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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 FACTORING AGREEMENTS**

#### **FACTORING AGREEMENTS WITH XU'S COMPANIES**

On 8 April 2021, 27 April 2021, 17 May 2021, 28 May 2021 and 8 July 2021 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreements I, the Factoring Agreements II, the Factoring Agreements III, the Factoring Agreements IV and the Factoring Agreements V with Xu's Company A, pursuant to which Metropolis Leasing has agreed to provide accounts receivable factoring facility to Xu's Company A with the factoring principal amount at the aggregate of up to approximately RMB4,985,000 (equivalent to approximately HK\$5,986,000) for the respective factoring period.

On 28 April 2021, 17 May 2021, 28 May 2021, 7 June 2021 and 8 July 2021 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreements A, the Factoring Agreements B, the Factoring Agreements C, the Factoring Agreements D and the Factoring Agreements E with Xu's Company B, pursuant to which Metropolis Leasing has agreed to provide accounts receivable factoring facility to Xu's Company B with the factoring principal amount at the aggregate of up to approximately RMB3,810,000 (equivalent to approximately HK\$4,576,000) for the respective factoring period.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As none of the applicable percentage ratios for the transactions under the Factoring Agreements I and the Factoring Agreements II calculated in accordance with the GEM Listing Rules exceeds 5%, the transactions contemplated under the Factoring Agreements I and the Factoring Agreements II, on a standalone or aggregated basis, did not constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules.

The entering of the Factoring Agreements A on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. However, as (i) the Factoring Agreements A was entered into within a 12-month period after the entering of the Factoring Agreements I and the Factoring Agreements II; and (ii) each of Xu's Company A and Xu's Company B has the same ultimate beneficial owner, namely, Mr. Xu, pursuant to Rule 19.22 of the GEM Listing Rules, the Factoring Agreements A shall be aggregated with the Factoring Agreements I and the Factoring Agreements II as a series of transactions of the Company. As one or more of the applicable percentage ratios in respect of the Factoring Agreements I, Factoring Agreements II and Factoring Agreements A on an aggregated basis exceed 5% but are all less than 25%, the entering into of the Factoring Agreements A (together with the previous Factoring Agreements I and Factoring Agreements II) constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Subsequent to the entering of Factoring Agreements A, the Company has not fulfilled the reporting and announcement requirements under the GEM Listing Rules as required, and has further entered into a series of transactions, namely, the Post-Notifiable Factoring Agreements. The entering of each of the Post-Notifiable Factoring Agreements on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. However, as one or more of the applicable percentage ratios in respect of the Post-Notifiable Factoring Agreements (together with the Previous Factoring Agreements) on an aggregated basis exceed 5% but are all less than 25%, the entering into of each of the Post-Notifiable Factoring Agreements (together with the Previous Factoring Agreements and other Post-Notifiable Factoring Agreements) constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

### **Non-compliance with the GEM Listing Rules relating to discloseable transactions**

The Directors noted that the Company has breached the GEM Listing Rules requirements for reporting and announcement requirements under Chapter 19 of the GEM Listing Rules, as the transactions mentioned above constituted notifiable transactions, due to inadvertent overlook. The Directors reiterated that they have no intention for such non-compliance and the non-compliance was solely due to the reasons as stated above. Given that the Factoring 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 Factoring Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Company has taken the following actions to remedy the breach, through the publication of this announcement, setting out, among others, the principal terms of each of the Factoring Agreements, the reasons for and benefits under the Factoring Agreements and the GEM Listing Rules implications. With regards to preventive measures for any potential breaches in the future, the Board will further tighten up the reporting and monitoring procedures and provide trainings to staff to strengthen the staff's ability in identifying any possible transactions which may constitute notifiable transactions and/or other transactions required to be disclosed under the GEM Listing Rules.

### **INTRODUCTION**

On 8 April 2021, 27 April 2021, 17 May 2021, 28 May 2021 and 8 July 2021 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreements I, the Factoring Agreements II, the Factoring Agreements III, the Factoring Agreements IV and the Factoring Agreements V with Xu's Company A, pursuant to which Metropolis Leasing has agreed to provide accounts receivable factoring facility to Xu's Company A with the factoring principal amount at the aggregate of up to approximately RMB4,985,000 (equivalent to approximately HK\$5,986,000) for the respective factoring period.

On 28 April 2021, 17 May 2021, 28 May 2021, 7 June 2021 and 8 July 2021 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreements A, the Factoring Agreements B, the Factoring Agreements C, the Factoring Agreements D and the Factoring Agreements E with Xu's Company B, pursuant to which Metropolis Leasing has agreed to provide accounts receivable factoring facility to Xu's Company B with the factoring principal amount at the aggregate of up to RMB3,810,000 (equivalent to approximately HK\$4,576,000) for the respective factoring period.

