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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)**

**(1) MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
FORTUNE RADIANT CITY LIMITED; AND  
(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO  
THE DISPOSAL OF FORTUNE BRILLIANT CITY LIMITED**

**Financial adviser to the Company**



**Diligent Capital Limited**

**THE ACQUISITION AND THE DISPOSAL**

The Board is pleased to announce that on 18 July 2025 (after trading hours), MC Development, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement and the Subscription Agreement.

### **The Sale and Purchase Agreement**

On 18 July 2025 (after trading hours), MC Development entered into the Sale and Purchase Agreement with Ms. Teresa Wong. Pursuant to the Sale and Purchase Agreement, Ms. Teresa Wong has conditionally agreed to sell, and MC Development has conditionally agreed to purchase, the Sale Shares, representing approximately 25.3% of the total issued share capital of the Target Company as of the date of this announcement, at a total Consideration of HK\$151,038,000 (equivalent to approximately RMB138,567,000), which shall be satisfied by (i) payment of the Cash Consideration; and (ii) the transfer of all issued shares of Fortune Brilliant, being a wholly-owned subsidiary of the Company, from MC Development to Ms. Teresa Wong (i.e. the Disposal).

### **The Subscription Agreement**

On 18 July 2025 (after trading hours), MC Development entered into the Subscription Agreement with Ms. Teresa Wong and the Target Company. Pursuant to the Subscription Agreement, MC Development has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, the Subscription Shares, representing approximately 16.7% of the enlarged issued share capital of the Target Company upon Completion, at the Subscription Price of HK\$120,087,000 (equivalent to approximately RMB110,172,000).

Completion of the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement is conditional on each other.

Upon completion of the transactions contemplated under the Subscription Agreement, the equity interest of the Target Company associated with the Sale Shares will be reduced from approximately 25.3% to approximately 21.0%. As a result, upon Completion, the Company will be interested in approximately 37.7% of the enlarged issued share capital of the Target Company through MC Development. Accordingly, the Target Company will be recognised as an associate of the Company in the Company's consolidated financial statements. The financial results and net assets of the Target Group will be recorded using the equity method in accordance with the applicable accounting standards.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable ratios for the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon completion of the transactions contemplated under the Sale and Purchase Agreement, Fortune Brilliant will cease to be a subsidiary of the Company. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Teresa Wong is a daughter of Mr. TC Wong, the chairman of the Board and an executive Director. Therefore, Ms. Teresa Wong is considered a connected person of the Company under the Listing Rules. Accordingly, each of the Acquisition and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. TC Wong, Ms. Wong Wai Ling (sister of Mr. TC Wong and a non-executive Director), and Mr. Lau Ka Keung (the spouse of Ms. Wong Wai Ling, an executive Director and chief executive officer of the Company) are considered to have a material interest in each of the Acquisition and the Disposal. As a result, Mr. TC Wong, Ms. Wong Wai Ling and Mr. Lau Ka Keung abstained from voting on the resolutions to approve the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the Board meeting. Save as disclosed, none of the other Directors who attended the Board meeting have a material interest in each of the Acquisition and the Disposal.

## **THE EGM**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal).

As at the date of this announcement, Fortune Speed holds 562,500,000 Shares, representing 75% of the entire issued share capital of the Company and is the controlling Shareholder. Fortune Speed is ultimately beneficially owned by East Asia International Trustees Limited, the trustee of the Happy Family Trust. The Happy Family Trust was established by Mr. TC Wong, the chairman of the Board and an executive Director, who serves as the settlor, protector, and one of the beneficiaries of the Happy Family Trust. Therefore, Fortune Speed will abstain from voting on the resolutions to approve the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed, as at the date of this announcement, no other Shareholders is required to abstain from voting on the resolutions in respect of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the EGM.

## **GENERAL**

The Independent Board Committee, comprising the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of each of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) a letter from the Board setting out further details about the Sale and Purchase Agreement and the Subscription Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal); (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal); (iv) the financial information of the Group and the Target Group; (v) a management discussion and analysis of the Target Group; and (vi) the unaudited pro forma financial information of the Enlarged Group; (vii) any other information required under the Listing Rules; and (viii) a notice convening the EGM is expected to be despatched to the Shareholders on or before 29 August 2025 as additional time is required to prepare the information for inclusion in the circular.

**Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the conditions precedent set out in the Sale and Purchase Agreement and the Subscription Agreement. Therefore, each of the Acquisition and the Disposal may or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in doubt about their position and as to actions that they should take.**

## **THE ACQUISITION AND THE DISPOSAL**

On 18 July 2025 (after trading hours), MC Development, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement and the Subscription Agreement.

## **THE SALE AND PURCHASE AGREEMENT**

On 18 July 2025 (after trading hours), MC Development entered into the Sale and Purchase Agreement with Ms. Teresa Wong. Pursuant to the Sale and Purchase Agreement, Ms. Teresa Wong has conditionally agreed to sell, and MC Development has conditionally agreed to purchase, the Sale Shares.

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 18 July 2025

Parties : (i) MC Development; and  
(ii) Ms. Teresa Wong.

Ms. Teresa Wong is a daughter of Mr. TC Wong, the chairman of the Board and an executive Director. Therefore, Ms. Teresa Wong is considered a connected person of the Company under Chapter 14A of the Listing Rules.

### **Subject matter**

Subject to and upon the terms and conditions of the Sale and Purchase Agreement, Ms. Teresa Wong shall sell, and MC Development shall purchase, the Sale Shares, free from all liens, charges, equities, encumbrances or third party interests together with all rights now or thereafter attaching thereto including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof on or after the SPA Completion Date.

As of the date of this announcement, the Sale Shares represent approximately 25.3% of the total issued share capital of the Target Company.

### **Consideration**

The Consideration for the sale and purchase of the Sale Shares shall be HK\$151,038,000 (equivalent to approximately RMB138,567,000), which shall be payable by MC Development and shall be satisfied by (i) payment in cash of HK\$40 million (equivalent to approximately RMB36.7 million), i.e. Cash Consideration; and (ii) the transfer of all issued shares of Fortune Brilliant, being a wholly-owned subsidiary of the Company, from MC Development to Ms. Teresa Wong.

According to the terms of the Sale and Purchase Agreement, the Cash Consideration shall be settled by MC Development within three Business Days from the date of signing of the Sale and Purchase Agreement, and shall be settled in cash or cashier order or shall be paid by MC Development by transferring the amount payable to a bank account designated by Ms. Teresa Wong or in other manners as agreed by Ms. Teresa Wong.

If the conditions precedent under the Sale and Purchase Agreement shall not have been fulfilled on or before the Long Stop Date, the Cash Consideration shall be refunded to MC Development within three Business Days from the Long Stop Date.

### **Information about Fortune Brilliant**

Fortune Brilliant is an investment company incorporated in the BVI with limited liability. As of the date of this announcement, Fortune Brilliant is wholly owned by MC Development.

As of the date of this announcement, Fortune Brilliant holds the entire issued share capital of Full Success, an investment holding company incorporated in Hong Kong with limited liability. Furthermore, Full Success holds the entire equity interest in Huizhou Wanjia, a company established in the PRC with limited liability.

As of the date of this announcement, Fortune Brilliant, Full Success and Huizhou Wanjia have not yet commenced business operations. Therefore, each of Fortune Brilliant, Full Success and Huizhou Wanjia did not have any net profits (both before and after taxation and extraordinary items) for the years ended 31 December 2023 and 2024. As of 30 June 2025, the combined total assets and net liabilities of Fortune Brilliant, Full Success, and Huizhou Wanjia are approximately RMB1,722 and approximately RMB78,538, respectively.

Pursuant to a loan agreement dated 5 May 2022, Huizhou China Field, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of MC Development, granted the Loan to Huizhou Zhongyi Real Estate Co., Ltd.\* (惠州中益置業有限公司), a limited liability company established in the PRC. For further details, please refer to the announcement of the Company dated 5 May 2022 regarding the Loan. As of the date of this announcement, the Loan has reached its maturity date and is considered overdue.

As of the date of this announcement, the outstanding amount derived from the Loan, including the principal amount and interests accrued thereon, amounted to approximately RMB101,711,000 (equivalent to approximately HK\$111,038,000).

