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萬城控股有限公司
MILLION CITIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2892)

DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE

THE LOAN AGREEMENT

The Board is pleased to announce that on 14 September 2020 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Loan Agreement pursuant to which the Lender has agreed, subject to the terms and conditions contained therein, to grant to the Borrower, which is an Independent Third Party, the Loan in a principal amount of RMB158.8 million (equivalent to approximately HK\$179.4 million). The permitted use of the Loan is for the land requisition cost in relation to a property development project in Tongqiao Town, Zhongkai High-tech Zone, Huizhou City, the PRC.

LISTING RULES IMPLICATIONS

The provision of the Loan constitutes a transaction within the meaning of Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the provision of the Loan is more than 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

The Board is pleased to announce that on 14 September 2020 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Loan Agreement.

The principal terms of the Loan Agreement are as follows:

- Date: 14 September 2020
- Parties: (1) The Borrower; and
(2) The Lender.
- Principal of the Loan: RMB158.8 million (equivalent to approximately HK\$179.4 million)
- Permitted use of the Loan: The Borrower shall only use the principal amount of the Loan for the payment of the land requisition cost in relation to the Land Parcel, including, among others, the relevant taxes.
- Term, repayment and termination arrangement:
- (1) The Lender shall pay the Borrower RMB158.8 million (equivalent to approximately HK\$179.4 million) on 14 September 2020;
 - (2) The Group is planning to cooperate with the Borrower for the development of the Project by acquiring 30% of the equity interest of the Project Company. Upon transfer of 30% of the equity interest of the Project Company to the Lender, the Loan shall be converted to an equity holder's loan of the Project Company due to the Lender;
 - (3) The Lender may terminate the Loan Agreement after 60 days from the drawdown of the Loan or 30 days from the grant of title document of the Land Parcel to the Project Company (whichever is later), if: (i) the Parties fail to reach an agreement regarding the abovementioned transfer of 30% equity interest of the Project Company; or (ii) the Parties fail to reach an agreement regarding the development of the Project. The Borrower shall within 10 business days, after receiving the termination notice from the Lender, repay all outstanding amount of the Loan; and

- (4) Save and except where the Loan Agreement is terminated in accordance with paragraph (3) above, repayment terms of the Loan will be supplemented by the agreement regarding the development of the Project to be entered into between the Lender, the Borrower and/or the Project Company. The Company will comply with the Listing Rules requirements in relation to the entering into of such agreement, and will issue further announcement(s) to provide update to shareholders of the Company and potential investors as and when appropriate.

The Loan will be funded by internal resources of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower is an Independent Third Party.

INFORMATION OF THE PARTIES TO THE LOAN AGREEMENT

The Lender is an investment holding company and an indirect wholly-owned subsidiary of the Company.

The Borrower is a limited liability company established in the PRC principally engaged in property development and is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Group is principally engaged in the development, sale, lease and investment of properties in the PRC.

The Borrower obtained the Land Parcel in September 2020 and has established the Project Company to develop the Land Parcel. As at the date of this announcement, application for title documents of the Land Parcel is still in progress. The Group is planning to cooperate with the Borrower for the development of the Project by acquiring 30% of the equity interest of the Project Company. The Group would benefit from the Loan Agreement by having a chance to participate in the Project.

The terms of the Loan Agreement have been arrived at after arm's length negotiation between the Parties. The Directors are of the view that the terms of the Loan Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

“Board”	the board of Directors
“Borrower”	Shenzhen Longguang Real Estate Company Limited* (深圳市龍光房地產有限公司), a limited liability company established in the PRC principally engaged in property development and is an Independent Third Party
“Company”	Million Cities Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2892)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons within the meaning ascribed to such term in the Listing Rules
“Land Parcel”	a land parcel with a site area of approximately 38,200 square metres located in Tongqiao Town, Zhongkai High-tech Zone, Huizhou City, the PRC
“Loan”	the interest free loan in a principal amount of RMB158.8 million (equivalent to approximately HK\$179.4 million) granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 14 September 2020 and entered into between the Lender and the Borrower

“Lender”	Huizhou Million Cities Corporate Management Company Limited* (惠州萬城企業管理策劃有限公司), an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Lender and the Borrower
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project”	a property development project located at the Land Parcel
“Project Company”	Huizhou Longguang Junhong Real Estate Company Limited* (惠州市龍光駿宏房地產有限公司), a wholly-owned subsidiary of the Borrower
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Million Cities Holdings Limited
Wong Ting Chung
Chairman and non-executive Director

Hong Kong, 14 September 2020

As at the date of this announcement, the chairman and non-executive Director is Mr. Wong Ting Chung; the executive Directors are Mr. Lau Ka Keung and Mr. Cheng Kwan Kuen; and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Dr. Wu Wing Kuen.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.13 have been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.

* For identification purposes only