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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)**

- (1) PROPOSED ISSUE OF NON-CONVERTIBLE PREFERENCE SHARES UNDER SPECIFIC MANDATE;**  
**(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NON-CONVERTIBLE PREFERENCE SHARES;**  
**AND**  
**(3) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

**THE SUBSCRIPTION**

The Board announces that on 9 September 2021 (after trading hours), the Company and Fortune Speed entered into the Subscription Agreement pursuant to which Fortune Speed has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Fortune Speed, 290,000,000 Non-Convertible Preference Shares at the Subscription Price of HK\$1.15 per Non-Convertible Preference Share, with an aggregate subscription amount of HK\$333.5 million. The net proceeds from the issue of the Non-Convertible Preference Shares, after deduction of all relevant expenses incidental to the Subscription, are estimated to be approximately HK\$333.0 million.

## **SPECIFIC MANDATE**

The Non-Convertible Preference Shares will be allotted and issued pursuant to the Specific Mandate proposed to be obtained from the Independent Shareholders at the EGM.

## **APPLICATION FOR LISTING**

No application will be made for the listing of, or permission to deal in, the Non-Convertible Preference Shares on the Stock Exchange or any other stock exchange.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Fortune Speed held 75.0% of shareholding interest in the Company, and is the controlling shareholder of the Company. Thus, Fortune Speed is a connected person of the Company under the Listing Rules, and the Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, and is subject to, reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (calculated in accordance with Rule 14.07 of the Listing Rules) for the Subscription are more than 25% but less than 100%, the Subscription constitutes a major transaction for the Company under the Listing Rules and is subject to, reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As such, Fortune Speed and its associates will be required to abstain from voting at the EGM in respect of the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder. The Company has established the Independent Board Committee to advise the Independent Shareholders on the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes that the Non-Convertible Preference Shares be created and that the memorandum and articles of association of the Company be amended to, among others, incorporate the terms of the Non-Convertible Preference Shares summarised in the paragraph headed “Non-Convertible Preference Shares” in this announcement. The amendments to the memorandum and articles of association of the Company are subject to the approval of the Shareholders by way of a special resolution at the EGM. Further details of the proposed amendments to the memorandum and articles of association of the Company will be set out in the circular to be despatched to the Shareholders.

### **GENERAL**

A circular containing, among others, (i) details of the Subscription, the Specific Mandate and the proposed amendments to the memorandum and articles of association of the Company; (ii) the recommendation from the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) a notice to convene the EGM, will be despatched to the Shareholders on or before 4 October 2021.

**Shareholders and potential investors should note that the Subscription is subject to the satisfaction of certain conditions and accordingly, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **THE SUBSCRIPTION**

The Board announces that on 9 September 2021 (after trading hours), the Company and Fortune Speed entered into the Subscription Agreement pursuant to which Fortune Speed has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Fortune Speed, 290,000,000 Non-Convertible Preference Shares at the Subscription Price of HK\$1.15 per Non-Convertible Preference Share, with an aggregate subscription amount of HK\$333.5 million.

## THE SUBSCRIPTION AGREEMENT

Principal terms of the Subscription Agreement are set out below:

- Date:** 9 September 2021 (after trading hours)
- Issuer:** The Company
- Subscriber:** Fortune Speed
- Subscription:** The Company will allot and issue 290,000,000 Non-Convertible Preference Shares to Fortune Speed.
- Subscription Price:** HK\$1.15 per Non-Convertible Preference Share payable by Fortune Speed in cash, which was arrived at after arm's length negotiations between the Company and Fortune Speed with reference to the average closing price of the Ordinary Shares for 30 consecutive days up to and including the Last Trading Day prior to the date of the Subscription Agreement.

The Subscription Price of HK\$1.15 per Non-Convertible Preference Share represents:

- (1) a premium of approximately 7.48% over the closing price of HK\$1.07 per Ordinary Share as quoted on the Stock Exchange on 9 September 2021, being the Last Trading Day;
- (2) a premium of approximately 7.48% over the average closing price of HK\$1.07 per Ordinary Share for the five consecutive trading days up to and including the Last Trading Day;
- (3) a premium of approximately 5.70% over the average closing price of HK\$1.088 per Ordinary Share for the 10 consecutive trading days up to and including Last Trading Day; and
- (4) a premium of approximately 3.05% over the average closing price of HK\$1.116 per Ordinary Share for the 30 consecutive trading days up to and including the Last Trading Day.

