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## **METROPOLIS CAPITAL HOLDINGS LIMITED**

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

**(Stock Code: 8621)**

### **CONNECTED AND DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED PERSON**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 22 April 2022 (after trading hours), the Loan Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower. Pursuant to the Loan Agreement, the Lender has agreed to grant the Loan to the Borrower for a term of 12 months.

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

As at the date of this announcement, the Borrower is indirectly owned as to approximately 51.17% by Mr. Chau David, an executive Director and a controlling shareholder of the Company, and is therefore a connected person of the Company pursuant to the GEM Listing Rules. Accordingly, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Since the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Loan Agreement is less than 25% and the total value of the Loan plus the monetary advantage to the Borrower is less than HK\$10,000,000, the transaction contemplated under the Loan Agreement is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Further, given that the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Loan Agreement is more than 5% but is less than 25%, the transaction contemplated under the Loan Agreement constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Given that the Borrower is a connected person of the Company and Mr. Chau David, an executive Director and the chairman of the Board, is an indirect controlling shareholder of the Borrower, Mr. Chau David will abstain from voting on the relevant Board resolution of the Company to approve the Loan Agreement and the transaction contemplated thereunder.

## PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 22 April 2022 (after trading hours), the Loan Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower. Pursuant to the Loan Agreement, the Lender has agreed to grant the Loan to the Borrower for a term of 12 months.

Summarised below are the principal terms of the Loan Agreement:

### THE LOAN AGREEMENT

**Lender:** Metropolis Leasing, 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

**Borrower:** Zhentianjia Trading (Shanghai) Co., Ltd.\* (珍田家貿易(上海)有限公司), a company established in the PRC with limited liability. As at the date of this announcement, the Borrower is indirectly owned by Mr. Chau David, an executive Director and a controlling shareholder of the Company, as to approximately 51.17%. The remaining 48.83% of the equity holding of the Borrower were ultimately held by Independent Third Parties. Therefore, the Borrower is a connected person of the Company

**Loan amount:** RMB2,350,000 (equivalent to approximately HK\$2,896,000)

**Interest rate:** 12% per annum

**Repayment:** The Borrower shall repay the whole principal amount together with all accrued interest due and payable to the Lender on the 12th month anniversary of the date of the Loan Agreement (i.e. 21 April 2023)

**Purpose:** Daily operation

### FUNDING OF THE LOAN

The Group will finance the Loan with its internal resources.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

By entering into the Loan Agreement, the Group intends to increase the rate of return of its cash and cash equivalents which can improve the investment income and the profits of the Group. Further, the terms of the Loan Agreement, including the applicable interest, were negotiated on an arm's length basis between the Lender and the Borrower, with reference to the prevailing market interest rates and commercial practices, the financing needs of the Borrower and the Group's assessment on the source of funds for repayment, the business conditions and creditworthiness of the Borrower.

Based on the above reasons and having considered all relevant factors, the Directors (including the independent non-executive Directors) are of the view that although the entering into of the Loan Agreement is not in the ordinary and usual course of business of the Group, the terms of the Loan Agreement are entered into on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole. Except Mr. Chau David, none of the Directors has material interest in the Loan Agreement and/or the transaction contemplated thereunder and no Directors, other than Mr. Chau David, has abstained from voting on the relevant Board resolution of the Company to approve the Loan Agreement and the transaction contemplated thereunder.

## INFORMATION ABOUT THE GROUP AND THE LENDER

The Group, including the Lender, is primarily engaged in the provision of finance lease, finance leasing advisory and factoring services to its customers in the PRC. The Lender is an indirect wholly-owned subsidiary of the Company.

## INFORMATION ABOUT THE BORROWER

The Borrower is a company established in the PRC with limited liability which is primarily engaged in the provision of retail field of kitchenware, sanitary ware and daily sundries, mainly selling kitchen supplies, shoes, hats, bags, clothing, leather products, etc.. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Borrower is owned by Carfun Co., Limited, Mr. Kong Qingyi (孔晴逸), Shanghai Maihuaimu Enterprise Management Partnership (Limited Partnership)\* (上海麥懷牧企業管理合夥企業(有限合夥)) (“**Shanghai Maihuaimu**”), BAI Capital HK Investment Holding Limited (“**BAI Capital**”), Hainan Yisheng Technology Co., Ltd.\* (海南藝生科技有限公司) (“**Hainan Yisheng**”) and BAI GmbH, as to approximately 41.17%, 26.32%, 10.00%, 8.25%, 7.50% and 6.75% respectively. Carfun Co., Limited is a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Chau David. Mr. Kong Qingyi (孔晴逸) is a Taiwan citizen. Shanghai Maihuaimu is a limited partnership established in the PRC with limited liability and is owned by Mr. Chau David and Ms. Tan Xiaochen (談曉晨) as to approximately 99% and 1% respectively. BAI Capital is a company incorporated in Hong Kong with limited liability and is wholly owned by BAI Capital Fund I, L.P., a private fund registered in the Cayman Islands, in which to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, its ultimate beneficial owner(s) is an Independent Third Party. Hainan Yisheng is a company established in the PRC with limited liability and is owned by Mr. Li Xi (李曦) and Mr. Li Pengzhi (李鵬志) as to approximately 99% and 1% respectively. BAI GmbH is a company incorporated in Germany with limited liability and is a venture capital fund which is wholly-owned by Reinhard Mohn GmbH, which in turn is wholly-owned by Bertelsmann SE & Co. KGaA. Bertelsmann SE & Co. KGaA is controlled by Bertelsmann Verwaltungsgesellschaft, which in turn is controlled by Mr. Christoph Mohn.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Chau David, being an executive Director and a controlling shareholder of the Company, indirectly owned the Borrower as to approximately 51.17% through Carfun Co., Limited and Shanghai Maihuaimu. The remaining 48.83% of the equity holding of the Borrower were ultimately held by Independent Third Parties. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save as Mr. Chau David, the ultimate beneficial owners of the Borrower are third parties independent of the Company and its connected persons.

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

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Further, given that the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Loan Agreement is more than 5% but is less than 25%, the transaction contemplated under the Loan Agreement constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Given that the Borrower is a connected person of the Company and Mr. Chau David, an executive Director and the chairman of the Board, is an indirect controlling shareholder of the Borrower, Mr. Chau David has abstained from voting on the relevant Board resolution of the Company to approve the Loan Agreement and the transaction contemplated thereunder.

## 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
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Borrower”	Zhentianjia Trading (Shanghai) Co., Ltd.* (珍田家貿易(上海)有限公司), a company established in the PRC with limited liability and indirectly owned by Mr. Chau David as to approximately 51.17%, a connected person of the Company
“Director(s)”	the director(s) of the Company
“Lender”	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
“Loan”	an unsecured loan in the principal amount of RMB2,350,000 (equivalent to approximately HK\$2,896,000) granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 22 April 2022 and entered into by the Lender and the Borrower in respect of the grant of the Loan from the Lender to the Borrower
“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 person
“Mr. Chau David”	Mr. Chau David, an executive Director and the chairman of the Board
“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

*For the purpose of this announcement, conversion of RMB into HK Dollars is based on the approximate exchange rate of HK\$1.0 to RMB0.8115. 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, 22 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 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.*