Before Completion, Huizhou China Field will assign the Loan, together with the interests accrued thereon, to Huizhou Wanjia, i.e. the Assignment of Loan.



## **Basis of determination of the Consideration**

The Consideration was determined between Ms. Teresa Wong and MC Development, following arm's length negotiations, based on the unaudited combined net asset value of the Target Group as at 31 May 2025, which amounted to approximately RMB547,791,000 (equivalent to approximately HK\$597,092,000). To acquire the Sale Shares, being approximately 25.3% of the total issued share capital of the Target Company, the Consideration is calculated to be RMB138,567,000 (equivalent to approximately HK\$151,038,000).

To assess the unaudited combined net asset value of the Target Group, the Company engaged the Valuer to evaluate the value of the Properties, which account for over 85% of the Target Group's total assets as of 31 May 2025. This valuation was conducted using a market-based approach.

The Properties have been revalued to reflect its latest market value as of 31 May 2025, according to the unaudited management accounts of the Target Company. As a result, the Directors believe that the unaudited combined net asset value of the Target Group, which was used to determine the Consideration, has been thoroughly evaluated. This analysis reflects the market value of the assets, leading to the conclusion that the Consideration is fair and reasonable.

## **Conditions precedent**

The Sale and Purchase Agreement and the obligations of the parties to effect the completion of the transactions contemplated thereunder are conditional upon:

- (i) the Assignment of Loan having been completed in accordance with the laws of the PRC;
- (ii) the Subscription Agreement having become unconditional (other than the fulfilment of any condition(s) in the Subscription Agreement requiring completion of the Sale and Purchase Agreement and other transactions contemplated therein and not being terminated in accordance with its terms and conditions);
- (iii) the passing of ordinary resolution(s) by the Independent Shareholders to approve, among others, the transactions contemplated by the Sale and Purchase Agreement in accordance with the requirements of the Listing Rules;
- (iv) MC Development being reasonably satisfied with the results of the due diligence exercise (whether legal, accounting, financial, operational, or other aspects that MC Development considers relevant) on the Target Group, their related assets, liabilities, activities, operations, prospectus and other status which MC Development, its agents or professional advisers think necessary and appropriate to conduct;

- (v) all requirements imposed by the Stock Exchange under the Listing Rules or otherwise in connection with the transactions contemplated by the Sale and Purchase Agreement having been fully complied with;
- (vi) all necessary consents, authorisations, or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Sale and Purchase Agreement including without limitation the waiver of pre-emptive rights (if any) to purchase the Sale Shares and those which may be required under the Listing Rules, from the Stock Exchange or any regulatory authority having been obtained by Ms. Teresa Wong; and
- (vii) MC Development being satisfied that from the date of the Sale and Purchase Agreement to the SPA Completion Date, there has not been any material adverse change in respect of any member of the Target Company or its subsidiaries as a whole.

As regards satisfaction of the conditions precedent stated above, neither party may waive the conditions precedent (iii), (v), and (vi) above.

If the above conditions precedent shall not have been fulfilled in full on or before the Long Stop Date, all rights and obligations of the parties under the Sale and Purchase Agreement (other than those clauses specified under the Sale and Purchase Agreement which shall remain in full force and effect) shall cease and terminate, and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other parties with respect to any matter referred to in the Sale and Purchase Agreement save for any antecedent breaches of the Sale and Purchase Agreement.

### **Completion**

Upon fulfilment of all the conditions precedent under the Sale and Purchase Agreement, completion of the transactions thereunder shall take place on the fifth Business Day immediately following the satisfaction of the last of the aforesaid outstanding conditions precedent, or such other date as the parties thereto shall agree in writing.

Upon completion of the transactions contemplated under the Sale and Purchase Agreement, Fortune Brilliant will cease to be a subsidiary of the Company.

### **THE SUBSCRIPTION AGREEMENT**

On 18 July 2025 (after trading hours), MC Development entered into the Subscription Agreement with Ms. Teresa Wong and the Target Company. Pursuant to the Subscription Agreement, MC Development has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, the Subscription Shares.



