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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)

INSIDE INFORMATION — PROFIT WARNING

This announcement is made by Million Cities Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**2024 Interim Period**”) and the information currently available, instead of profit after tax of approximately RMB12.1 million recorded by the Group for the six months ended 30 June 2023 (the “**2023 Interim Period**”), the Group expects to record loss after tax for the 2024 Interim Period ranging from RMB60.0 million to RMB75.0 million. Moreover, it is expected that the Group would record loss attributable to equity shareholders for the 2024 Interim Period ranging from RMB58.0 million to RMB70.0 million, as compared with profit attributable to equity shareholders of approximately RMB0.7 million for the 2023 Interim Period.

The Board would like to highlight that the revenue recognised for the 2024 Interim Period was primarily derived from the sale of inventories, including Million Cities Legend Phase 3 and shops in Crown Grand Court in Huizhou. These properties were not newly completed and delivered properties during 2024. In contrast, the sale of properties during the 2023 Interim Period mainly derived from the sale of the then newly completed

and delivered properties, such as Million Cities Legend Phase 3 in Huizhou. Consequently, the sales volume experienced a significant decrease. This led to the Group's sales performance during the 2024 Interim Period not matching that of the 2023 Interim Period, resulting in a significant decrease in revenue of approximately 75% to 95% as compared to the 2023 Interim Period. Due to this, the Group is expecting to incur a loss from operations ranging from RMB3.0 million to RMB10.0 million for the 2024 Interim Period, as opposed to the profit from operations of approximately RMB98.0 million for the 2023 Interim Period.

During the 2024 Interim Period, the Company did not make further significant impairment provisions for the properties of its subsidiaries and associate companies, despite having made substantial impairment provisions on inventories as at 31 December 2023. Consequently, the Group expects to record (a) a loss after tax for the 2024 Interim Period, as opposed to a profit after tax for the 2023 Interim Period; and (b) a loss attributable to equity shareholders for the 2024 Interim Period as opposed to a profit attributable to equity shareholders for the 2023 Interim Period. This was primarily attributable to (i) a significant decrease in revenue from the Company's subsidiaries and associates companies in the 2024 Interim Period; (ii) the recognition of impairment loss on other receivables of the Company's associates companies for the 2024 Interim Period; and (iii) the provision made with respect to accrued interest in the Company's associates company for the 2024 Interim Period.

The information contained in this announcement is only based on the Board's preliminary assessment after reviewing the latest consolidated management accounts of the Group for the 2024 Interim Period and the information currently available, and such information has not been audited or reviewed by the Company's independent auditor or the audit committee of the Board. Therefore, the actual results of the Group for the 2024 Interim Period may be different from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the 2024 Interim Period, which is expected to be released no later than 31 August 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 August 2024

As at the date of this announcement, the chairman and executive Director is Mr. Wong Ting Chung; the other 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.