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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Metropolis Capital Holdings Limited (the “**Company**”, and 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 unaudited consolidated management accounts of the Group for the nine months ended 30 September 2023 (the “**Reporting Period**”) and the information currently available to the Board, the Group is expected to record a profit before tax of approximately RMB9.5 million for the Reporting Period, representing an increase of approximately 625.4% from a profit before tax of approximately RMB1.3 million for the nine months ended 30 September 2022 (the “**Corresponding Period**”). The increase was primarily attributable to (i) the change from recognition of loss allowances on finance lease receivables and receivables arising from sale and leaseback arrangements (collectively, the “**Lease Receivables**”) for the Corresponding Period to reversal of loss allowances on the Lease Receivables for the Reporting Period; (ii) decrease in recognition of loss allowances on factoring receivables (the “**Factoring Receivables**”) for the Reporting Period compared with that for the Corresponding Period; and (iii) decrease in finance costs of approximately RMB8.5 million due to the decrease in interests on bank and other borrowings as the balance of bank and other borrowings decreased significantly, which is partially off-set by an increase in staff costs and other operating expenses and a decrease in revenue in aggregate.

During the Reporting Period, there was a reversal of loss allowances on the Lease Receivables of approximately RMB10.9 million, while there was a recognition of loss allowances on the Lease Receivables of approximately RMB5.8 million for the Corresponding Period. The reversal of loss allowances was mainly attributable to the reduction on risk of default of Lease Receivables customers due to collection of outstanding balances from leasing customers. The Group recognised loss allowances on the Factoring Receivables of approximately RMB2.4 million, as compared to approximately RMB2.9 million for the Corresponding Period. The decrease of recognition of loss allowances on the Factoring Receivables was due to decrease in risk of default of factoring receivables customers for the Reporting Period compared with that for the Corresponding Period.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the Reporting Period. The information contained in this announcement is based on the Board's preliminary assessment of the Company's latest unaudited consolidated management accounts for the Reporting Period, which are subject to adjustments and finalisation and have not been reviewed by the Company's auditors. The Shareholders and potential investors should refer to the third quarterly results announcement of the Company for the Reporting Period, which is expected to be published in early November 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, 18 October 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.