The principal terms of the Subscription Agreement are set out below:

Date : 18 July 2025

Parties : (i) MC Development;  
(ii) Ms. Teresa Wong; and  
(iii) the Target Company.

### **Subject matter**

Subject to and upon the terms and conditions of the Subscription Agreement, MC Development shall subscribe for, and the Target Company shall allot and issue, the Subscription Shares at the Subscription Price in accordance with the terms of the Subscription Agreement, memorandum and articles of association of the Target Company, on the Subscription Completion Date.

The Subscription Shares shall be issued as fully paid and free from all liens, charges, equities, encumbrances, or third-party interests.

The Subscription Shares shall rank *pari passu* among themselves and with all the shares of the Target Company in issue as at the Subscription Completion Date.

### **Subscription Price**

The Subscription Price for the Subscription Shares payable by the Subscriber shall be HK\$120,087,000 (equivalent to approximately RMB110,172,000).

### **Basis of determination of the Subscription Price**

The Subscription Price was determined between Ms. Teresa Wong and MC Development, following arm's length negotiations, based on the unaudited combined net asset value of the Target Group as at 31 May 2025, which is approximately RMB547,791,000 (equivalent to approximately HK\$597,092,000).

The Subscription Price is calculated based on the target equity interest of approximately 16.7% of the enlarged issued share capital of the Target Company upon Completion, as detailed in the formula below:

$$\text{RMB}547,791,000 / (100\% - 16.7\%) - \text{RMB}547,791,000$$

As mentioned in this announcement, the Properties have been revalued to reflect its latest market value as of 31 May 2025, according to the unaudited management accounts of the Target Company. As a result, the Directors believe that the unaudited combined net asset value of the Target Group, which was used to determine the Subscription Price, has been thoroughly evaluated. Therefore, the Directors considered that the Subscription Price is fair and reasonable.

### **Conditions precedent**

The Subscription Agreement and the obligations of the parties to effect the completion of the transactions contemplated thereunder are conditional upon:

- (i) the Sale and Purchase Agreement having become unconditional (other than the fulfillment of any condition(s) in the Sale and Purchase Agreement requiring completion of the Subscription Agreement and other transactions contemplated therein and not being terminated in accordance with its terms and conditions);
- (ii) the passing of ordinary resolution(s) by the Independent Shareholders to approve, among others, the transaction contemplated by the Subscription Agreement in accordance with the requirements of the Listing Rules;
- (iii) MC Development being reasonably satisfied with the results of the due diligence exercise (whether legal, accounting, financial, operational, or other aspects that the Subscriber considers relevant) on the Target Group, their related assets, liabilities, activities, operations, prospects and other status which MC Development, its agents or professional advisers think necessary and appropriate to conduct;
- (iv) all requirements imposed by the Stock Exchange under the Listing Rules or otherwise in connection with the transactions contemplated by the Subscription Agreement having been fully complied with;
- (v) all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Subscription Agreement and those which may be required under the Listing Rules, from the Stock Exchange or any regulatory authority having been obtained by the Target Company; and
- (vi) MC Development being satisfied that from the date of the Subscription Agreement to the Subscription Completion Date, there has not been any material adverse change in respect of any member of the Target Company or its subsidiaries as a whole.

As regards satisfaction of the above conditions precedent, none of the parties thereto may waive the conditions precedent (ii), (iv), and (v) above.

If the above conditions precedent shall not have been fulfilled in full on or before the Long Stop Date, all rights and obligations of the parties under the Subscription Agreement (other than those specified clauses under the Subscription Agreement which shall remain in full force and effect) shall cease and terminate, and no party to the Subscription Agreement shall have any claim against or liability to the other parties with respect to any matter referred to in the Subscription Agreement save for any antecedent breaches of the Subscription Agreement.

### **Completion**

Upon fulfilment of all the conditions precedent stated under the Subscription Agreement, completion of the transactions thereunder shall take place on the fifth Business Day immediately following the satisfaction of the last of the aforesaid outstanding conditions precedent, or such other date as the parties thereto shall agree in writing.

Completion of the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement is conditional on each other.

