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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Metropolis Capital Holdings Limited (the “**Company**”, and its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2022. The unaudited condensed consolidated financial statements for the three months ended 31 March 2022 have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Company. This announcement, containing the full text of the 2022 first quarterly report of the Company (the “**2022 First Quarterly Report**”), complies with the relevant requirements of the Rules (the “**GEM Listing Rules**”) Governing the Listing Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany the preliminary announcements of first quarterly results. The printed version of the 2022 First Quarterly Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.metropolis-leasing.com) in due course in the manner as required by the GEM Listing Rules.

By order of the Board
Metropolis Capital Holdings Limited
Chau David
*Chairman, chief executive officer and
executive Director*

Hong Kong, 13 May 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 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.

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 2022

	Notes	Three months ended 31 March	
		2022 RMB (Unaudited)	2021 RMB (Unaudited)
Revenue			
– Finance lease income		1,691,348	3,067,915
– Interest income arising from sales and leaseback arrangements		6,568,968	4,850,824
– Finance leasing advisory service income		7,899,461	3,810,964
– Interest income arising from factoring arrangements		945,105	160,331
Total revenue	4	17,104,882	11,890,034
Other income	4	623,735	530,695
Other gains and losses	4	(63,860)	76,266
Staff costs		(2,366,139)	(4,189,969)
(Recognition)/Reversal of loss allowance on finance lease receivables and receivables arising from sales and leaseback arrangements, net		(2,200,354)	1,019,797
Recognition of loss allowances on factoring receivables		(49,610)	–
Other operating expenses		(2,355,847)	(3,024,669)
Finance costs	5	(4,340,271)	(2,459,991)
Profit before tax	6	6,352,536	3,842,163
Income tax expense	7	(1,681,483)	(1,429,354)
Profit and total comprehensive income for the period		4,671,053	2,412,809
Profit and total comprehensive income for the period attributable to:			
– Owners of the company		4,276,989	1,880,916
– Non-controlling interests		394,064	531,893
		4,671,053	2,412,809
Earnings per share			
– Basic (RMB cents)	8	0.40	0.20

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Share capital RMB	Share premium RMB	Merger reserve RMB	Other reserve RMB	Statutory surplus reserve RMB	Retained profits RMB	Sub-total RMB	Non- controlling interests RMB	Total equity RMB
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
At 1 January 2022 (unaudited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,702,320	2,147,363	206,690,006	531,596	207,221,602
Profit and total comprehensive income for the period	-	-	-	-	-	4,276,989	4,276,989	394,064	4,671,053
At 31 March 2022 (unaudited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,792,320	6,424,352	210,966,995	925,660	211,892,655



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2022

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 Group is principally engaged in finance leasing, finance leasing advisory and factoring services in the People’s Republic of China (the “PRC”).

The immediate and ultimate holding company of the Company is View Art, 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”).

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements (the “Unaudited Financial Statements”) for the three months ended 31 March 2022 (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”).

3. 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 2021, 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 2021 (the "2021 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 2021 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 2022.

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 2022 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.

4. 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	
	2022 RMB (Unaudited)	2021 RMB (Unaudited)
Finance leasing income		
<i>Vehicle finance leasing</i>	1,691,348	3,067,915
	1,691,348	3,067,915
Interest income arising from sales and leaseback arrangements	6,568,968	4,850,824
Finance leasing advisory service income (Note i)	7,899,461	3,810,964
Interest income arising from factoring arrangements	945,105	160,331
Total revenue	17,104,882	11,890,034
Other income		
Bank interest income	31,340	15,812
Government subsidies (Note ii)	217,913	218,398
Others (Note iii)	374,482	296,485
	623,735	530,695
Other gains and losses		
Other investment gain net (Note iv)	–	22,796
Exchange (loss)/gain, net	(63,860)	53,470
	(63,860)	76,246

Notes:

- (i). It represents income arising from provision of bundle services, including (i) intermediary services between individual clients with financing needs (the “Finance Leasing Advisory Customers”) and financial institutions (the “Finance Leasing Funders”) who provide sales and leaseback arrangement services and (ii) guarantee services to the Finance Leasing Advisory Customers in support for their application for certain leasing arrangements provided by the Finance Leasing Funders (the “Group’s Financial Guarantees”). The timing of revenue recognition of the Group’s revenue from provision of finance leasing advisory service was over time under IFRS 15.
- (ii). 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.
- (iii). Mainly due to the income generated from license plate leasing.
- (iv). Other investment gain represented the realised gain arising from the Group’s investment in the short-term unlisted financial products (recognised as financial assets at FVTPL) which were purchased and redeemed upon maturity from the banks in the PRC and are low risk in nature.

