



METROPOLIS

METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8621

2021

First Quarterly Report



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Director(s)”) of Metropolis Capital Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), collectively and individually, accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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, the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive; and there are no other matters the omission of which would make this report or any statement herein or this report misleading.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2021

	Notes	Three months ended 31 March	
		2021 RMB (Unaudited)	2020 RMB (Unaudited)
Revenue			
– Finance lease income		3,067,915	4,603,321
– Interest income arising from sale and leaseback arrangements		4,850,824	2,184,735
– Finance leasing advisory service income		3,810,964	–
– Interest income arising from factoring arrangements		160,331	–
Total revenue	3	11,890,034	6,788,056
Other income	3	530,695	346,616
Other gains and losses	3	76,266	435,285
Staff costs		(4,189,969)	(3,179,509)
Reversal/(recognition) of loss allowances on finance lease receivables and receivables arising from sales and leaseback arrangements, net		1,019,797	(320,463)
Other operating expenses		(3,024,669)	(1,622,256)
Finance costs	4	(2,459,991)	(1,855,213)
Profit before tax	5	3,842,163	592,516
Income tax expense	6	(1,429,354)	(253,628)
Profit and total comprehensive income for the period		2,412,809	338,888
Profit and total comprehensive income for the period attributable to:			
– Owners of the Company		1,880,916	338,888
– Non-controlling interests		531,893	–
		2,412,809	338,888
Earnings per share attributable to owners of the Company			
– Basic (RMB cents)	7	0.20	0.04

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Share capital RMB	Share premium RMB	Merger reserve RMB	Other reserve RMB	Statutory surplus reserve RMB	(Accumulated losses) Retained profits RMB	Sub-total RMB	Non- controlling interests RMB	Total equity RMB
At 1 January 2020 (audited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,151,975	(7,446,369)	196,545,929	-	196,545,929
Profit and total comprehensive income for the period	-	-	-	-	-	338,888	338,888	-	338,888
At 31 March 2020 (unaudited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,151,975	(7,107,481)	196,884,817	-	196,884,817
At 1 January 2021 (audited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,429,668	437,235	204,707,226	1,121,481	205,828,707
Profit and total comprehensive income for the period	-	-	-	-	-	1,880,916	1,880,916	531,893	2,412,809
At 31 March 2021 (unaudited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,429,668	2,318,151	206,588,142	1,653,374	208,241,516

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

1. CORPORATE INFORMATION

Metropolis Capital Holdings Limited (the “Company”), which acts as an investment holding company, was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 29 June 2017. The Company’s registered office in the Cayman Islands is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business in Hong Kong is located at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong. The issued shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 12 December 2018.

The principal business of the Company is investment holding and the principal activities of the Group are provision of finance lease, finance leasing advisory and factoring services in the People’s Republic of China (“PRC”).

The immediate and ultimate holding company of the Company is View Art Investment Limited, a limited liability company incorporated in the British Virgin Islands on 28 September 2007 which is 100% held and controlled by Mr. Chau David (“Mr. Chau” or the “Controlling Shareholder”).

2a. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements (the “Unaudited Financial Statements”) for the three months ended 31 March 2021 (the “Reporting Period”) have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Group entities.

The Unaudited Financial Statements have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

2b. APPLICATION OF NEW IFRSs

The preparation of the Unaudited Financial Statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Unaudited Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2020, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2020 (the "2020 Audited Financial Statements").

The Unaudited Financial Statements have been prepared on the historical costs basis except for certain financial instruments that are measured at fair values.

The accounting policies and methods of computation applied in the preparation of the Unaudited Financial Statements are consistent with those applied in the preparation of the 2020 Audited Financial Statements except for the adoption of the new/revised IFRSs further described in the "Adoption of new/revised IFRSs" section which are relevant to the Group and effective for the Group's financial year beginning on 1 January 2021.

