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## **METROPOLIS CAPITAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8621)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

Reference is made to the annual report of Metropolis Capital Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 dated 21 March 2023 (the “**2022 Annual Report**”) and the annual results announcement of the Group for the year ended 31 December 2022 dated 21 March 2023 (the “**2022 Annual Results Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Results Announcement and the 2022 Annual Report.

Further to the information disclosed in the 2022 Annual Results Announcement and the 2022 Annual Report, the Company wishes to provide to the Shareholders and the potential investors with the following supplementary information:

#### **Written-off policy**

As stated in the 2022 Annual Report, the Company has written off approximately RMB12.8 million of finance lease receivables for the year ended 31 December 2022.

Save as disclosed in the 2022 Annual Report, further information regarding the written off policy of the finance lease receivables is set out below:

The Group makes provision in respect of all the Group’s financial assets (including but not limited to the Loan Receivables) pursuant to the ECL model. In accordance with the Group’s risk management objectives as disclosed in the 2022 Annual Results Announcement and the 2022 Annual Report, the recoverability of the outstanding balances arising from the Group’s customers was monitored through the normal monitoring procedure of the portfolio of each customer and the usage of the leased vehicles through the Group’s systems. When there is an indication of default by a customer, the Group will generally consider to further enhance the recoverability of the outstanding balances by assessing to the bank records and financial

information of the potential default customers, so the Group can continuously monitor the cash flows and the business performance of those customers from time to time. The Group will also consider to take further actions to recover the outstanding balances, including but not limited to, exercising the right to sell all the pledged assets of the customers in accordance with the relevant finance leasing agreements, or commencing legal action against those customers. If there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, the relevant amount will be written off.

For the Reporting Period, the Group has been adopting and applying its written-off policy into practice. The general reasons for write-off is mainly due to the leased vehicle under the respective finance leasing agreement(s) could not be located. Considering that, among others, the respective finance leasing agreement(s) had been overdue for more than three years, and to the best of the Company's knowledge, information and belief and having made all reasonable enquiries, the counterparty of the respective finance leasing agreement(s) was in severe financial difficulty with no executable property and there would be no realistic prospect of recovery, the Company has written off such finance lease receivables under the respective finance leasing agreement(s). In some other circumstances, the Group has written-off the relevant finance leasing agreement(s) as the leased vehicle under the finance leasing agreement(s) could not be located, and upon arbitration by the court, it was found that the counterparty has no executable property, and the court enforcement procedure ended. Based on the Board's assessment, since the Company's listing on GEM of the Stock Exchange (the "**Listing**") and up to the date of the 2022 Annual Report, only three finance leasing agreements entered into by the Group had been written off (the "**Post-listing Written off Agreements**"), and the amount being written off is not more than approximately RMB1.0 million for each of the Post-listing Written off Agreements.

Apart from the Post-listing Written off Agreements, the majority of the finance leasing agreements, being a total of 10 agreements, which had been written off were those entered into by the Group prior to its Listing. The amount being written off for each of such agreements is not more than approximately RMB1.3 million. The remaining finance leasing agreements which had been written off accounted at least 20 agreements, and the amount being written off is not generally more than approximately RMB0.2 million for each agreement. Under such circumstances, the Board considers that each of these remaining finance leasing agreements which had been written off is relatively insignificant.

This supplemental announcement is supplemental to and should be read in conjunction with the 2022 Annual Results Announcement and the 2022 Annual Report.

By order of the Board  
**Metropolis Capital Holdings Limited**  
**Chau David**

*Chairman, chief executive officer and executive Director*

Hong Kong, 8 June 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 at [www.hkgem.com](http://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](http://www.metropolis-leasing.com).*