terms of reference of the respective committees.

Following the appointment of Mr. Zhou Fenli on 20 March 2024 as an independent non-executive Director, the Chairman of the Remuneration Committee and Compliance Committee, a member of the Audit Committee and the Nomination Committee of the Company, the Company has complied with Rule 5.05(1), 5.28 and 5.34 of the GEM Listing Rules and the terms of reference of the respective committees. Mr. Zhou obtained legal advice on 15 March 2024 according to the requirements of Rule 5.02D of the GEM Listing Rules, and Mr. Zhou has confirmed he understood his obligations as a director of a listed issuer.

Upon the resignation of Mr. Man Wai Lun on 29 May 2024, Ms. Zhi Jiangbo was appointed as an independent non-executive Director, the chairlady of the Audit Committee and a member of each of the Remuneration Committee, the Nomination Committee and the Compliance Committee of the Company. The Company has complied with Rules 5.05(1) and 5.28 of the GEM Listing Rules and the terms of reference of the respective committees. Ms. Zhi obtained legal advice on 28 May 2024 according to the requirements of Rule 5.02D of the GEM Listing Rules, and Ms. Zhi has confirmed she understood her obligations as a director of a listed issuer.

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. 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**”) on 11 May 2016 with written terms of reference that are in conformity of the requirements of the CG Code. The Audit Committee of the Company currently comprise three independent non-executive Directors, namely Ms. Zhi Jiangbo, Mr. Chen Yifan and Mr. Zhou Fenli and chaired by Ms. Zhi Jiangbo, with all members being independent non-executive Directors of the Company in full compliance with Rule 5.28 of the GEM Listing Rules. Among other things, the primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of our Group’s financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the financial statements and annual results for the year ended 31 December 2024 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 2024 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 2024 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](http://www.8147.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

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

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive Directors are Mr. Chen Yiliang, Mr. Pan Xiaodong and Mr. Li Qi; 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](http://www.hkexnews.hk)) for at least seven days after the date of publication and on the website of the Company ([www.8147.hk](http://www.8147.hk)).*