**Conditions precedent:** Completion is conditional upon the fulfillment of the following conditions:

- (a) the passing of special resolutions by the Independent Shareholders to approve, among others, the creation of the class of Non-Convertible Preference Shares and amendments to the memorandum and articles of association of the Company;
- (b) all requirements imposed by the Stock Exchange under the Listing Rules, the SFC under the Takeovers Code or otherwise required by any other regulatory authorities in connection with the transaction contemplated under the Subscription Agreement having been fully complied with;
- (c) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before Completion and none of its warranties set out in the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has been remedied) or is misleading or untrue in any material respect;
- (d) Fortune Speed having performed all of its obligations under the Subscription Agreement to be performed on or before Completion and none of its warranties set out in the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has been remedied) or is misleading or untrue in any material respect; and
- (e) the Company having obtained the necessary Board approval(s) and Independent Shareholders' approval(s) to approve the Subscription and the execution of the Subscription Agreement and other related documents, and all necessary governmental and/or regulatory approvals required to complete the Subscription.

If the above conditions precedent of the Subscription Agreement are not fulfilled at or before 5:00 p.m. on 31 December 2021 (or such later time or date as may be agreed in writing between the Company and Fortune Speed), the Subscription Agreement shall forthwith cease and terminate and none of the Company or Fortune Speed shall have any claim against the other.

**Completion:** Completion shall take place within fifteen Business Days following the satisfaction of the last condition precedent of the Subscription Agreement (or such other dates as may be agreed by the Company and Fortune Speed in writing).

The closing price of the Ordinary Shares as quoted on the Stock Exchange on the Last Trading Day was HK\$1.07 per Ordinary Share. For illustration purpose, the total market value of the Non-Convertible Preference Shares is HK\$310.3 million by reference to the closing price per Ordinary Share as quoted on the Stock Exchange as at the Last Trading Day.

### **SPECIFIC MANDATE**

The Non-Convertible Preference Shares will be allotted and issued pursuant to the Specific Mandate proposed to be obtained from the Independent Shareholders at the EGM.

### **APPLICATION FOR LISTING**

No application will be made for the listing of, or permission to deal in, the Non-Convertible Preference Shares on the Stock Exchange or any other stock exchange.

### **NON-CONVERTIBLE PREFERENCE SHARES**

Principal terms of the Non-Convertible Preference Shares are set out below:

**Par value:** HK\$0.01 each

**No conversion:** The Non-Convertible Preference Shares are not convertible into Ordinary Shares.

**Purchase:** The Non-Convertible Preference Shares are perpetual and have no maturity date. The Non-Convertible Preference Shares are redeemable at a price equal to the sum of the Relevant Amount (and shall not include any deferred and/or unpaid Preferred Dividend (as defined below)) at the Company's request, but not redeemable at the option of the holder(s) of the Non-Convertible Preference Shares and the holder(s) of the Non-Convertible Preference Shares do not have the right to put back the Non-Convertible Preference Shares to the Company or any other member of the Group.

**Dividend:**

So long the Company has not redeemed all of the Non-Convertible Preference Shares pursuant to the Subscription Agreement, each holder of the Non-Convertible Preference Shares shall have the right to receive out of the profits of the Company available for distribution and resolved to be distributed a fixed cumulative preferential cash dividend (“**Preferred Dividend**”) at the rate of 3.6% per annum on the Relevant Amount payable annually in arrears, subject to annual review by the Board. Preferred Dividend shall accrue with respect to each Non-Convertible Preference Share from the date on which such share is issued and shall be payable in cash to the holder(s) of the Non-Convertible Preference Shares within 90 calendar days after the end of each financial year of the Company.

The Board may within 90 calendar days after the end of each financial year of the Company, in its sole discretion, elect to defer or not to pay the Preferred Dividend to holder of the Non-Convertible Preference Shares in whole or in part, and in such event, no interest shall be accrued on any unpaid Preferred Dividend, and irrespective of whether dividend in respect of Ordinary Shares is paid, accrued or deferred. To the extent that any Preferred Dividend that are deferred in the previous year(s), such amount shall accumulate and be payable together with the Preferred Dividend to the holder(s) of the Non-Convertible Preference Shares in the year which the Board elects neither to defer nor not to pay the Preferred Dividend. For the avoidance of doubt, (i) there shall not be any limitation to the amount of cumulative Preferred Dividend; and (ii) any Preferred Dividend which the Board elects not to pay shall be cancelled and shall not accumulate to the Preferred Dividend payable in the forthcoming year(s) (if any).

