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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 A

On 10 May 2019 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Finance Leasing Agreements with Customer A in relation to inventory finance leasing of certain second-hand passenger vehicles. Pursuant to the Finance Leasing Agreements, Metropolis Leasing would purchase the leased vehicles at the aggregate consideration of RMB4,900,000 and lease an aggregate of 23 leased vehicles to Customer A for a term of 90 days in return for Lease Payment.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios for the transactions under the Finance Leasing Agreements calculated in accordance with the GEM Listing Rules, on an aggregated basis, are more than 5% but less than 25%, the Finance Leasing Agreements and the transactions contemplated thereunder 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 10 May 2019 (after trading hours), Metropolis Leasing entered into the Finance Leasing Agreements with Customer A in relation to inventory finance leasing of certain second-hand passenger vehicles.

THE FINANCE LEASING AGREEMENTS

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

	Date	Principal parties	Leased vehicle	Estimated value of the leased vehicle	Lease term (note 1)
Agreements I	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB182,000	90 days
Agreements II	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB287,000	90 days
Agreements III	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB245,000	90 days
Agreements IV	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB147,000	90 days
Agreements V	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB245,000	90 days
Agreements VI	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB262,500	90 days
Agreements VII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB287,000	90 days
Agreements VIII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB406,000	90 days

	Date	Principal parties	Leased vehicle	Estimated value of the leased vehicle	Lease term (note 1)
Agreements IX	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB455,000	90 days
Agreements X	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB171,500	90 days
Agreements XI	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB154,000	90 days
Agreements XII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB231,000	90 days
Agreements XIII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB217,000	90 days
Agreements XIV	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB140,000	90 days
Agreements XV	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB154,000	90 days
Agreements XVI	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB287,000	90 days
Agreements XVII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB266,000	90 days
Agreements XVIII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB119,000	90 days
Agreements XIX	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB154,000	90 days

	Date	Principal parties	Leased vehicle	Estimated value of the leased vehicle	Lease term <i>(note 1)</i>
Agreements XX	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB126,000	90 days
Agreements XXI	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB105,000	90 days
Agreements XXII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB154,000	90 days
Agreements XXIII	10 May 2019	Metropolis Leasing (as lessor) Customer A (as lessee)	One second-hand passenger vehicle	RMB105,000	90 days

	Consideration <i>(note 2)</i>	Lease Payment <i>(note 3)</i>	Approximate contract yield <i>(note 4)</i>
Agreements I	RMB182,000	Includes the principal of RMB182,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB6,552	14.40%
Agreements II	RMB287,000	Includes the principal of RMB287,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB10,332	14.40%
Agreements III	RMB245,000	Includes the principal of RMB245,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB8,820	14.40%
Agreements IV	RMB147,000	Includes the principal of RMB147,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,292	14.40%

	Consideration <i>(note 2)</i>	Lease Payment <i>(note 3)</i>	Approximate contract yield <i>(note 4)</i>
Agreements V	RMB245,000	Includes the principal of RMB245,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB8,820	14.40%
Agreements VI	RMB262,500	Includes the principal of RMB262,500 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB9,450	14.40%
Agreements VII	RMB287,000	Includes the principal of RMB287,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB10,332	14.40%
Agreements VIII	RMB406,000	Includes the principal of RMB406,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB14,616	14.40%
Agreements IX	RMB455,000	Includes the principal of RMB455,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB16,380	14.40%
Agreements X	RMB171,500	Includes the principal of RMB171,500 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB6,174	14.40%
Agreements XI	RMB154,000	Includes the principal of RMB154,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,544	14.40%