Adoption of new/revised IFRSs

In the Reporting Period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's Unaudited Financial Statements:

Amendments to IAS 39, IFRSs 4, 7, 9 and 16 Interest Rate Benchmark Reform – Phase 2

The adoption of the new/revised IFRSs has no significance on the Unaudited Financial Statements. Other than the above new/revised IFRSs, at the date of authorisation of the Unaudited Financial Statements, the Group has not early adopted other new/revised IFRSs that have been issued but are not yet effective. The management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

3. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

An analysis of the revenue from the Group's principal activities, other income, other gains and losses is as follows:

	Three months ended 31 March	
	2021	2020
	RMB	RMB
	(Unaudited)	(Unaudited)
Finance leasing income		
<i>Vehicle finance leasing</i>	3,067,915	4,497,165
<i>Machinery and equipment finance leasing</i>	–	106,156
	3,067,915	4,603,321
Interest income arising from sale and leaseback arrangements	4,850,824	2,184,735
Finance leasing advisory service income	3,810,964	–
Interest income arising from factoring arrangements	160,331	–
Total revenue	11,890,034	6,788,056
Other income		
Bank interest income	15,812	27,898
Government subsidies (Note i)	218,398	–
Others (Note ii)	296,485	318,718
	530,695	346,616
Other gains and losses		
Other investment gain net	22,796	91,806
Exchange gain, net	53,470	343,479
	76,266	435,285

Notes:

- (i). Government subsidies primarily consist of the fiscal support that the local government offers to the Group's entities engaged in the finance leasing business in the PRC.
- (ii). Others included net income arising from installation of global positioning system into vehicles owned by the Group's certain customers from finance leasing and sale and leaseback arrangements.

4. FINANCE COSTS

	Three months ended 31 March	
	2021	2020
	RMB	RMB
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	2,182,366	664,283
Imputed interest expense arising from deposits from finance lease customers	277,625	1,165,479
interest expense on lease liabilities	–	25,451
Total finance costs	2,459,991	1,855,213

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Three months ended 31 March	
	2021	2020
	RMB	RMB
	(Unaudited)	(Unaudited)
Depreciation of property and equipment	14,761	22,909
Depreciation charge for the right-of-use asset	–	296,757
Total depreciation	14,761	319,666
Auditors' remuneration	300,000	450,000
Finance leasing advisory service costs	1,358,978	–
Professional fees	308,515	393,721
Other professional fees	191,077	124,353
Travelling and entertainment expenses	110,084	121,591
Office expenses	225,694	205,832
Expenses recognised under short-term leases	515,560	7,093
	3,009,908	1,302,590
Total other operating expenses	3,024,669	1,622,256
Directors' emoluments	318,386	313,915
Salaries, bonus and other benefits (excluding directors)	3,081,221	2,190,654
Retirement benefit scheme contributions (excluding directors)	790,362	674,940
Total staff cost	4,189,969	3,179,509

6. INCOME TAX EXPENSE

	Three months ended 31 March	
	2021	2020
	RMB	RMB
	(Unaudited)	(Unaudited)
PRC enterprise income tax	458,242	253,628
Deferred tax charge	971,112	–
Total income tax expense	1,429,354	253,628

The Group is only subject to the enterprise income tax in the PRC.

Provision for the enterprise income tax in the PRC is calculated based on a statutory tax rate of 25% of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC, during the Reporting Period.

7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2021	2020
	RMB	RMB
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	1,880,916	338,888
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	960,000,000	960,000,000

No diluted earnings per share was presented as there were no potential ordinary shares in issue during both periods.

8. DIVIDENDS

No dividends were paid, declared or proposed during the Reporting Period (three months ended 31 March 2020: nil). The Directors do not recommend the payment of a dividend in respect of the Reporting Period (three months ended 31 March 2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Despite the fact that the world-wide pandemic of the novel coronavirus (“COVID-19”) continued to subsist during the Reporting Period, the growth of domestic economy of mainland China recovered strongly, thanks to the strong leadership and efficient measures taken by the PRC central government. According to the National Bureau of Statistics of the PRC, the gross domestic product (GDP) in the first quarter of 2021 grew by 18.3% compared to the same period in 2020. At the industry level, the business of many clients of the Group who are engaged in the transportation and logistics industries were recovering gradually and the asset quality of the finance lease receivables and receivables arising from sale and leaseback arrangements (collectively, “the Lease Receivables”) of the Group in relation to the vehicles finance leasing therefore started to improve.

During the Reporting Period, the Group’s finance leasing advisory services were growing fast and accounted for approximately 32.1% of the total revenue. The finance leasing advisory services were rendered to serve as an intermediary between individual clients with financing needs and independent financial institutions who provide sale and leaseback arrangement services in relation to second-hand used vehicles to individual clients. The Group advised individual clients on their financing options based on their specific needs, and assisted with mediating the financial leasing contracts between the independent financial institutions and the individual clients, after assessing those clients’ risk profiles. The Company’s finance leasing advisory services include but not limited to: credit background referencing and vehicle value assessment; leasing application mediation, document preparation and auxiliary post lending assets management services and so on.