The Company shall pay the Preferred Dividend subject to the requirements under the memorandum and articles of association of the Company and the relevant laws and regulations of the Cayman Islands.

**Distribution of assets:**

Holder(s) of the Non-Convertible Preference Shares will have priority over the Shareholders on the assets and funds of the Company available for distribution upon occurrence of the Relevant Event.

- Voting:** Holder(s) of the Non-Convertible Preference Shares will be entitled to receive notices of and to attend the general meetings of the Company but is not permitted to vote unless a resolution is proposed to vary the rights of the Non-Convertible Preference Shares or a resolution is proposed for the winding up of the Company.
- Listing:** The Non-Convertible Preference Shares will not be listed on the Stock Exchange or any other securities exchange.
- Transferability:** The Non-Convertible Preference Shares may be transferrable, in whole or in part, to any third party (including connected person of the Company) subject to compliance with the conditions of the memorandum and articles of association of the Company and the conditions, approvals, requirements and any other provisions of or under the Listing Rules (including any approval(s) that may be required from the Stock Exchange in case the Non-Convertible Preference Shares is transferred to a connected person of the Company), and all applicable laws and regulations.

As at the date of this announcement, Fortune Speed held 75.0% of shareholding interest in the Company, thus is the controlling shareholder of the Company.

As at the date of this announcement, Mr. Lau Ka Keung is the spouse of Ms. Wong Wai Ling, who is one of the beneficiaries of the Happy Family Trust and therefore Mr. Lau Ka Keung is deemed to be interested in the Ordinary Shares held by the Happy Family Trust.

As such, each of Mr. Wong Ting Chung and Mr. Lau Ka Keung has abstained from voting on the Board resolutions approving the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder. Save as the above, none of the Directors has material interest in the transactions contemplated under the Subscription Agreement or is required to abstain from voting on the Board resolutions in relation to the transactions contemplated under the Subscription Agreement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The Non-Convertible Preference Shares are not convertible into Ordinary Shares, hence the Subscription will not affect the holdings of the Ordinary Shares. For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately after Completion (assuming there are no other changes in the issued share capital of the Company):

Name of shareholders	As at the date of this announcement		Immediately after Completion			
	<i>No. of Ordinary Shares</i>	<i>Approximate % (Note 2)</i>	<i>No. of Ordinary Shares</i>	<i>Approximate % (Note 2)</i>	<i>No. of Non-Convertible Preference Shares</i>	<i>Approximate % (Note 2)</i>
<b>Subscriber</b>						
Fortune Speed ( <i>Note 1</i> )	<u>562,500,000</u>	<u>75.0</u>	<u>562,500,000</u>	<u>75.0</u>	<u>290,000,000</u>	<u>100.0</u>
<i>Sub-total</i>	<i>562,500,000</i>	<i>75.0</i>	<i>562,500,000</i>	<i>75.0</i>	<i>290,000,000</i>	<i>100.0</i>
<b>Public Shareholders</b>	<u>187,500,000</u>	<u>25.0</u>	<u>187,500,000</u>	<u>25.0</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u><u>750,000,000</u></u>	<u><u>100.0</u></u>	<u><u>750,000,000</u></u>	<u><u>100.0</u></u>	<u><u>290,000,000</u></u>	<u><u>100.0</u></u>

*Notes:*

- Fortune Speed is a company wholly owned by Winnermax Management Limited, which is in turn wholly owned by Happy Family Assets Limited, a company wholly owned by East Asia International Trustees Limited. East Asia International Trustees Limited is the trustee of the Happy Family Trust, a trust established by Mr. Wong Ting Chung, the chairman of the Board and an executive Director, as the settlor, the protector and one of the beneficiaries of the Happy Family Trust.
- Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals or sub-totals may not be an arithmetic aggregation of the figures preceding them.

## INFORMATION OF THE COMPANY AND FORTUNE SPEED

The Company is incorporated in the Cayman Islands and is an investment holding company. Its subsidiaries are principally engaged in property development in the PRC.