5. FINANCE COST

	Three months ended 31 March	
	2022	2021
	RMB	RMB
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	4,099,536	2,182,366
Imputed interest expense arising from deposits from finance lease customers	240,735	277,625
Total finance costs	4,340,271	2,459,991

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Three months ended 31 March	
	2022	2021
	RMB	RMB
	(Unaudited)	(Unaudited)
Depreciation of property and equipment	96,152	14,761
Total depreciation	96,152	14,761
Auditors' remuneration	312,500	300,000
Finance leasing advisory service costs	793,624	1,358,978
Professional fees	218,704	308,515
Other professional fees	245,582	191,077
Travelling and entertainment expenses	34,196	110,084
Office expenses	266,101	225,694
Expenses recognised under short-term leases	388,988	515,560
	2,259,695	3,009,908
Total other operating expenses	2,355,847	3,024,669
Directors' emoluments	317,159	318,386
Salaries, bonus and other benefits (excluding directors)	1,689,283	3,081,221
Retirement benefit scheme contributions (excluding directors)	359,697	790,362
Total staff cost	2,366,139	4,189,969

7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2022 RMB (Unaudited)	2021 RMB (Unaudited)
PRC enterprise income tax	2,243,974	458,242
Deferred tax charge	(562,491)	971,112
Total income tax expense	1,681,483	1,429,354

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.

8. 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	
	2022 RMB (Unaudited)	2021 RMB (Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	4,276,989	1,880,916
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.

9. DIVIDENDS

No dividends were paid, declared or proposed during the Reporting Period (three months ended 31 March 2021: nil). The Directors do not recommend the payment of a dividend in respect of the Reporting Period (three months ended 31 March 2021: nil).



MANAGEMENT DISCUSS AND ANALYSIS

BUSINESS REVIEW

According to the National Bureau of Statistics of the People's Republic of China (the "PRC"), the gross domestic product (GDP) in the first quarter of 2022 grew by approximately 4.8%, as compared to that of the same period in 2021, and approximately 1.3% quarter-on-quarter growth over the fourth quarter of 2021. The national economy continued to recover and develop, and the economic operation in the PRC was generally stable. Since the end of March 2022, the domestic epidemic situation of the novel-coronavirus ("COVID-19") caused by the divergent variants has not been optimistic. Although there is no major impact on the Group's asset quality for the time being, it is expected that credit risks will increase in the future. However, since customers are scattered all over the country, and considering that the Group has adopted strict risk control policies and effective post-loan management (mainly including loan tracking inspection, credit risk supervision and early warning, loan principal and interest recovery, non-performing credit asset management and credit file management, etc.), the overall asset quality of the finance lease receivables and receivables arising from sales and leaseback arrangements (collectively, the "Lease Receivables") of the Group in relation to the vehicles finance leasing therefore would not worsen.

During the Reporting Period, the Group's finance leasing advisory services were growing fast and accounted for approximately 46.2% 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 which provide sales 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 the negotiation of the terms in the finance leasing contracts between the independent financial institutions and the individual clients, after assessing those clients' risk profiles. The Group'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; providing intermediaries with the right to use information systems and so on.

The management has been actively considering other business opportunities to bring a better return to its Shareholders. The management is considering to diversify the Group's existing business and broaden its source of income by establishing a new subsidiary as a new independent business entity to engage in wine trading and catering business in the PRC. Mr. Chau David, the chairman of the Board, chief executive officer and executive Director has around 6 years of experience in the wine trading and catering business in the PRC. The management believes the Group may leverage on the experience of Mr. Chau David to enter and explore business opportunities in the wine trading and catering business in the PRC, so as to bring additional source of revenue to the Group and create value to its Shareholders.

