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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)

**UPDATE ON
DISCLOSEABLE TRANSACTION
TERMINATION OF THE COOPERATION AGREEMENT INVOLVING
DISPOSAL OF 30% OF THE ISSUED SHARE CAPITAL
IN THE JV COMPANY**

SUPPLEMENTAL AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of Million Cities Holdings Limited (the “**Company**”) dated 30 December 2021 in relation to the disposal of 30% of the issued share capital of Star Linkage Financial Holdings Limited (the “**JV Company**”) held by Lucky Win Limited (“**Lucky Win**”), an indirect wholly-owned subsidiary of the Company, to Access Prosper International Limited (the “**JV Partner**”) (the “**Disposal**”). Terms used herein shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

SUPPLEMENTAL AGREEMENT

As disclosed in the Announcement, the Consideration shall be paid to a designated account of the Group within 120 days upon signing of the JV Termination Agreement.

The Board announces that on 30 June 2022 (after trading hours), Lucky Win, the JV Partner and Mr. Chan, entered into a supplemental agreement to the JV Termination Agreement (the “**Supplemental Agreement**”), pursuant to which the Parties agreed to amend the payment terms of the Consideration (the “**Amendments**”) whereby the Consideration shall be paid in the following manner:

- (i) an amount of RMB10.0 million (equivalent to approximately HK\$11.7 million) shall be paid to a designated account of the Group on 1 June 2022;
- (ii) an amount of RMB5.0 million (equivalent to approximately HK\$5.85 million) shall be paid to a designated account of the Group on or before 30 June 2022;
- (iii) the balance of the Consideration, together with interest payable on the outstanding Consideration calculated at 4% per annum, shall be paid to a designated account of the Group by monthly installments, with the payment due date of the last instalment of the Consideration under the Supplemental Agreement to be 28 December 2023.

As at the date of this announcement, RMB15.0 million (equivalent to approximately HK\$17.55 million) has been paid to a designated account of the Group.

Save as disclosed in the above, all other terms and conditions of the JV Termination Agreement shall remain unchanged, and in full force and effect.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Before the payment due date for the Consideration, the JV Partner has requested an extension of the payment date for the Consideration. After amicable discussion among the Parties and considering the cashflow status of the JV Partner as well as there may be potential future business relationship with the JV Partner, the Company agrees to extend the payment schedule for the Consideration by installments. Thus, the proposed Amendments were made and the Supplemental Agreement was entered into by the Parties.

In view of the above and given that the terms of the Supplemental Agreement were determined after arm's length negotiations between the Parties, the Directors are of the view that despite the Supplemental Agreement was not entered into in the ordinary course of business of the Group, the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

For the purpose of this announcement, conversion of RMB into HK Dollars is based on the approximate exchange rate of RMB1 to HK\$1.17. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK Dollars or RMB have been, could have been or may be converted at such or any other rate or at all.

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

Hong Kong, 30 June 2022

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 Mr. Chan Hiu Fung Nicholas.