To further support the business growth and diversify the revenue sources, the management may consider incorporating a new subsidiary as a new and separate business entity to increase its inputs into the factoring business. In addition, we may also leverage on our experience and competitiveness accumulated from vehicle finance leasing market to enter and explore further into some other new and potentially more profitable finance leasing markets such as the medical equipments and devices and culture-related sectors.



FINANCIAL REVIEW

Overall performance

During the Reporting Period, the Group recorded a revenue of approximately RMB11.9 million, representing an increase of approximately 75.2% from approximately RMB6.8 million for the three months ended 31 March 2020 (the “Corresponding Period”). The increase in revenue was mainly due to the sharp increase of finance leasing advisory service income as well as the interest income arising from the sales and leaseback arrangements. However, part of the revenue increase was offset by the increase of staff costs, finance costs as well as the other operating expenses. Since the asset quality of the Lease Receivables is improving, the reversal of loss allowance of approximately RMB1.0 million was recognised during the Reporting Period, as compared to a loss allowance of RMB0.3 million which was recognised during the Correspondence Period. Consequently the Group’s total profit after tax increased to approximately RMB2.4 million for the Reporting Period, as compared to RMB0.3 million for the Correspondence Period.

Other gains and losses

During the Reporting Period, the Group’s other gains and losses recorded a gain of approximately RMB0.08 million, representing a decrease of approximately 82.5% from a gain of approximately RMB0.4 million for the Corresponding Period. The decrease was primarily due to the decrease in exchange gains derived from the foreign exchange fluctuation between Hong Kong dollar and Renminbi. The Group recorded a conversion gain of approximately RMB0.05 million for the Reporting Period but recorded a conversion gain of approximately RMB0.3 million for the Corresponding Period.

Staff costs

During the Reporting Period, the Group’s staff costs amounted to approximately RMB4.2 million, representing an increase of approximately 31.8% from approximately RMB3.2 million for the Corresponding Period. The increase was mainly due to the increase in recruitment of the new sales and business development staff for the outlet stores, in order to support the expansion of the finance leasing advisory services and second-hand vehicles finance leasing business. The management is cost conscious and closely monitoring the performance of the outlet stores and would make necessary adjustments if the stores could not meet the planned objectives.

Other operating expenses

During the Reporting Period, the Group’s other operating expenses amounted to approximately RMB3.0 million, representing an increase of approximately 86.4% from approximately RMB1.6 million during the Corresponding Period. The increase was mainly due to the new cost of approximately RMB1.4 million occurred in relation to the finance leasing advisory services.

Recognition of loss allowance on the finance lease receivables and receivables arising from sale and leaseback arrangements (collectively, “the Lease Receivables”)

During the Reporting Period, the quality of the Lease Receivables continued its gradual improvement from last year. The Group therefore recognised an overall reversal of loss allowance of approximately RMB1.0 million for the Reporting Period, as compared with a recognition of loss allowance of RMB0.3 million for the Corresponding Period. The overall reversal of RMB1.0 was attributable to (i) a reversal of loss allowance of RMB2.8 million as a result of better Lease Receivables assets’ performance; and (ii) the Lease Receivables write-off of RMB1.8 million (net of loss allowance provision) in accordance with the Group’s write-off policy. The management would like to point out that the write-off of the Lease Receivables may still be subject to enforcement activities under the Group’s recovery procedures and any subsequent recoveries may be recognised in the Group’s profit or loss statement whenever necessary.

Finance costs

During the Reporting Period, the Group’s finance costs amounted to approximately RMB2.5 million, representing an increase of approximately 32.6% from approximately RMB1.9 million during the Corresponding Period. The increase was mainly because the average balance of bank and other borrowings increased significantly to the amount of approximately RMB91.0 million by the end of the Reporting Period, during which the Group raised approximately RMB41.0 million new funding, as compared with the balance amount of RMB18.7 million by the end of the Corresponding Period. The cost increase in relation to the bank and other borrowings was partly offset by the decrease of imputed interest expenses arising from the deposits received from the customers of finance leasing or sale and leaseback arrangements.

Income tax expense

During the Reporting Period, the Group’s income tax expense was approximately RMB1.4 million, representing an increase of approximately RMB1.1 million from RMB0.3 million for the Corresponding Period. The increase was mainly due to (i) the increase of taxable profit for the Reporting Period as compared against the Corresponding Period; (ii) the deferred tax charge recognised in relation to the reversal of impairment loss allowance of Lease Receivables during the Reporting Period.