## THE FACTORING AGREEMENTS WITH XU'S COMPANIES

The terms and conditions of all the factoring agreements in connection with Xu's Company A are summarised as follows:

**Parties:** Metropolis Leasing (as factoring provider)  
Xu's Company A (as seller)

**Type of factoring:** One-off factoring facility with recourse

	Date	Financing term	Factoring principal amount (note 1)	Interest rate (%) per annum	Expected amount of factoring interest (note 2)
<b>Factoring Agreements I</b>	8 April 2021 (after trading hours)	From 8 April 2021 to 28 March 2024	Up to approximately RMB651,000 (equivalent to approximately HK\$782,000)	12.37	It is expected that the Factoring Agreements I will enable the Group to earn a maximum aggregate income of approximately RMB89,000 (equivalent to approximately HK\$107,000)
<b>Factoring Agreements II</b>	27 April 2021 (after trading hours)	From 27 April 2021 to 28 April 2024	Up to approximately RMB1,142,000 (equivalent to approximately HK\$1,371,000)	12.37	It is expected that the Factoring Agreements II will enable the Group to earn a maximum aggregate income of approximately RMB175,000 (equivalent to approximately HK\$210,000)
<b>Factoring Agreements III</b>	17 May 2021 (after trading hours)	From 17 May 2021 to 15 May 2024	Up to approximately RMB1,318,000 (equivalent to approximately HK\$1,583,000)	12.37	It is expected that the Factoring Agreements III will enable the Group to earn a maximum aggregate income of approximately RMB209,000 (equivalent to approximately HK\$251,000)
<b>Factoring Agreements IV</b>	28 May 2021 (after trading hours)	From 28 May 2021 to 28 May 2024	Up to approximately RMB383,000 (equivalent to approximately HK\$460,000)	12.37	It is expected that the Factoring Agreements IV will enable the Group to earn a maximum aggregate income of approximately RMB73,000 (equivalent to approximately HK\$88,000)
<b>Factoring Agreements V</b>	8 July 2021 (after trading hours)	From 8 July to 28 June 2024	Up to approximately RMB1,491,000 (equivalent to approximately HK\$1,791,000)	15	It is expected that the Factoring Agreements V will enable the Group to earn a maximum aggregate income of approximately RMB319,000 (equivalent to approximately HK\$384,000)

*Notes:*

1. The factoring principal amount is determined by Metropolis Leasing and Xu's Company A through arm's length negotiation with reference to the accounts receivable to be transferred to Metropolis Leasing.
2. The amount of factoring interest is calculated on a monthly basis based on the outstanding factoring principal amount in accordance to the repayment schedule as stipulated in the respective Factoring Agreements.

The terms and conditions of all the factoring agreements in connection with Xu's Company B are summarised as follows:

**Parties:** Metropolis Leasing (as factoring provider)

Xu's Company B (as seller)

**Type of factoring:** one-off factoring facility with recourse

	Date	Financing term	Factoring principal amount (note 1)	Interest rate (%) per annum	Repayment of factoring principal amount and interest (note 2)
<b>Factoring Agreements A</b>	28 April 2021 (after trading hours)	From 28 April 2021 to 28 April 2024	Up to approximately RMB2,339,000 (equivalent to approximately HK\$2,809,000)	12.37	It is expected that the Factoring Agreements A will enable the Group to earn a maximum aggregate income of approximately RMB326,000 (equivalent to approximately HK\$392,000)
<b>Factoring Agreements B</b>	17 May 2021 (after trading hours)	From 17 May 2021 to 15 May 2024	Up to approximately RMB370,000 (equivalent to approximately HK\$444,000)	12.37	It is expected that the Factoring Agreements B will enable the Group to earn a maximum aggregate income of approximately RMB47,000 (equivalent to approximately HK\$57,000)
<b>Factoring Agreements C</b>	28 May 2021 (after trading hours)	From 28 May 2021 to 28 May 2024	Up to approximately RMB293,000 (equivalent to approximately HK\$352,000)	12.37	It is expected that the Factoring Agreements C will enable the Group to earn a maximum aggregate income of approximately RMB40,000 (equivalent to approximately HK\$49,000)
<b>Factoring Agreements D</b>	7 June 2021 (after trading hours)	From 7 June 2021 to 5 June 2024	Up to approximately RMB357,000 (equivalent to approximately HK\$428,000)	15	It is expected that the Factoring Agreements D will enable the Group to earn a maximum aggregate income of approximately RMB56,000 (equivalent to approximately HK\$67,000)
<b>Factoring Agreements E</b>	8 July 2021 (after trading hours)	From 8 July 2021 to 28 June 2024	Up to approximately RMB452,000 (equivalent to approximately HK\$543,000)	15	It is expected that the Factoring Agreements E will enable the Group to earn a maximum aggregate income of approximately RMB72,000 (equivalent to approximately HK\$86,000)

