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PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1820)

SUPPLEMENTAL ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION IN RELATION TO RENEWED FRAMEWORK AGREEMENT

Reference is made to the announcement of Pacific Millennium Packaging Group Corporation (the “**Company**”) dated 29 December 2020 (the “**Announcement**”) in relation to continuing connected transaction. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide the shareholders and potential investors of the Company with the following further information:

FURTHER INFORMATION OF CHONGQING STONE TAN

Chongqing Stone Tan is indirectly owned as to approximately 91.5% by Stone Tan China Holding Corporation (“**Stone Tan China**”) and 8.5% by Chongqing Yufu Holding Group Co., Ltd (重慶渝富控股集團有限公司), a state-owned enterprise. Stone Tan China is owned as to, in aggregate, approximately 61% by PMGHC and ultimately owned as to approximately 39% by not less than 10 shareholders (the “**39% Shareholders**”). Among the 39% Shareholders, two of them each holds less than 16% interest in Stone Tan China, while the others each holds less than 5% interest in Stone Tan China. The Company confirms that each of the 39% Shareholders is independent of and not connected with the Company and its connected persons.

PMGHC is owned as to 80% by Golden Ford and ultimately owned as to 20% by Mr. Richard Tan (“**Mr. Tan**”), who has no beneficial interest in the Company but is able to exercise the control of 30% or more voting rights in the Company.

Golden Ford is ultimately owned as to 60% by TCC Entrepreneur Trust and 40% by TCC Education Trust. Each of the trusts is a discretionary trust established by the father of Mr. Tan for the benefit of his grandchildren and their respective children and such other persons as declared by the relevant trustee from time to time.

PRICING POLICY AND INTERNAL CONTROL

As disclosed in the Announcement, the interest rate payable by the Group to Chongqing Stone Tan for the machinery and equipment lease transactions contemplated under the New Framework Agreement shall be determined with reference to (i) the benchmark lending rates published by People's Bank of China from time to time for the same period; (ii) the prevailing market interest rate for comparable lease transactions in the PRC; and (iii) various other factors including but not limited to loan to value ratio, amount of down payment and value of collateral etc., and in any event the interest rate offered by Chongqing Stone Tan to the Group shall be no less favourable than that offered to (a) the Group by other independent comparable leasing companies and (b) other independent third parties by Chongqing Stone Tan for comparable lease service. In this respect, the nominated personnel shall obtain quotation from at least one other independent comparable leasing companies on a half-year basis to ensure that the interest rate offered by Chongqing Stone Tan to the Group is not less favourable than that offered by other independent comparable leasing companies. If the Group is aware that a lower interest rate (the "**Lower IR**") could be obtained from other independent comparable leasing company, the nominated personnel shall report to the senior management of the Company. Unless Chongqing Stone Tan has also offered to the Group the Lower IR, the Group shall not enter into any finance lease with Chongqing Stone Tan.

By Order of the Board
Pacific Millennium Packaging Group Corporation
Cheng Hsien-Chun
Chairman

Hong Kong, 27 January 2021

As at the date of this announcement, the executive director of the Company is Mr. Cheng Hsien-Chun; the non-executive directors of the Company are Mr. Chow Tien-Li and Mr. Philip Tan; and the independent non-executive directors of the Company are Mr. Wang Jisheng, Mr. Kiang Tien Sik David and Dr. Su Morley Chung Wu.