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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

PROFIT WARNING

This announcement is made by Metropolis Capital 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 a review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2019, the Group is expected to record a decrease of approximately 20% in the revenue for the six months ended 30 June 2019 as compared to that for the six months ended 30 June 2018 due to adopting a more prudent approach in providing finance leasing to the Group’s customers as the earlier-than-expected implementation of the new national auto-vehicles emissions standards from 1 July 2019 which brought uncertainty to vehicles valuation. The decrease in the revenue for the six months ended 30 June 2019 is expected to be offset by the decrease in the finance cost of the Group for the six months ended 30 June 2019. It is expected that the Group’s revenue after netting off finance cost for the six months ended 30 June 2018 and 2019 shall remain stable.

In addition, the Group is expected to record a decrease of approximately 75% in the profit before tax for the six months ended 30 June 2019 as compared to that for the six months ended 30 June 2018 primarily attributable to the increase in provision on loss allowance on lease receivables (including both finance lease and sales and leaseback arrangement) (the “**Lease Receivables**”) from a reversal of loss allowance of approximately RMB0.9 million for the six months ended 30 June 2018 to a provision of loss allowance of approximately RMB2.0 million for the six months ended 30 June 2019. The increase in provision of loss allowance on the Lease Receivables was mainly due to the increased uncertainty over the future credit risk of the existing Lease Receivables portfolio given that the overall loan default incidents

in China appeared to be increasing over the first six months of 2019. The management would emphasise that the loss allowance provision mentioned above was of non-cash nature and did not have any material impact on the cash flow of the Group. Apart from adopting a prudent risk assessment approach, the Group's management has also taken actions, including but not limited to escalated debt collection measures and legal proceedings, in order to best protect the Group's assets.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 June 2019. 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 six months ended 30 June 2019, 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 interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published in early August 2019, 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, 30 July 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 (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.