*Notes:*

1. The factoring principal amount is determined by Metropolis Leasing and Xu's Company B through arm's length negotiation with reference to the accounts receivable to be transferred to Metropolis Leasing.
2. The amount of factoring interest is calculated on a monthly basis based on the outstanding factoring principal amount in accordance to the repayment schedule as stipulated in the respective Factoring Agreements.

Save the above, each of the factoring agreements in connection with Xu's Companies contains principal terms and conditions which are similar to each other, which are set out below:

**Transfer of accounts receivable:** Subject to the terms and conditions of the respective Factoring Agreement, the accounts receivable due from the debtor(s) of Xu's Company A or Xu's Company B (where applicable) as referred to in the underlying transaction documents entered into between the parties pursuant to the respective Factoring Agreements shall be transferred to Metropolis Leasing.

**Factor ratio:** The factor ratio, which represents the ratio of the factoring principal amount of the respective Factoring Agreements to the accounts receivable being transferred, shall not exceed 95%.

**Repayment of factoring principal amount and interest:** The amount of factoring principal amount and interest shall be payable monthly in accordance with the payment schedule as stipulated in the respective Factoring Agreements.

**Repurchase:** Metropolis Leasing shall be entitled to demand Xu's Company A or Xu's Company B (where applicable) to immediately and unconditionally repurchase the outstanding amount of the accounts receivable being transferred to Metropolis Leasing, by repaying the outstanding factoring principal amount of the respective Factoring Agreements and interest in the event that any of the triggering events occurs:

- (1) the debtor(s) of Xu's Company A or Xu's Company B (where applicable) (the "**Debtors**") has failed to repay the accounts receivable within 90 days after the due date after Xu's Company A or Xu's Company B (where applicable), or Metropolis Leasing has demanded the repayment of such accounts receivable;
- (2) prior to the due date of the accounts receivable, the Debtors, or Xu's Company A or Xu's Company B (where applicable) notifies Metropolis Leasing in writing that there are commercial disputes concerning the relevant contract between them, or Metropolis Leasing is made aware of such disputes in some other ways;

- (3) Xu's Company A or Xu's Company B (where applicable) fails to use the consideration for the transfer of accounts receivable in accordance with the use as agreed in the respective Factoring Agreements, or Xu's Company A or Xu's Company B (where applicable) changes the designated account for the receipt of accounts receivable without the consent of Metropolis Leasing;
- (4) commercial fraud is involved in the contract.

**Default:**

In case of any of the following events (including but not limited to the following), Metropolis Leasing has the right to unilaterally terminate the respective Factoring Agreements, and request Xu's Company A or Xu's Company B (where applicable) to immediately return such consideration for the transfer of all accounts receivable that Metropolis Leasing has paid upon the receipt of the notice of termination of the respective Factoring Agreements, and pay the liquidated damages representing 5% of the consideration for the transfer of all the accounts receivable. Xu's Company A or Xu's Company B (where applicable) further undertakes that it will pay an amount of 200% of such payment as compensation to Metropolis Leasing on a voluntary basis:

- a. Without the written consent of Metropolis Leasing, Xu's Company A or Xu's Company B (where applicable) misappropriates the consideration for the transfer of accounts receivable received from Metropolis Leasing for other use not agreed by both parties or to a counterparty who has not been agreed by both parties;
- b. Xu's Company A or Xu's Company B (where applicable) changes the designated account for the receipt of accounts receivable without written consent of Metropolis Leasing, or Xu's Company A or Xu's Company B (where applicable) fails to pay the accounts receivable to Metropolis Leasing in a timely manner upon receipt of such accounts receivable pursuant to the respective Factoring Agreements;
- c. Xu's Company A or Xu's Company B (where applicable) fabricates the underlying transactions and the accounts receivable, or applies for factoring business with Metropolis Leasing by use of encumbered accounts receivable;



In the case of Xu's Company A or Xu's Company B (where applicable) refuses to repurchase the accounts receivable by the time specified by Metropolis Leasing, or delays payment for the repurchase of accounts receivable, Metropolis Leasing has the right to demand Xu's Company A or Xu's Company B (where applicable) to pay liquidated damages based on the following:

$$L = D \times E \times F$$

D = the amount of accounts receivable

E = the daily default interest rate of 0.05%

F = the actual number of days of late payment

L = liquidated damages

In the case of Xu's Company A or Xu's Company B (where applicable) fails to pay the factoring fee as stipulated in the respective Factoring Agreements, Metropolis Leasing has the right to demand a default penalty from Xu's Company A or Xu's Company B (where applicable) at 0.5% of the outstanding amount per day from the date when such amount payable by Xu's Company A or Xu's Company B (where applicable) falls due for payment.

