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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

INSIDE INFORMATION — PROFIT WARNING

This announcement is made by Metropolis Capital Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 (the “**FY2022**”) and the information currently available, despite there was an expected increase in the Group’s revenue by approximately 9.9%, together with a decrease in staff costs by approximately 23.0% for FY2022, as compared to that for the year ended 31 December 2021 (the “**FY2021**”), the Group is expected to record a loss before tax of approximately RMB9.9 million for FY2022, as compared to a profit before tax of approximately RMB1.2 million for FY2021.

The expected deterioration in financial performance for FY2022 was primarily attributable to the (1) increase in loss allowances on finance lease receivables and receivables arising from sale and leaseback arrangements (collectively, the “**Lease Receivables**”); and (2) increase in finance costs of more than RMB5.0 million due to the increase in the interest on bank and other borrowings as the balance of bank and other loans significantly increased. The Group recognised loss allowances on the Lease Receivables mainly due to the increase in receivables arising from sale and leaseback arrangements. In addition, as disclosed in the interim report of the Company for the six months ended 30 June 2022, the city-wide lockdown measures, which were implemented to contain the outbreak of local novel coronavirus (“**COVID-19**”) caused by the divergent variants of COVID-19 in Shanghai, the People’s Republic of China (the “**PRC**”), from late March 2022 to early June 2022, has led the Group to adopt stricter risk control measures and make provisions in order to prevent future credit risks when the Group conducted impairment assessment on the relevant Lease

Receivables. As the above lockdown measures were implemented across the PRC from time to time during the second half of FY2022 and only had been lifted up in late 2022, the Group has continued to adopt the risk control measures to the same extent for FY2022.

The Company is still in the process of finalising the audited consolidated results of the Group for FY2022. The information contained in this announcement is based on the Board's preliminary assessment of the Company's latest unaudited consolidated management accounts for FY2022, which are subject to adjustments and finalisation and have not been reviewed or audited by the Company's auditors. The Shareholders and potential investors should refer to the annual results announcement of the Company for FY2022, which is expected to be published by the end of March 2023, for details of the performance of the Group.

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

By order of the Board
Metropolis Capital Holdings Limited
Chau David

Chairman, chief executive officer and executive Director

Shanghai, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Chau David and Ms. Zhou Hui, the non-executive Director is Ms. Chau On; and the independent non-executive Directors are Mr. Lau Chung Wai, Mr. Mo Luojiang and Mr. Lin Peicong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website of the Stock Exchange (www.hkgem.com) for at least 7 days from its date of publication. This announcement will also be published on the website of the Company at www.metropolis-leasing.com.