Dividend

The Board did not recommend any dividend for the Reporting Period (three months ended 31 March 2020: nil).



CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognises the importance of good corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules, and the Company has adopted the CG Code as its own code of corporate governance.

During the Reporting Period, the Group had complied with all the code provisions as set out in the CG Code, except for the deviation from code provision A.2.1. Mr. Chau David is the Chairman and also the chief executive officer of the Company and he has been managing the Group's business and supervising the overall operations of the Group since its establishment. Having considered the nature and extent of the Group's operations, and Mr. Chau David's in-depth knowledge and experience in the leasing services, in particular vehicle finance leasing market and familiarity with the operations of the Group which is beneficial to the management and business development of the Group, and all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Mr. Chau David taking up both roles. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

SHARE OPTION SCHEME

The share option scheme (the "Share Option Scheme") was conditionally adopted by resolutions in writing passed by the sole Shareholder on 23 November 2018. As at 31 March 2021, no share option was granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

COMPLIANCE WITH THE MODEL CODE AND SECURITIES DEALING CODE

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Model Code”) as its code of conduct for dealing in securities of the Company by the Directors and the relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company (the “Securities Dealing Code”). Having made specific enquiries with all Directors and relevant employees, all Directors and relevant employees have confirmed that they have complied with the Securities Dealing Code and therefore, complied with the Model Code during the Reporting Period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the “SFO”) which were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to the Company and the Stock Exchange, were as follows:

1. Interest in shares or underlying shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Chau David (Note 2)	Interest in controlled corporation	600,000,000 (L)	62.5%

Notes:

1. The letter “L” denotes long position of the Shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company. Therefore, Mr. Chau David is deemed, or taken to be, interested in all the Shares held by View Art Investment Limited for the purpose of the SFO.

2. Interest in shares of associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest and capacity	Number of shares in the associated corporation (Note 1)	Approximate percentage of shareholding
Mr. Chau David (Note 2)	View Art Investment Limited	Beneficial owner	10 (L)	100%

Notes:

1. The letter "L" denotes long position of the Shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company.

Save as disclosed above, as at 31 March 2021, none of the Directors or the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provision of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 31 March 2021, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules on the Stock Exchange:

Name of shareholder	Nature of interest and capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
View Art Investment Limited (Note 2)	Beneficial owner	600,000,000 (L)	62.5%

Notes:

1. The letter "L" denotes long position of the Shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company. Therefore, Mr. Chau David is deemed, or taken to be, interested in all the Shares held by View Art Investment Limited for the purpose of the SFO.

Save as disclosed above, as at 31 March 2021, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares and debentures which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

ADVANCE TO ENTITY

Pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules, a disclosure obligation arises where the relevant advance to an entity from the Group exceeds 8% under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules. As set out in the Prospectus, the Group entered into finance leases with the following customers in the past few years which would give rise to disclosure obligation under Rule 17.15 of the GEM Listing Rules in the Prospectus, and this obligation continued to exist as at 31 March 2021:

In 2018, the Group entered into finance leases with a corporate customer (“Customer E”), which is an independent third party, in respect of sale and leaseback of vehicles. The aggregate net financing amount under such finance leases was approximately RMB46.1 million for the year ended 31 December 2018. The total contract yield of such finance leases was approximately 22.7% (which was calculated by dividing the total finance leasing income by the aggregate net financing amount of such finance leases). The average term of the finance leases was approximately 36.0 months and Customer E would make either monthly or quarterly repayment to the Group. In 2020, the Group entered into a debt restructuring with customer E, the aggregated net financing amount of such finance leases under the debt restructuring was approximately RMB52.14 million. The total contract yield of such finance leases under the debt restructuring was approximately 33.46% (which was calculated by dividing the total finance leasing income by the aggregate net financing amount of such finance leases). The average term of the finance leases under the debt restructuring was approximately 66 months and Customer E would make monthly repayment to the Group. Pursuant to Rule 17.15 of the GEM Listing Rules, the relevant advance to Customer E exceeded 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, namely Mr. Lau Chung Wai (the chairman of the audit committee), Mr. Mo Luojiang and Mr. Lin Peicong. The audit committee, together with the management of the Company, has reviewed the accounting principles and policies adopted by the Group and unaudited condensed consolidated quarterly financial statements for the Reporting Period, together with this report.



PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

On behalf of the Board

Metropolis Capital Holdings Limited

Chau David

Chairman, chief executive officer and executive Director

Hong Kong

14 May 2021

As at the date of this report, 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.