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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE FINANCE LEASING AGREEMENTS

FINANCE LEASING AGREEMENTS WITH CUSTOMER B

On 28 December 2018 and 30 April 2019 (after trading hours), Metropolis Leasing entered into the Finance Leasing Agreements I and the Finance Leasing Agreements II with Customer B in relation to sale and leaseback of certain vehicles. Pursuant to the Finance Leasing Agreements I and the Finance Leasing Agreements II, Metropolis Leasing shall purchase the leased vehicles at the aggregate consideration of RMB1,176,000 and lease an aggregate of eight leased vehicles to Customer B for lease payment.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios for the transactions under the Finance Leasing Agreements I calculated in accordance with the GEM Listing Rules did not exceed 5%, the transactions contemplated under the Finance Leasing Agreements I, on a standalone basis, did not constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules. However, as one or more of the applicable percentage ratios for the transactions under the Finance Leasing Agreements II calculated in accordance with the GEM Listing Rules, both on a standalone basis and together with the transactions under the Finance Leasing Agreements I on an aggregated basis, exceed 5% but are less than 25%, the transactions contemplated under the Finance Leasing Agreements II (both on a standalone basis and together with the transactions under the Finance Leasing Agreements I on an aggregated basis) constituted a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 28 December 2018 and 30 April 2019 (after trading hours), Metropolis Leasing entered into the Finance Leasing Agreements I and the Finance Leasing Agreements II with Customer B in relation to sale and leaseback of certain vehicles. Pursuant to the Finance Leasing Agreements I and the Finance Leasing Agreements II, Metropolis Leasing shall purchase the leased vehicles at the aggregate consideration of RMB1,176,000 and lease an aggregate of eight leased vehicles to Customer B for lease payment.

THE AGREEMENTS

Each of the Finance Leasing Agreements I and the Finance Leasing Agreements II contains similar major terms to each other. The principal terms and conditions of the Agreements are summarised as follow:

	Date	Principal parties	Leased vehicle(s)	Original purchase price of the leased vehicle(s) from auto dealer	
Finance Leasing Agreements I	28 December 2018	Metropolis Leasing (as lessor) Customer B (as lessee)	4 passenger vehicles	RMB556,000	
Finance Leasing Agreements II	30 April 2019	Metropolis Leasing (as lessor) Customer B (as lessee)	4 passenger vehicles	RMB540,000	
	Lease term (Note 1)	Consideration (Note 2)	Lease payment (Note 3)	Approximate contract yield per annum (Note 4)	Security deposit (Note 5)
Finance Leasing Agreements I	24 months	RMB596,000	Includes the principal of RMB566,200 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB60,491	5.34%	RMB149,000

	Lease term <i>(Note 1)</i>	Consideration <i>(Note 2)</i>	Lease payment <i>(Note 3)</i>	Approximate contract yield per annum <i>(Note 4)</i>	Security deposit <i>(Note 5)</i>
Finance Leasing Agreements II	24 months	RMB580,000	Includes the principal of RMB551,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB55,374	5.02%	RMB145,000

Notes:

1. The lease term would commence from the date of payment of consideration (or the date of payment of the first installment of consideration, if applicable) by Metropolis Leasing.
2. The consideration was determined after arm's length negotiation between the parties with reference to factors including, among others, the original purchase price from the auto dealer(s) of the leased vehicle(s), and the condition of the leased vehicle(s).

The consideration would be paid by Metropolis Leasing upon fulfillment of certain conditions, including, among others, (i) the relevant finance leasing agreement, ownership transfer agreement and (if applicable) guarantee document having been signed and becoming effective; (ii) signing of the pledge agreement in respect of the leased vehicle(s) to pledge the leased vehicle(s) to Metropolis Leasing; (iii) receipt of certain due diligence documents by Metropolis Leasing.

3. The lease payment shall be payable by the lessee to Metropolis Leasing during the lease term by monthly installments (or as otherwise agreed) according to the respective finance leasing agreements.
4. The contract yield per annum represents the total finance lease income to be received under the respective finance leasing agreements divided by the amount of consideration paid by Metropolis Leasing under the respective finance leasing agreements, and then divided by the number of years in the lease term.
5. The security deposit shall bear nil interests and shall be returned by Metropolis Leasing to the lessee in full upon the full payment of the lease payment, retention consideration and any necessary payments to Metropolis Leasing according to the respective finance leasing agreements.

Ownership of the leased vehicles

During the lease term, the ownership of the leased vehicle(s) under the respective finance leasing agreements shall be vested in Metropolis Leasing. If the lessee has properly and fully performed all its obligations under the respective finance leasing agreements, at the expiry of the lease term, Metropolis Leasing shall transfer the ownership of the leased vehicle(s) to the lessee at nil consideration.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE AGREEMENTS

The principal business of the Group is the provision of vehicle finance leasing to its customers in the PRC. It is expected that the Agreements will enable the Group to earn finance lease income and generate cash flow stream to the Group.

The terms of the Agreements were agreed between the parties after arm's length negotiations and are on normal commercial terms. The consideration to acquire the leased vehicle(s) under the Agreements by Metropolis Leasing will be financed by the Group's internal resources.

Given that the Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms, the Directors are of the view that the terms of the Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT METROPOLIS LEASING AND THE GROUP

Metropolis Leasing is an indirect wholly-owned subsidiary of the Company. The Group, including Metropolis Leasing, is primarily engaged in the provision of vehicle finance leasing to its customers in the PRC.

INFORMATION ABOUT CUSTOMER B

Customer B is a company established in the PRC which is principally engaged in operation of vehicle leasing.

To the best knowledge of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Customer B and its ultimate beneficial owners are independent third parties.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios for the transactions under the Finance Leasing Agreements I calculated in accordance with the GEM Listing Rules did not exceed 5%, the transactions contemplated under the Finance Leasing Agreements I, on a standalone basis, did not constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules. However, as one or more of the applicable percentage ratios for the transactions under the Finance Leasing Agreements II calculated in accordance with the GEM Listing Rules, both on a standalone basis and together with the transactions under the Finance Leasing Agreements I on an aggregated basis, exceed 5% but are less than 25%, the transactions contemplated under the Finance Leasing Agreements II (both on a standalone basis and together with the transactions under the Finance Leasing Agreements I on an aggregated basis) constituted a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

“Agreements”	collectively, the Finance Leasing Agreements I and the Finance Leasing Agreements II
“Board”	the board of Directors
“Company”	Metropolis Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules and the word “connected” shall be construed accordingly
“Customer B”	customer of the Group in respect of the Finance Leasing Agreements I and the Finance Leasing Agreements II
“Director(s)”	the director(s) of the Company
“Finance Leasing Agreements I”	the finance leasing agreement dated 28 December 2018 and entered into by Metropolis Leasing and Customer B in relation to sale and leaseback of four vehicles, together with the ancillary agreements
“Finance Leasing Agreements II”	the finance leasing agreement dated 30 April 2019 and entered into by Metropolis Leasing and Customer B in relation to sale and leaseback of four vehicles, together with the ancillary agreements
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	person(s) who or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“lease payment”	the lease payment payable to Metropolis Leasing by the lessee pursuant to the terms and conditions of the respective finance leasing agreements

“Metropolis Leasing”	Metropolis International Leasing Co., Ltd.* (信都國際租賃有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* For identification purposes only

By order of the Board
Metropolis Capital Holdings Limited
Chau David

Chairman, chief executive officer and executive Director

Hong Kong, 30 April 2019

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. Lo Kai Tung.

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 at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the website of the Company at www.metropolis-leasing.com.