	Consideration <i>(note 2)</i>	Lease Payment <i>(note 3)</i>	Approximate contract yield <i>(note 4)</i>
Agreements XII	RMB231,000	Includes the principal of RMB231,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB8,316	14.40%
Agreements XIII	RMB217,000	Includes the principal of RMB217,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB7,812	14.40%
Agreements XIV	RMB140,000	Includes the principal of RMB140,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,040	14.40%
Agreements XV	RMB154,000	Includes the principal of RMB154,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,544	14.40%
Agreements XVI	RMB287,000	Includes the principal of RMB287,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB10,332	14.40%
Agreements XVII	RMB266,000	Includes the principal of RMB266,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB9,576	14.40%
Agreements XVIII	RMB119,000	Includes the principal of RMB119,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB4,284	14.40%
Agreements XIX	RMB154,000	Includes the principal of RMB154,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,544	14.40%

	Consideration <i>(note 2)</i>	Lease Payment <i>(note 3)</i>	Approximate contract yield <i>(note 4)</i>
Agreements XX	RMB126,000	Includes the principal of RMB126,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB4,536	14.40%
Agreements XXI	RMB105,000	Includes the principal of RMB105,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB3,780	14.40%
Agreements XXII	RMB154,000	Includes the principal of RMB154,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB5,544	14.40%
Agreements XXIII	RMB105,000	Includes the principal of RMB105,000 and the finance lease income (exclusive of value-added tax) for the entire lease term of RMB3,780	14.40%

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 Metropolis Leasing and Customer A with reference to factors including, among others, the aggregated estimated value of the leased vehicles and the condition of the leased vehicles.

The consideration will be paid by Metropolis Leasing to Customer A upon fulfillment of certain conditions, including, among others, (i) the relevant finance leasing agreement, ownership transfer agreement and guarantee document having been signed and becoming effective; and (ii) the receipt of certain due diligence documents of Customer A by Metropolis Leasing.

3. Customer A shall pay the Lease Payment to Metropolis Leasing during the lease term by monthly installments according to each of the Finance Leasing Agreements.
4. The contract yield of each of the Finance Leasing Agreements is expected to 14.4% (which is calculated by dividing the total finance lease income to be received under each of the Finance Leasing Agreements by the amount of consideration paid by Metropolis Leasing under each of the Finance Leasing Agreements).

Ownership of the leased vehicles

During the lease term, the ownership of the leased vehicles shall be vested in Metropolis Leasing. If Customer A has properly and fully performed all its obligations under the Finance Leasing Agreements by the expiry of the lease term, Metropolis Leasing will transfer the ownership of the leased vehicles to Customer A at nil consideration.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FINANCE LEASING 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 Finance Leasing Agreements will enable the Group to earn finance lease income and generate cash flow stream to the Group.

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

Given that the Finance Leasing 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 Finance Leasing 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 A

Customer A is a company established in the PRC and an auto dealer which is primarily engaged in operation of automobile sales.

To the best knowledge of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Customer A 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 calculated in accordance with the GEM Listing Rules, on an aggregated basis, are more than 5% but less than 25%, the Finance Leasing Agreements and the transactions contemplated thereunder 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 I”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements II”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements III”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements IV”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements V”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements VI”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements VII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements VIII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements IX”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements

“Agreements X”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XI”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XIII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XIV”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XV”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XVI”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XVII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XVIII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements

“Agreements XIX”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XX”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XXI”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XXII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“Agreements XXIII”	the finance leasing agreement dated 10 May 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of one second-hand passenger vehicle, together with the ancillary agreements
“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 A”	customer of the Group in respect of the Finance Leasing Agreements
“Director(s)”	the director(s) of the Company
“Finance Leasing Agreement”	collectively, Agreements I, Agreements II, Agreements III, Agreements IV, Agreements V, Agreements VI, Agreements VII, Agreements VIII, Agreements IX, Agreements X, Agreements XI, Agreements XII, Agreements XIII, Agreements XIV, Agreements XV, Agreements XVI, Agreements XVII, Agreements XVIII, Agreements XIX, Agreements XX, Agreements XXI, Agreements XXII, Agreements XXIII

“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 Customer A pursuant to the terms and conditions of each of the 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, 10 May 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.