Upon completion of the transactions contemplated under the Subscription Agreement, the equity interest of the Target Company associated with the Sale Shares will be reduced from approximately 25.3% to approximately 21.0%. As a result, upon Completion, the Company will be interested in approximately 37.7% of the entire issued share capital of the Target Company through MC Development. Accordingly, the Target Company will be recognised as an associate of the Company in the Company's consolidated financial statements. The financial results and net assets of the Target Group will be recorded using the equity method in accordance with the applicable accounting standards.

### **INFORMATION ABOUT THE TARGET GROUP**

As of the date of this announcement, the Target Group consists of the Target Company, the Union Mark Group, and the Asia Honest Group.

#### **(a) The Target Company**

The Target Company is an investment holding company incorporated in the BVI with limited liability. As of the date of this announcement, the Target Company is wholly owned by Ms. Teresa Wong.

**(b) The Union Mark Group**

The Union Mark Group consists of Union Mark Limited and Huizhou Lixin.

***Union Mark Limited***

Union Mark Limited is an investment holding company incorporated in Hong Kong with limited liability. As of the date of this announcement, Union Mark Limited is wholly owned by the Target Company.

***Huizhou Lixin***

Huizhou Lixin is a company established in the PRC with limited liability and is principally engaged in property investment in the PRC. As of the date of this announcement, Huizhou Lixin is wholly owned by Union Mark Limited.

As of the date of this announcement, Huizhou Lixin owns the Properties located in Huizhou, with the details outlined below:

<b>No.</b>	<b>Address of the Properties</b>	<b>Gross floor area (GFA)</b>	<b>Usage of the Properties</b>
1	An industrial development located at No. 3 Ren Luo Liu Road, Huicheng District, Huizhou, Guangdong Province, the PRC.* (中國廣東省惠州市惠城區水口街道辦事處岌洛六路3號)	205,634.72	Rental property
2	An industrial development located at No. 3 Ren Luo Wu Road, Huicheng District, Huizhou, Guangdong Province, the PRC.* (中國廣東省惠州市惠城區水口街道辦事處岌洛五路3號)	29,943.20	Rental property

No.	Address of the Properties	Gross floor area (GFA)	Usage of the Properties
3	Phase 1 of an industrial development located at No. 1 Ren Luo Wu Road, Huicheng District, Huizhou, Guangdong Province, the PRC.* (中國廣東省惠州市惠城區水口街道辦事處崙洛五路1號一期)	97,696.94	Rental property
4	Phase 2 of an industrial development located at No. 1 Ren Luo Wu Road, Huicheng District, Huizhou, Guangdong Province, the PRC.* (中國廣東省惠州市惠城區水口街道辦事處崙洛五路1號二期)	92,114.39	Under construction

As of the date of this announcement, Huizhou Lixin has entered into contracts with Huizhou Chuangyexing for the management and subleasing of the Properties.

**(c) The Asia Honest Group**

The Asia Honest Group consists of Asia Honest (H.K.) Limited and Huizhou Chuangyexing.

***Asia Honest (H.K.) Limited***

Asia Honest (H.K.) Limited is an investment holding company incorporated in Hong Kong with limited liability. As of the date of this announcement, Asia Honest (H.K.) Limited is wholly owned by the Target Company.

***Huizhou Chuangyexing***

Huizhou Chuangyexing is a company established in the PRC with limited liability, primarily engaged in properties leasing. As of the date of this announcement, Huizhou Chuangyexing is wholly owned by Asia Honest (H.K.) Limited.

## Financial information of the Target Group

Below is the combined financial information of the Target Group for the years ended 31 December 2023 and 2024, extracted from the unaudited financial statements of the Target Group for the same period:

	For the years ended 31 December	
	2024	2023
	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue	38,754	37,525
Profit/(loss) before taxation	38,355	(15,073)
Profit/(loss) after taxation	25,270	(13,028)

Based on the unaudited financial statements of the Target Group as at 31 May 2025, the unaudited combined total assets and net assets of the Target Group as at 31 May 2025 amounted to approximately RMB1,501,065,000 and approximately RMB547,791,000, respectively.

