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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE FINANCE LEASING AGREEMENTS

FINANCE LEASING AGREEMENTS WITH CUSTOMER A

On 18 February 2019 (after trading hours), Metropolis Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Finance Leasing Agreements with Customer A in relation to inventory finance leasing of a luxury vehicle. Pursuant to the Finance Leasing Agreements, Metropolis Leasing would purchase the leased vehicle at the consideration of RMB6,120,000 and lease the leased vehicle to Customer A for a term of six months in return for Lease Payment.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios for the transactions under the Finance Leasing Agreements calculated in accordance with the GEM Listing Rules are more than 5% but less than 25%, the Finance Leasing Agreements and the transactions contemplated thereunder constituted a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 18 February 2019 (after trading hours), Metropolis Leasing entered into the Finance Leasing Agreements with Customer A in relation to finance leasing of a luxury vehicle.

THE FINANCE LEASING AGREEMENTS

The principal terms and conditions of the Finance Leasing Agreements are summarised as follow:

- Date:** 18 February 2019 (after trading hours)
- Principal parties:** Metropolis Leasing (as lessor)
Customer A (as lessee)
- Leased vehicle:** A luxury passenger vehicle of a British brand.
- The estimated value of the leased vehicle is RMB8,100,000.
- Lease term:** Six months, commencing from the date of payment of consideration by Metropolis Leasing to Customer A.
- Consideration:** RMB6,120,000, which was determined after arm's length negotiation between Metropolis Leasing and Customer A with reference to factors including, among others, the original purchase price from the manufacturer of the leased vehicle and the condition of the leased vehicle.
- The consideration will be paid by Metropolis Leasing to Customer A upon fulfillment of certain conditions, including, among others, (i) the relevant finance leasing agreement, ownership transfer agreement and guarantee document having been signed and becoming effective; and (ii) the receipt of certain due diligence documents of Customer A by Metropolis Leasing.
- Lease Payment:** Customer A shall pay the Lease Payment to Metropolis Leasing during the lease term by monthly installments according to the Finance Leasing Agreements.
- The Lease Payment shall include principal of RMB6,120,000 and the finance lease income (exclusive of value-added tax) ranging from RMB67,116 to RMB397,800 depending on the timing of full repayment of the principal within six months. The amount of finance lease income will increase as Customer A repays the principal on a later date.
- The contract yield of the Finance Leasing Agreements is expected to range from 1.10% to 6.50% depending on the timing of full repayment of the principal (which is calculated by dividing the total finance lease income to be received under the Finance Leasing Agreements by the amount of consideration paid by Metropolis Leasing under the Finance Leasing Agreements).

Security deposit: Customer A agreed to pay security deposit of RMB918,000 (bearing nil interests) which will be returned by Metropolis Leasing to Customer A in full upon the full payment of the Lease Payment, retention consideration and any necessary payments to Metropolis Leasing according to the Finance Leasing Agreements.

Ownership of the leased vehicle: During the lease term, the ownership of the leased vehicle shall be vested in Metropolis Leasing. If Customer A has properly and fully performed all its obligations under the Finance Leasing Agreements by the expiry of the lease term, Metropolis Leasing will transfer the ownership of the leased vehicle to Customer A at nominal consideration of RMB500.

Guarantee: A guarantor, being an independent third party, entered into a guarantee in favour of Metropolis Leasing for all sums due and payable to Metropolis Leasing under the Finance Leasing Agreements.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FINANCE LEASING AGREEMENTS

The principal business of the Group is the provision of vehicle finance leasing to its customers in the PRC. It is expected that the Finance Leasing Agreements will enable the Group to earn finance lease income and generate cash flow stream to the Group.

The terms of the Finance Leasing Agreements were agreed between the parties after arm's length negotiations and are on normal commercial terms. The consideration to acquire the leased vehicle under the Finance Leasing Agreements by Metropolis Leasing will be financed by the Group's internal resources.

Given that the Finance Leasing Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms, the Directors are of the view that the terms of the Finance Leasing Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT METROPOLIS LEASING AND THE GROUP

Metropolis Leasing is an indirect wholly-owned subsidiary of the Company. The Group, including Metropolis Leasing, is primarily engaged in the provision of vehicle finance leasing to its customers in the PRC.

INFORMATION ABOUT CUSTOMER A

Customer A is a company established in the PRC and an auto dealer which is primarily engaged in dealing with luxury automobiles of a renowned British brand.

To the best knowledge of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Customer A and its ultimate beneficial owners are independent third parties.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios for the transactions under the Finance Leasing Agreements calculated in accordance with the GEM Listing Rules are more than 5% but less than 25%, the Finance Leasing Agreements and the transactions contemplated thereunder constituted a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

“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 and the word “connected” shall be construed accordingly
“Customer A”	customer of the Group in respect of the Finance Leasing Agreements
“Director(s)”	the director(s) of the Company
“Finance Leasing Agreements”	the finance leasing agreement dated 18 February 2019 and entered into by Metropolis Leasing and Customer A in relation to inventory finance leasing of a luxury vehicle, together with the ancillary agreements
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	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 persons

“Lease Payment”	the lease payment payable to Metropolis Leasing by Customer A pursuant to the terms and conditions of the Finance Leasing Agreements
“Metropolis Leasing”	Metropolis International Leasing Co., Ltd.* (信都國際租賃有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“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) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* For identification purposes only

By order of the Board
Metropolis Capital Holdings Limited
Chau David

Chairman, chief executive officer and executive Director

Hong Kong, 18 February 2019

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. Lo Kai Tung.

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.