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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**

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The Board is pleased to announce that on 24 December 2024 (after trading hours), Huizhou Jiahong, as lender, entered into the Loan Agreement with Huizhou Shengtaichang, as borrower, and Huizhou Million Cities, pursuant to which Huizhou Jiahong agreed to grant a loan in the amount of RMB39.0 million (equivalent to approximately HK\$41.7 million) for 12 months.

**LISTING RULES IMPLICATIONS**

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loan Agreement and the transaction contemplated thereunder exceeds 5% but is less than 25%, the entering of the Loan Agreement constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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### The Loan Agreement

|                   |  |
|-------------------|--|
| Date:             | 24 December 2024   |
| Parties           | (i) Huizhou Jiahong, as lender;<br>(ii) Huizhou Shengtaichang, as borrower; and<br>(iii) Huizhou Million Cities  |
| Principal amount: | RMB39,000,000 (equivalent to approximately HK\$41.7 million)   |
| Usage:            | General working capital of Huizhou Shengtaichang   |
| Interest rate:    | 3.5% per annum, payable by quarter instalments   |
| Term:             | From 25 December 2024 to 24 December 2025  |
| Repayment:        | Huizhou Shengtaichang shall repay the interest on the principal by quarter instalments and the principal amount at loan maturity   |
| Default:          | <ol style="list-style-type: none"><li>1. In the event that Huizhou Shengtaichang did not utilise the Loan according to the agreed usage under the Loan Agreement, Huizhou Jiahong shall have the right to demand early repayment of the Loan.</li><li>2. In the event of any default in repayment, Huizhou Jiahong shall be entitled to charge penalty fee of 0.03% from the due date for repayment.</li></ol> |

Prior to the entering into the Loan Agreement, Huizhou Shengtaichang acquired the Carparks, the value of which amounted to RMB39.0 million (equivalent to approximately HK\$41.7 million) as at the date of this announcement. Having considered that the fact that the titles of the Carparks have not been transferred from Huizhou Million Cities to Huizhou Shengtaichang, pursuant to the Loan Agreement, it was agreed that (i) the transfer of titles of all of the Carparks from Huizhou Million Cities to Huizhou Shengtaichang shall be temporarily suspended from the date of the Loan Agreement to the date of the fulfillment of its obligations under the Loan Agreement; and (ii) in the event Huizhou Shengtaichang does not fulfill any of its obligations under the Loan Agreement, Huizhou Jiahong shall have the right to procure Huizhou Million Cities sell all or any of the Carparks.

### **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

Prior to entering into the Loan Agreement, the Group has obtained and reviewed the following information and documents to assess the creditability and background of Huizhou Shengtaichang, including but not limited to:

- company related information of Huizhou Shengtaichang, including its business licence, articles of association, business scope, financial statements and organisational structure; and
- desktop search results on the credit status of Huizhou Shengtaichang to ascertain if there are any outstanding liabilities which were or have been subjected to legal actions in the relevant jurisdiction.

The advance in respect of the Loan is made on the basis of the Company's credit assessments with reference to the facts that (i) the respective rights and obligations of Huizhou Jiahong and Huizhou Shengtaichang under the Loan Agreement regarding the Carparks; and (ii) the relatively short term nature of the Loan. After taking into account the factors as disclosed above in assessing the risks of the advance of the Loan and the result of the due diligence of Huizhou Shengtaichang, the Company considers that the risks involved in the provision of the Loan to Huizhou Shengtaichang are manageable.

### **FUNDING OF THE LOAN**

The Group will finance the Loan with the Group's internal resources.

## **INFORMATION ON HUIZHOU SHENGTAICHANG**

Huizhou Shengtaichang is a company established in the PRC with limited liability, whose principal business is engaging in real estate consultation business in the PRC. As at the date of this announcement, Huizhou Shengtaichang is owned by Lin Huadong (林華棟) and Guo Yan (郭艷) as to 65% and 35%, respectively. Each of Lin Huadong (林華棟) and Guo Yan (郭艷) is a merchant. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Huizhou Shengtaichang and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON THE GROUP, HUIZHOU JIAHONG AND HUIZHOU MILLION CITIES**

The Company is an investment holding company. The Group is principally engaged in property development in the PRC. Huizhou Jiahong, as lender of the Loan, is an indirect non-wholly-owned subsidiary of the Company. Huizhou Million Cities, being a party to the Loan Agreement, is also an indirect non-wholly-owned subsidiary of the Company.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENT**

The Group intended to have a higher return on investment on its idle cash resources by the granting of the Loan. The Loan carries an interest rate that is higher than the normal RMB deposit rate.

The terms of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the parties to the Loan Agreement on normal commercial terms with reference to the prevailing market practice. Taking into account (i) the results of the Company's due diligence on the financial background and repayment ability of Huizhou Shengtaichang; and (ii) the stable interest income expected to be generated from the Loan, the Directors are of view that a stable revenue and cashflow stream from interest income for the Group is expected to be generated from the Loan.

Based on the above reasons and having considered all relevant factors, the Directors consider and believe that, although the entering of the Loan Agreement is not in the ordinary and usual course of business of the Group, the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loan Agreement and the transaction contemplated thereunder exceeds 5% but is less than 25%, the entering of the Loan Agreement constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

|                                |  |
|--------------------------------|--|
| “Board”                        | the board of Directors   |
| “Carparks”                     | certain carparks that Huizhou Shengtaichang acquired from Huizhou Million Cities prior to the date of the Loan Agreement   |
| “Company”                      | Million Cities Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2892)              |
| “connected person”             | has the meaning ascribed to it under the Listing Rules   |
| “Director(s)”                  | the director(s) of the Company   |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | Hong Kong Special Administration Region of the PRC   |
| “Huizhou Jiahong”              | Huizhou Jiahong Information Consulting Company Limited* (惠州嘉弘信息諮詢有限公司), a limited liability company established in the PRC, an indirect non-wholly-owned subsidiary of the Company, being lender of the Loan |
| “Huizhou Million Cities”       | Huizhou Million Cities Real Estate Development Company Limited* (惠州市萬城房地產開發有限公司), an indirect non-wholly-owned subsidiary of the Company   |
| “Huizhou Shengtaichang”        | Huizhou Shengtaichang Information Consulting Company Limited* (惠州盛泰昌信息諮詢有限公司), a limited liability company established in the PRC, an Independent Third Party, being borrower of the Loan                    |
| “Independent Third Party(ies)” | party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Loan”                         | the loan in the amount of RMB39.0 million (equivalent to approximately HK\$41.7 million) under the Loan Agreement  |

|                  |  |
|------------------|--|
| “Loan Agreement” | the loan agreement dated 24 December 2024 and entered into between Huizhou Jiahong, as lender, and Huizhou Shengtaichang, as borrower, and Huizhou Million Cities with respect to the Loan |
| “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)                                  |
| “RMB”            | Renminbi, the lawful currency of the PRC   |
| “Shareholder(s)” | holder(s) of the shares of the Company   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “%”              | per cent.  |

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

Hong Kong, 24 December 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; the non-executive Director is Ms. Wong Wai Ling; and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Mr. Chan Hiu Fung, Nicholas.*

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.07. Such conversion should not be construed as a representation that any amount has been, could have been, or may be exchanged at such rate or any other rate.*

\* *For identification purpose only*