## INFORMATION ABOUT THE COMPANY, THE GROUP, AND MC DEVELOPMENT

The Company is an investment holding company incorporated under the laws of the Cayman Islands with limited liability. The Group is principally engaged in property development in the PRC.

MC Development is an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company as of the date of this announcement.

## INFORMATION ABOUT MS. TERESA WONG

Ms. Teresa Wong is a daughter of Mr. TC Wong, the chairman of the Board and an executive Director. Therefore, Ms. Teresa Wong is considered a connected person of the Company under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, Ms. Teresa Wong is a merchant.

## FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, Fortune Brilliant will cease to be a subsidiary of the Company, and its consolidated financial results, assets, and liabilities will no longer be consolidated in the Group's consolidated financial statements.



Based on a preliminary assessment, it is estimated that the Company will record an unaudited gain from the Disposal of approximately RMB78,538 (equivalent to approximately HK\$85,606), which represents the sum of (i) combined total net liabilities of Fortune Brilliant, Full Success, and Huizhou Wanjia of approximately RMB78,538; and (ii) the outstanding amount derived from the Loan as of the date of this announcement of approximately RMB101,711,000 (equivalent to approximately HK\$111,038,000) and (iii) after deducting the value of transferring all issued shares of Fortune Brilliant as part of the Consideration of HK\$111,038,000.

The actual gain as a result of the Disposal to be recorded by the Company is subject to a final audit to be performed by the Company's auditors.

As the Group would not receive any proceeds from the Disposal, it is expected that the Company would not receive any material sale proceeds.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL**

As disclosed in the Company's annual report for the year ended 31 December 2024, the Board presented a detailed overview of the challenges currently confronting China's real estate industry. Over the past year, the sector has faced significant challenges, including liquidity instability stemming from developers' debt issues, a decline in consumer confidence, reduced housing demand, a downturn in sales, and an ongoing decline in housing prices.

In response to those challenges, the Group's management team is actively working to minimise long-term business risks. The Board is exploring new business opportunities through investments, as well as potential mergers and acquisitions, to diversify profit generation within the property development sector.

During the recent Board meetings, the Directors acknowledged the Target Group's strong capacity to generate stable rental income while also maintaining a land bank that offers opportunities for future development. In light of this, the Board expressed interest in exploring a potential investment in the Target Group as part of a long-term business expansion strategy.

Following several constructive discussions with Ms. Teresa Wong, the Board has decided to undertake a comprehensive due diligence process concerning the Target Group. Additionally, the Valuer has been engaged to assess the market value of the Target Group.

Furthermore, through ongoing discussions with Ms. Teresa Wong, the Company anticipates securing property management services for the investment properties within the Target Group. This arrangement would ensure consistent management service fees. The Board believes that establishing management services is a strategic opportunity for

the Group to diversify its business by leveraging extensive experience in the property development sector. This approach is deemed essential for all properties and is relatively insulated from economic fluctuations, thereby presenting a lower business risk.

Moreover, although the Company is positioned to invest in a total of approximately 37.7% of the entire issued share capital of the Target Group through the Acquisition, it intends to establish a shareholders' agreement with Ms. Teresa Wong, which will allow for the appointment of director(s) to the board of the Target Company. This arrangement will ensure that the Company has substantial influence over the board's commercial and financial decisions. The goal with this approach is to protect the investment and ensure it aligns with the Company's strategic objectives.

In addition, a formal dividend policy will be introduced within the Target Group, allowing the Company to receive dividends based on a mutually agreed profit standard. Lastly, as previously discussed with Ms. Teresa Wong, should the Target Group demonstrate promising returns, the Company may explore the option of acquiring a controlling equity stake. Conversely, the Company may also consider the possibility of divesting the investment back to Ms. Teresa Wong as a feasible exit strategy.