FINANCIAL REVIEW

Overall performance

During the Reporting Period, the Group recorded a revenue of approximately RMB17.1 million, representing an increase of approximately 43.9% from approximately RMB11.9 million for the three months ended 31 March 2021 (the "Corresponding Period"). The increase in revenue was mainly due to the increase in finance leasing advisory service income as well as the interest income arising from the sales and leaseback arrangements. As the Group reduces the number of business staff, both staff costs and other operating expenses decreased, as compared with that of the Corresponding Period. Although the finance costs and the loss allowance being recognised increased, the Group's total profit after tax increased to approximately RMB4.7 million for the Reporting Period, as compared to approximately RMB2.4 million for the Correspondence Period.

Other income

During the Reporting Period, the Group's other income amounted to approximately RMB0.6 million, representing an increase of approximately 17.5% from approximately RMB0.5 million for the Corresponding Period. The increase was primarily due to (i) the increase in license rental income; and (ii) the increase in interest income which was due to the increase in bank balances for the Reporting Period, as compared to that of the Correspondence Period.

Other gains and losses

During the Reporting Period, the Group's other gains and losses recorded a loss of approximately RMB0.06 million, representing a decrease of approximately 183.7% from a gain of approximately RMB0.08 million for the Corresponding Period. The decrease was primarily due to the decrease in bank wealth management income during the Reporting Period. At the same time, an exchange loss of approximately RMB0.06 million was recognised during the Reporting Period, while a gain of approximately RMB0.05 million was recognised in the same period last year. The change in foreign exchange gains and losses was due to the decrease in the exchange rate of Hong Kong dollar against Renminbi during the Reporting Period, while the exchange rate of Hong Kong dollar against Renminbi increased in the same period of the previous year.

Staff costs

During the Reporting Period, the Group's staff costs amounted to approximately RMB2.4 million, representing a decrease of approximately 43.5% from approximately RMB4.2 million for the Corresponding Period. The decrease was mainly due to the significant decrease in the number of the employees during the Reporting Period, as compared to that of the Correspondence Period. During the Reporting Period, in order to save the Group's operating costs, the Group has made business adjustment and has begun to reduce the number of sales staff in direct sales stores and business development staff, and the Group has solicited customers through external agencies.



Other operating expenses

During the Reporting Period, the Group's other operating expenses amounted to approximately RMB2.4 million, representing a decrease of approximately 22.1% from approximately RMB3.0 million during the Corresponding Period. The decrease was mainly due to the decrease in the finance leasing advisory service costs and the expenses recognised under short-term leases. The reduction of finance leasing advisory service costs was mainly due to the decrease in the use of agency services in the Group's finance leasing advisory services. In addition, the decrease in expenses recognised under short-term leases was mainly due to the Group reduced the number of business premises, resulting in less rental expenses being generated.

Recognition of loss allowance on the Lease Receivables

During the Reporting Period, the Group recognised loss allowance on Lease Receivables of approximately RMB2.2 million for the Reporting Period, as compared with an overall reversal of loss allowance on Lease Receivables of RMB1.0 million for the Corresponding Period. The recognition of loss allowance of approximately RMB2.2 million was mainly attributable to (i) the increase of approximately RMB78.7 million in the Lease Receivables during the Reporting Period resulting the increase in loss allowance being recognised; and (ii) the fresh outbreak of COVID-19 in Shanghai, the PRC, 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 Lease Receivables. Although there has been no major impact on the Group's asset quality for the time being, considering that credit will increase in the future, the Company estimates that the credit loss rate will increase.

Finance costs

During the Reporting Period, the Group's finance costs amounted to approximately RMB4.3 million, representing an increase of approximately 76.4% from approximately RMB2.5 million during the Corresponding Period. The increase was mainly due to the increase in the average balance of bank and other borrowings to approximately RMB175.4 million by the end of the Reporting Period, during which the Group raised new funding of approximately RMB96.5 million, as compared with the balance amount of RMB91.0 million by the end of the Corresponding Period.

Income tax expense

During the Reporting Period, the Group's income tax expense was approximately RMB1.7 million, representing an increase of approximately RMB0.3 million from RMB1.4 million for the Corresponding Period. The increase was mainly due to the increase in taxable profit for the Reporting Period, as compared with that of the Corresponding Period.

Dividend

The Board did not recommend any dividend for the Reporting Period (three months ended 31 March 2021: 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 C.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 2022, 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 2022, 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 (the “Shares”)

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 2022, 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 2022, 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 2022, 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 2022:

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

13 May 2022

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.