Fortune Speed is a company incorporated in the BVI and is an investment holding company. Fortune Speed held 75.0% of shareholding interest in the Company, thus is the controlling shareholder of the Company. Fortune Speed is a company wholly owned by Winnermax Management Limited, which is in turn wholly owned by Happy Family Assets Limited, a company wholly owned by East Asia International Trustees Limited. East Asia International Trustees Limited is the trustee of the Happy Family Trust, a trust established by Mr. Wong Ting Chung, the chairman of the Board and an executive Director, as the settlor, the protector and one of the beneficiaries of the Happy Family Trust.

## REASONS AND BENEFITS FOR THE SUBSCRIPTION

Substantial capital has been required for the Group to develop properties in the PRC over the years. As disclosed in the interim results announcement of the Company for the six months ended 30 June 2021 (the “**2021 Interim Results Announcement**”), the Group recorded improvements in the profit for the period attributable to equity shareholders during the six months ended 30 June 2021 (the “**2021 Interim Period**”), as compared to the same of the same period last year. During the 2021 Interim Period, several property projects, namely Million Cities Tycoon Place Phase 4 in Tianjin, Dragon Terrace Phase 1 and Dragon Palace Phase 1, were completed for delivery. Apart from that, the Group also achieved increase in contracted sales value. As at 30 June 2021, the Group had total assets of approximately RMB3.4 billion, total liabilities of approximately RMB2.1 billion and a gearing ratio (calculated as interest bearing bank loans over equity) of approximately 26.3%. As disclosed in the 2021 Interim Results Announcement, the Group persistently upholds a prudent and proactive attitude in replenishing land bank, focusing on project development in the Greater Bay Area.

The Directors consider that the Subscription will support the Group’s long term growth in property development in the target market. The net proceeds (as further discussed below) raised from the Subscription will strengthen the Group’s financial resources to facilitate it to further develop its opportunities secured in the property development business that the Group may identify from time to time, and improve its profitability in sustainable manner.

Other than the Subscription, the Board has considered other alternative means to raise funds. Having considered that the Non-Convertible Preference Shares to be issued by the Company is of equity in nature, the issue of which will not adversely affect the Group’s gearing position and the cost of funding associated with the issue of the Non-Convertible Preference Shares is relatively low compared with other means, the Board is of the view that the issue of the Non-Convertible Preference Shares is the most appropriate way to raise funds in the current market conditions. The Board considers that the issue of the Non-Convertible Preference Shares will strengthen the financial position of the Group, which could consequently lower the average cost of funding for future investment opportunities that associated with debt financing.

The Directors (other than each of Mr. Wong Ting Chung and Mr. Lau Ka Keung, who is deemed to be interested in the Ordinary Shares held by the Happy Family Trust as his spouse, Ms. Wong Wai Ling, is one of the beneficiaries of the Happy Family Trust, who have abstained from voting on the Board resolutions approving the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder; and including the independent non-executive Directors who will form an opinion after taken into consideration of the recommendation in form of a letter of advice from the Independent Financial Adviser) consider that, although the entering of the Subscription Agreement is not in the ordinary and usual course of business of the Group, the terms of the

Subscription Agreement (including the rate of the Preferred Dividend) are fair and reasonable and the Subscription is in the best interest of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The total subscription amount of the Non-Convertible Preference Shares is HK\$333.5 million. The net proceeds from the issue of the Non-Convertible Preference Shares, after deduction of all relevant expenses incidental to the Subscription, are estimated to be approximately HK\$333.0 million. The Group intends to apply the net proceeds from the Subscription for business development purpose.

## **EQUITY FUND RAISING ACTIVITIES FOR THE PAST 12 MONTHS**

The Company did not conduct any equity fund raising activities in the past 12 months immediately before the date of this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Fortune Speed held 75.0% of shareholding interest in the Company, and is the controlling shareholder of the Company. Fortune Speed is beneficially owned by East Asia International Trustees Limited, which is the trustee of the Happy Family Trust, a trust established by Mr. Wong Ting Chung, the chairman of the Board and an executive Director, as the settlor, the protector and one of the beneficiaries of the Happy Family Trust. Thus, Fortune Speed is a connected person of the Company under the Listing Rules, and the Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules, and is subject to, reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (calculated in accordance with Rule 14.07 of the Listing Rules) for the Subscription are more than 25% but less than 100%, the Subscription constitutes a major transaction for the Company under the Listing Rules and is subject to, reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As such, Fortune Speed and its associates will be required to abstain from voting at the EGM in respect of the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Company has established the Independent Board Committee to advise the Independent Shareholders on the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder. The Board wishes to announce that Euto Capital Partners Limited, a licensed corporation to carry out type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder. Such appointment has been approved by the Independent Board Committee.