Taking into account of the above factors, the Directors (excluding the members of the Independent Board Committee whose views will be expressed in the circular after considering the opinion of the independent financial adviser) believe that despite the Acquisition and the Disposal are not in the ordinary and usual course of business of the Group, the terms of each of the Sale and Purchase Agreement and the Subscription Agreement are (i) on normal commercial terms; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable ratios for the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon completion of the transactions contemplated under the Sale and Purchase Agreement, Fortune Brilliant will cease to be a subsidiary of the Company. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Teresa Wong is the daughter of Mr. TC Wong, the chairman of the Board and an executive Director. Therefore, Ms. Teresa Wong is considered a connected person of the Company under the Listing Rules. Accordingly, each of the Acquisition and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. TC Wong, Ms. Wong Wai Ling (sister of Mr. TC Wong and a non-executive Director), and Mr. Lau Ka Keung (the spouse of Ms. Wong Wai Ling, an executive Director and chief executive officer of the Company) are considered to have a material interest in each of the Acquisition and the Disposal. As a result, Mr. TC Wong, Ms. Wong Wai Ling and Mr. Lau Ka Keung abstained from voting on the resolutions to approve the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the Board meeting. Save as disclosed, none of the other Directors who attended the Board meeting have a material interest in each of the Acquisition and the Disposal.

## **THE EGM**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal).

As at the date of this announcement, Fortune Speed holds 562,500,000 Shares, representing 75% of the entire issued share capital of the Company and the controlling Shareholder. Fortune Speed is ultimately beneficially owned by East Asia International Trustees Limited, the trustee of the Happy Family Trust. The Happy Family Trust was established by Mr. TC Wong, the chairman of the Board and an executive Director, who serves as the settlor, protector, and one of the beneficiaries of the Happy Family Trust. Therefore, Fortune Speed will abstain from voting on the resolutions to approve the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed, as at the date of this announcement, no other Shareholders is required to abstain from voting on the resolutions in respect of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) at the EGM.

## GENERAL

The Independent Board Committee, comprising the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of each of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal) are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) a letter from the Board setting out further details about the Sale and Purchase Agreement and the Subscription Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal); (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal); (iv) the financial information of the Group and the Target Group; (v) a management discussion and analysis of the Target Group; and (vi) the unaudited pro forma financial information of the Enlarged Group; (vii) any other information required under the Listing Rules; and (viii) a notice convening the EGM is expected to be despatched to the Shareholders on or before 29 August 2025 as additional time is required to prepare the information for inclusion in the circular.

**Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the conditions precedent set out in the Sale and Purchase Agreement and the Subscription Agreement. Therefore, each of the Acquisition and the Disposal may or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in doubt about their position and as to actions that they should take.**

## DEFINITIONS

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

“Acquisition”	acquisition of the equity interests in the Target Company by MC Development through (i) transfer of Sale Shares pursuant to the Sale and Purchase Agreement; and (ii) subscription of the Subscription Shares pursuant to the Subscription Agreement
“Asia Honest Group”	collectively (i) Asia Honest (H.K.) Limited, being a company incorporated in Hong Kong with limited liability and is wholly owned by the Target Company as at the date of this announcement; and (ii) Huizhou Chuangyexing
“Assignment of Loan”	the assignment of the Loan, together with the interests accrued thereon, by Huizhou China Field to Huizhou Wanjia before Completion
“associate(s)”	has the meaning ascribed thereto under to the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon or on which “extreme conditions” caused by super typhoons is in force between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which commercial banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Cash Consideration”	the payment in cash of HK\$40 million (equivalent to approximately RMB36.7 million) by MC Development to Ms. Teresa Wong as part of the Consideration pursuant to the terms of the Sale and Purchase Agreement
“Company”	Million Cities Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2892)

“Completion”	completion of the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by MC Development for the Sale Shares
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of Fortune Brilliant, Full Success and Huizhou Wanjia (including the Loan together with the interests accrued thereon) by way of transferring all issued shares of Fortune Brilliant from MC Development to Ms. Teresa Wong pursuant to the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement, the Subscription Agreement, the transactions contemplated respectively thereunder (including the Acquisition and the Disposal)
“Enlarged Group”	collectively, the Group and the Target Group
“Fortune Brilliant”	Fortune Brilliant City Limited, a company incorporated in the BVI with limited liability and is wholly owned by MC Development as at the date of this announcement
“Fortune Speed”	Fortune Speed Investments Limited, a company incorporated in the BVI, which held approximately 75.0% of the total issued share capital of the Company as of the date of this announcement
“Full Success”	Full Success International Limited (成安國際有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by Fortune Brilliant as at the date of this announcement
“Group”	the Company and its subsidiaries