In addition, in the event Metropolis Leasing suffered other losses as a result of Xu's Company A or Xu's Company B's breach of contract (where applicable), Metropolis Leasing is also entitled to liquidated damages representing 5% of the factoring principal amount.



## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FACTORING AGREEMENTS**

The principal business of the Group is the provision of finance lease, finance leasing advisory and factoring services to its customers in the PRC. The Group started to provide factoring services to its customers from 2020 which enables the Group to generate additional revenue and cash flow stream to the Group. It is expected that the Factoring Agreements will enable the Group to earn a maximum aggregate income of approximately RMB1,407,000 (equivalent to approximately HK\$1,690,000).

The terms of the Factoring Agreements were agreed between the parties after arm's length negotiations and are on normal commercial terms. The provision of factoring principal amount to each of Xu's Companies under the respective Factoring Agreements has been financed by internal resources of the Group.

Given that the Factoring Agreements was 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 Factoring Agreement are fair and reasonable and are in the interest of the Company and the shareholders of the Company 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 finance lease, finance leasing advisory and factoring services to its customers in the PRC.

## **INFORMATION ABOUT XU'S COMPANIES**

Xu's Company A is a company established in the PRC with limited liability which is primarily engaged in the provision of vehicle leasing and business advisory services to its customers.

Xu's Company B is a company established in the PRC with limited liability which is primarily engaged in the provision of vehicle leasing and business advisory services to its customers.

So far as the Company is aware, as at the date of each of the Factoring Agreements, each of Xu's Company A and Xu's Company B is wholly-owned by Mr. Xu. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, saved as disclosed in this announcement, each of Xu's Company A, Xu's Company B and its ultimate beneficial owner(s) is an Independent Third Party and they have no past or present relationships (formal or informal, business or otherwise, implied or explicit) with the Company or its connected persons.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As none of the applicable percentage ratios for the transactions under the Factoring Agreements I and the Factoring Agreements II calculated in accordance with the GEM Listing Rules exceeds 5%, the transactions contemplated under the Factoring Agreements I and the Factoring Agreements II, on a standalone or aggregated basis, did not constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules.

The entering of the Factoring Agreements A on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. However, as (i) the Factoring Agreements A was entered into within a 12-month period after the entering of the Factoring Agreements I and the Factoring Agreements II; and (ii) each of Xu's Company A and Xu's Company B has the same ultimate beneficial owner, namely, Mr. Xu, pursuant to Rule 19.22 of the GEM Listing Rules, the Factoring Agreements A shall be aggregated with the Factoring Agreements I and the Factoring Agreements II as a series of transactions of the Company. As one or more of the applicable percentage ratios in respect of the Factoring Agreements I, Factoring Agreements II and Factoring Agreements A on an aggregated basis exceed 5% but are all less than 25%, the entering into of the Factoring Agreements A (together with the previous Factoring Agreements I and Factoring Agreements II) constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Subsequent to the entering of Factoring Agreements A, the Company has not fulfilled the reporting and announcement requirements under the GEM Listing Rules as required, and has further entered into a series of transactions, namely, the Post-Notifiable Factoring Agreements. The entering of each of the Post-Notifiable Factoring Agreements on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. However, as one or more of the applicable percentage ratios in respect of the Post-Notifiable Factoring Agreements (together with the Previous Factoring Agreements) on an aggregated basis exceed 5% but are all less than 25%, the entering into of each of the Post-Notifiable Factoring Agreements (together with the Previous Factoring Agreements and other Post-Notifiable Factoring Agreements) constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

