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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**”, 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 Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) 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 three months ended 31 March 2023 (the “**2023 Q1 Period**”) and the information currently available, the Group expects to record a net loss after tax of approximately RMB1.4 million for the 2023 Q1 Period, representing a decrease of approximately RMB6.1 million, or of approximately 130.4%, as compared to a net profit after tax of approximately RMB4.7 million for the three months ended 31 March 2022.

The expected deterioration in financial performance for the 2023 Q1 Period was primarily attributable to the (i) decrease in revenue of approximately RMB6.5 million, in particular with respect to the Group’s finance leasing business, sales and leaseback arrangements, and finance leasing advisory services, as a result of the adverse effect of the outbreak of local novel coronavirus (“**COVID-19**”) caused by the divergent variants of COVID-19 in Shanghai, the People’s Republic of China in 2022 where business operations of the Group’s customers had not yet resumed back to normal for the 2023 Q1 Period; (ii) increase in staff costs since the Group added new offices and recruited new employees for its business development around the end of 2022; (iii) increase in other operating expenses, which is primarily due to the increase in finance leasing advisory service costs; and (iv) increase in loss allowances on factoring receivables. The Group recognised loss allowances on the factoring receivables mainly due to the increase in receivables arising from factoring arrangements.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the 2023 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 2023 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 2023 Q1 Period, which is expected to be published in mid-May 2023, 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, 20 April 2023

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.