“Happy Family Trust”	a trust established on 1 June 2015 by Mr. TC Wong (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. TC Wong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Huizhou China Field”	惠州漢基房地產開發有限公司 (Huizhou Hanji Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability and is an indirectly wholly-owned subsidiary of MC Development as of the date of this announcement
“Huizhou Chuangyexing”	惠州創業興物業管理有限公司 (Huizhou Chuangyexing Property Management Co., Ltd.*), a company established in the PRC with limited liability and is indirectly wholly owned by the Target Company through Asia Honest (H.K.) Limited as of the date of this announcement
“Huizhou Lixin”	惠州立信科技有限公司 (Huizhou Lixin Technology Limited*), a company established in the PRC with limited liability and is indirectly wholly owned by the Target Company through Union Mark Limited as of the date of this announcement
“Huizhou Wanjia”	惠州萬嘉信息諮詢有限公司 (Huizhou Wanjia Information Consultancy Limited*), a company established in the PRC with limited liability and is wholly owned by Full Success as at the date of this announcement
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Ms. Man Wing Yee, Ginny, which has been established to give recommendation to the Independent Shareholders in respect of the terms of each of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal), and as to the voting action therefor

“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM on the resolutions in respect of the Sale and Purchase Agreement, the Subscription Agreement, and the transactions contemplated respectively thereunder (including the Acquisition and the Disposal)
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of RMB96,500,000 granted by Huizhou China Field to 惠州中益置業有限公司 (Huizhou Zhongyi Real Estate Co., Ltd.*) pursuant to a loan agreement dated 5 May 2022
“Long Stop Date”	18 January 2026 (or any other date as the parties to the Sale and Purchase Agreement or the Subscription Agreement (where applicable) may agree in writing)
“MC Development”	Million Cities Development Limited, a company incorporated in the BVI with limited liability and is a wholly owned subsidiary of the Company as of the date of this announcement
“Mr. TC Wong”	Mr. Wong Ting Chung, the chairman of the Board, an executive Director, and one of the controlling shareholders of the Company, who is the settlor, the protector, and one of the beneficiaries of the Happy Family Trust
“Ms. Teresa Wong”	Ms. Wong Teresa, a daughter of Mr. TC Wong
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the properties owned by the Target Group as of the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 July 2025 and entered into between MC Development and Ms. Teresa Wong for, among others, the sale and purchase of the Sale Shares as amended from time to time
“Sale Shares”	ordinary shares of the Target Company beneficially owned by Ms. Teresa Wong, which represent approximately 25.3% of the entire issued share capital of the Target Company immediately prior to completion of the transactions contemplated under the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“SPA Completion Date”	the completion date of the transactions contemplated under the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the allotment and issuance of the Subscription Shares by the Target Company to MC Development under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 18 July 2025 and entered into among MC Development, Ms. Teresa Wong, and the Target Company in relation to the Subscription
“Subscription Completion Date”	the completion date of the transactions contemplated under the Subscription Agreement
“Subscription Price”	HK\$120,087,000 (equivalent to approximately RMB110,172,000)
“Subscription Shares”	new ordinary shares of the Target Company to be allotted and issued to MC Development pursuant to the terms and conditions of the Subscription Agreement, which will represent approximately 16.7% of the enlarged issued share capital of the Target Company upon completion of the transactions contemplated under the Subscription Agreement
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Target Company”	Fortune Radiant City Limited, a company wholly owned by Ms. Teresa Wong as of the date of this announcement
“Target Group”	collectively, the Target Company and its subsidiaries

“Union Mark Group”	collectively (i) Union Mark Limited, being a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company as of the date of this announcement; and (ii) Huizhou Lixin
“Valuer”	Vincorn Consulting and Appraisal Limited, an independent professional valuer
“%”	per cent.

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

Hong Kong, 18 July 2025

*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 Ms. Man Wing Yee, Ginny.*

*For the purpose of this announcement, conversion of RMB into HK Dollars is based on the approximate exchange rate of RMB1.00 to HK\$1.09. 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.*

\* *For identification purpose only*