### **Non-compliance with the GEM Listing Rules relating to discloseable transactions**

The Directors noted that the Company has breached the GEM Listing Rules requirements for reporting and announcement requirements under Chapter 19 of the GEM Listing Rules, as the transactions mentioned above constituted notifiable transactions, due to inadvertent overlook. The Directors reiterated that they have no intention for such non-compliance and the non-compliance was solely due to the reasons as stated above. Given that the Factoring 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 Factoring Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Company has taken the following actions to remedy the breach, through the publication of this announcement, setting out, among others, the principal terms of the Factoring Agreements, the reasons for and benefits under the Factoring Agreements and the GEM Listing Rules implications. With regards to preventive measures for any potential breaches in the future, the Board will further tighten up the reporting and monitoring procedures and provide trainings to staff to strengthen the staff's ability in identifying any possible transactions which may constitute notifiable transactions and/or other transactions required to be disclosed under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“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
“Director(s)”	the director(s) of the Company
“Factoring Agreements”	collectively, the Factoring Agreements I, the Factoring Agreements II, the Factoring Agreements III, the Factoring Agreements IV, the Factoring Agreements V, the Factoring Agreements A, the Factoring Agreements B, the Factoring Agreements C, the Factoring Agreements D and the Factoring Agreements E
“Factoring Agreements I”	the factoring agreements dated 8 April 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu's Company A (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB651,000 (equivalent to approximately HK\$782,000) provided by Metropolis Leasing to Xu's Company A
“Factoring Agreements II”	the factoring agreements dated 27 April 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu's Company A (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB1,142,000 (equivalent to approximately HK\$1,371,000) provided by Metropolis Leasing to Xu's Company A

- “Factoring Agreements III” the factoring agreements dated 17 May 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company A (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB1,318,000 (equivalent to approximately HK\$1,583,000) provided by Metropolis Leasing to Xu’s Company A
- “Factoring Agreements IV” the factoring agreements dated 28 May 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company A (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB383,000 (equivalent to approximately HK\$460,000) provided by Metropolis Leasing to Xu’s Company A
- “Factoring Agreements V” the factoring agreements dated 8 July 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company A (as seller) in respect of the accounts receivable one-off factoring facility with the Factoring Principal Amount up to approximately RMB1,491,000 (equivalent to approximately HK\$1,791,000) provided by Metropolis Leasing to Xu’s Company A
- “Factoring Agreements A” the factoring agreements dated 28 April 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company B (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB2,339,000 (equivalent to HK\$2,809,000) provided by Metropolis Leasing to Xu’s Company B
- “Factoring Agreements B” the factoring agreements dated 17 May 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company B (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB370,000 (equivalent to HK\$444,000) provided by Metropolis Leasing to Xu’s Company B
- “Factoring Agreements C” the factoring agreements dated 28 May 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company B (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to approximately RMB293,000 (equivalent to HK\$352,000) provided by Metropolis Leasing to Xu’s Company B

“Factoring Agreements D”	the factoring agreements dated 7 June 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company B (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to a maximum of RMB357,000 (equivalent to HK\$428,000) provided by Metropolis Leasing to Xu’s Company B
“Factoring Agreements E”	the factoring agreements dated 8 July 2021 and entered into by Metropolis Leasing (as factoring provider) and Xu’s Company B (as seller) in respect of the accounts receivable one-off factoring facility with the factoring principal amount up to a maximum of RMB452,000 (equivalent to HK\$543,000) provided by Metropolis Leasing to Xu’s Company B
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	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
“Metropolis Leasing”	Metropolis International Finance Leasing Co., Ltd.* (信都國際融資租賃有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Mr. Xu”	Mr. Xu Lizhou* (徐利舟), a PRC citizen and an Independent Third Party
“Post-Notifiable Factoring Agreements”	collectively, the Factoring Agreements III, the Factoring Agreements IV, the Factoring Agreements V, the Factoring Agreements B, the Factoring Agreements C, the Factoring Agreements D and the Factoring Agreements E
“Previous Factoring Agreements”	collectively, the Factoring Agreements I, the Factoring Agreements II and the Factoring Agreements A
“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) with a par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xu’s Companies”	collectively, Xu’s Company A and Xu’s Company B
“Xu’s Company A”	Shanghai Xinyin Vehicle Services Co., Ltd* (上海鑫銀汽車服務有限公司), a company established in the PRC with limited liability, which is owned by Mr. Xu as at the date of each of the respective Factoring Agreements, and an Independent Third Party
“Xu’s Company B”	Changzhou Cheyixing Digital Technology Co., Ltd* (常州車億行數字科技有限公司), a company established in the PRC with limited liability, which is owned by Mr. Xu as at the date of each of the respective Factoring Agreements, and an Independent Third Party

*For the purpose of this announcement, conversion of RMB into HK dollars is based on the approximate exchange rate of RMB1.0 to HK\$1.2009. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK dollars or RMB have been, could have been or may be converted at such or any other rate or at all.*

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

*Chairman, chief executive officer and executive Director*

Hong Kong, 8 July 2021

*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).*

*\* For identification purposes only.*