The letter of the advice from the Independent Financial Adviser will be included in the circular in relation to, among others, the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder to be despatched by the Company to the Shareholders in due course.

## **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes that the Non-Convertible Preference Shares be created and that the memorandum and articles of association of the Company be amended to, among others, incorporate the terms of the Non-Convertible Preference Shares summarised in the paragraph headed “Non-Convertible Preference Shares” in this announcement. The amendments to the memorandum and articles of association of the Company are subject to the approval of the Shareholders by way of a special resolution at the EGM. Further details of the proposed amendments to the memorandum and articles of association of the Company will be set out in the circular to be despatched to the Shareholders.

## **GENERAL**

A circular containing, among others, (i) details of the Subscription, the Specific Mandate and the proposed amendments to the memorandum and articles of association of the Company; (ii) the recommendation from the Independent Board Committee; (iii) the advice of the Independent Financial Adviser; and (iv) a notice to convene the EGM, will be despatched to the Shareholders on or before 4 October 2021.

**Shareholders and potential investors should note that the Subscription is subject to the satisfaction of certain conditions and accordingly, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (excluding a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	Million Cities Holdings Limited, a limited liability company incorporated in the Cayman Islands, the Ordinary Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2892)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among others, the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder, and the proposed amendments to the memorandum and articles of association of the Company
“Fortune Speed”	Fortune Speed Investments Limited is a company incorporated in the BVI with limited liability. Fortune Speed is a company wholly owned by Winnermax Management Limited, which is in turn wholly owned by Happy Family Assets Limited, a company wholly owned by East Asia International Trustees Limited. East Asia International Trustees Limited is the trustee of the Happy Family Trust, a trust established by Mr. Wong Ting Chung, the chairman of the Board and an executive Director, as the settlor, the protector and one of the beneficiaries of the Happy Family Trust

“Greater Bay Area”	for the purpose of this announcement only, the Guangdong-Hong Kong-Macau Bay Area, being the integrated economic and business hub covering cities such as Hong Kong, the Macau Special Administrative Region of the PRC, and cities in the PRC such as Guangzhou, Huizhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Jiangmen and Zhaoqing
“Group”	the Company and its subsidiaries
“Happy Family Trust”	a trust established on 1 June 2015 by Mr. Wong Ting Chung (as the settlor, the protector and one of the beneficiaries of the Happy Family Trust) and East Asia International Trustees Limited, an independent trustee incorporated in the BVI (as the trustee) for the benefit of certain family members of Mr. Wong Ting Chung
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Euto Capital Partners Limited, a licensed corporation to carry out type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Specific Mandate, the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Fortune Speed and its associates (as defined in the Listing Rules)
“Last Trading Day”	9 September 2021, being the last full trading day of the Ordinary Shares on the Stock Exchange prior to the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Non-Convertible Preference Share(s)”	the new non-voting and non-convertible preference share(s) of HK\$0.01 each in the share capital of the Company to be subscribed by Fortune Speed pursuant to the Subscription Agreement
“Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“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
“Relevant Amount”	means HK\$1.15 in respect of each Non-Convertible Preference Share, being HK\$333.5 million divided by 290,000,000 Non-Convertible Preference Shares; and the aggregate Relevant Amount means HK\$333.5 million
“Relevant Event”	any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary; or a sale of all or substantially all of the Group’s assets
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholders”	holder(s) of the Ordinary Share(s)
“Specific Mandate”	the specific mandate to be granted to the Directors by the Independent Shareholders at the EGM to allot and issue the Non-Convertible Preference Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 290,000,000 Non-Convertible Preference Shares subject to and upon the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 9 September 2021 and entered into between the Company and Fortune Speed in relation to the Subscription
“Subscription Price”	HK\$1.15 per Non-Convertible Preference Share

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers

“%” per cent.

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

Hong Kong, 9 September 2021

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