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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8621)

INSIDE INFORMATION – PROFIT WARNING

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Group’s unaudited consolidated results for the six months ended 30 June 2022 (the “**2022 Interim Period**”) and the information currently available, the Group is expected to record a profit before tax of approximately RMB0.7 million for the 2022 Interim Period, representing a decrease of approximately 85% from a profit before tax of approximately RMB4.9 million for the six months ended 30 June 2021. Revenue of the Group for the 2022 Interim Period increased by more than RMB4.0 million when compared with the corresponding period in 2021. The decrease in profit before tax for the 2022 Interim Period was primarily attributable to the (i) increase in finance costs of more than RMB4.0 million due to the increase in the interest on bank and other borrowings as the balance of bank and other loans significantly increased; and (ii) change from the (a) reversal of loss allowances on finance lease receivables and receivables arising from sale and leaseback arrangements (collectively, the “**Lease Receivables**”) for the six months ended 30 June 2021 to the recognition of loss allowances on the Lease Receivables for the 2022 Interim Period, as well as (b) nil loss allowance made on factoring receivables for the six months ended 30 June 2021 to the recognition of loss allowances on factoring receivables for the 2022 Interim Period, which is partially off-set by a decrease in staff costs and other operating expenses of about RMB4.3 million in aggregate. The Group recognised loss allowances on the Lease Receivables and factoring receivables (collectively, the “**Lease**

Receivables and Factoring Receivables”) mainly due to the increase in receivables arising from sale and leaseback arrangements and factoring receivables. In addition, the city-wide lockdown measures which have been implemented to contain the outbreak of local novel coronavirus (“**COVID-19**”) caused by the divergent variants of COVID-19 in Shanghai, the People’s Republic of China, from late March 2022 to early June 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 and Factoring Receivables.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the 2022 Interim 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 Interim 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 interim results announcement of the Company for the 2022 Interim Period, which is expected to be published in early August 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

Shanghai, 29 July 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 (www.hkgem.com) for at least 7 days from its date of publication. This announcement will also be published on the website of the Company at www.metropolis-leasing.com.