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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Metropolis Capital Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on a review of the Group’s unaudited consolidated management accounts for the three months ended 31 March 2022 (the “**2022 Q1 Period**”) and the information currently available, the Group is expected to record an increase of approximately 100% in profit after tax for the 2022 Q1 Period, as compared to that for the corresponding period last year. The increase in profit after tax for the 2022 Q1 Period was mainly attributable to the (i) increase in revenue as a result of an increase in (a) interest income arising from factoring arrangements due to the increase in the number of factoring agreements entered into by the Group; and (b) the income derived from the provision of finance leasing advisory services, which accounted for approximately 45% of the total revenue; and (ii) decrease in staff costs, which was mainly due to the business adjustment made by the Group to solicit customers through agencies, which led to a decrease in the number of sales staff in direct sales stores and business development staff. The aforementioned significantly outweighed the recognition of loss allowance on finance lease receivables and receivables arising from sales and leaseback arrangements for the 2022 Q1 Period, as compared to the reversal of loss allowance on finance lease receivables and receivables arising from sales and leaseback arrangements for the three months ended 31 March 2021. The Group recognised loss allowances on finance lease receivables and receivables arising from sales and leaseback arrangements mainly due to the significant increase in finance lease receivables and receivables arising from sales and leaseback arrangements. In addition, the fresh outbreak of novel coronavirus (“**COVID-19**”) in Shanghai, the People’s Republic of China, caused by the divergent variants of COVID-19 since late March 2022, has led the Group to adopt stricter risk control measures and make provisions in order to prevent future credit risks when the Group conducted impairment assessment on the relevant finance lease receivables and receivables arising from sales and leaseback arrangements.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the 2022 Q1 Period. 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 2022 Q1 Period, 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 first quarterly results announcement of the Company for the 2022 Q1 Period, which is expected to be published in mid-May 2022, 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

Hong Kong, 21 April 2022

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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and 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 website of the Stock Exchange at www.hkexnews.hk 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.