

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



萬城

MILLION CITIES

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 LOAN TO A THIRD PARTY**

THE LOAN AGREEMENT

The Board is pleased to announce that on 30 April 2020 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the Yonghan Town Government 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 an aggregate principal amount of RMB50 million (equivalent to HK\$55 million). The permitted use of the Loan is for the land requisition cost in relation to a property development project in Yonghan Town, Longmen County, 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 for 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 30 April 2020 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the Yonghan Town Government entered into the Loan Agreement.

The principal terms of the Loan Agreement are as follows:

Date: 30 April 2020

Parties: (1) The Borrower;
(2) The Lender; and
(3) The Yonghan Town Government, as the supervisor of the Lender in relation to the use and repayment of the Loan.

Principal of the Loan: RMB50 million (equivalent to HK\$55 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 Project, including, among others, the cost of obtaining land requisition approvals from the relevant authorities, demolition and resettlement compensation (including compensation for peasants who would be affected by such land requisition).

If the Borrower used the Loan for purposes other than the above, the Lender has the right to terminate the Loan Agreement and demand immediate repayment of the principal amount of the Loan advanced to the Borrower. If the Borrower failed to repay such outstanding amount, apart from statutory compensation, the Lender may also demand payment of a penalty amounted to 0.5% of the outstanding amount per day since the day when Lender issued repayment notice to the Borrower.

Term, repayment and termination arrangement: (1) The Loan will be drawn down in several installments by the Borrower serving written draw down notice to the Lender, which should remit the requested amount to the Borrower within 10 business days from the draw down notice;
(2) Within 15 days after receiving the list of estimated land requisition preparatory cost and draw down schedule of the Project from the Borrower, the Lender shall pay the Borrower RMB3 million (equivalent to HK\$3.3 million) as the land requisition start-up fund;

- (3) Within three months from the first draw down of the Loan (except for the payment of the start-up fund), the Borrower shall complete the land requisition with an area of no less than 300 mu. In the event that the Borrower failed to do so, the Borrower shall repay all outstanding amount of the Loan within 30 days from the expiry date of such three-month period;
- (4) Within ten months from the first draw down of the Loan (except for the payment of the start-up fund), the Yonghan Town Government shall procure the land with an area of no less than 300 mu be listed for sale in batches. In the event that the Yonghan Town Government failed to do so, the Borrower shall repay all outstanding amount of the Loan within 30 days from the expiry date of such ten-month period. Yonghan Town Government shall procure the Borrower to repay such amount;
- (5) After the sale of the requisitioned land and within 90 days after the Borrower received the consideration from the buyer (regardless of whether the Lender is the buyer), the Borrower shall repay all outstanding amount of the Loan to the Lender; and
- (6) The Lender may terminate the Loan Agreement, if the Investment Agreement (as defined below) shall become unenforceable. The Borrower shall within 30 days, after receiving the termination and repayment notice from the Lender, repay all outstanding amount of the Loan.

Interest rate:

- (1) No interest if the Borrower repays in accordance to the repayment terms set out above; or
- (2) 7% per annum if the Borrower failed to repay in accordance to the repayment terms set out above.

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, each of the Borrower and the Yonghan Town Government is an Independent Third Party.

INFORMATION OF THE PARTIES TO THE LOAN AGREEMENT

The Lender is an indirect wholly-owned subsidiary of the Company, principally engaged in property development.

The Borrower is a collectively owned company established in the PRC which is controlled by the Yonghan Town Government as at the date of this announcement, and is an Independent Third Party.

Yonghan Town Government is the government of Yonghan Town, Longmen County, Huizhou City of the PRC, 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 Group entered into an investment agreement (“**Investment Agreement**”) with the Longmen County Government in April 2020 in relation to the Project. The Group will speed up land requisition through the provision of the Loan and shorten the time required for land requisition cost financing so as to benefit from the Loan Agreement.

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 of the Company as a whole.

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 for the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Borrower”	Longmen County Yonghan Town Economic Development Company* (龍門縣永漢鎮經濟發展公司), a collectively owned company established in the PRC which is controlled by the Yonghan Town Government as at the date of this announcement, 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
“Lender”	Huizhou Chuangwei Huifu Real Estate Co., Ltd.* (惠州創偉匯富置業有限公司), an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of principal amount up to RMB50 million (equivalent to HK\$55 million) granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 30 April 2020 and entered into between the Lender, the Borrower and the Yonghan Town Government
“Longmen County Government”	The People’s government of Longmen County, Huizhou City of the PRC
“mu”	mu (畝), a Chinese unit of measurement, equivalent to 666 ² / ₃ square metres
“Parties”	Lender, Borrower and Yonghan Town Government

“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 in Yonghan Town, Longmen County, Huizhou City, the PRC pursuant to a cooperation agreement entered into between the Group and the Longmen County Government in April 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yonghan Town Government”	The People’s government of Yonghan Town, Longmen County, Huizhou City of the PRC, an Independent Third Party
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB1 = HK\$1.10 has been used for currency translation, where applicable. Such 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 rate.

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

Hong Kong, 30 April 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, Mr. Cheng Kwan Kuen, Mr. Wong Ka Lun and Ms. Lau Pui Kwan; and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Dr. Wu Wing Kuen.

* *For identification purposes only*