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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

On 11 November 2019 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 160,000,000 Placing Shares to not less than six independent Placees at the Placing Price of HK\$0.162 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Shares represent 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.162 per Placing Share represents (i) a discount of approximately 19.8% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 19.4% to the average of the closing prices per Share of HK\$0.201 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The gross proceeds from the Placing will be approximately HK\$25.92 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$25.44 million. The Company intends to use entire proceeds from the Placing for expanding the capital base for its vehicle finance leasing operations.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 May 2019.

The Placing is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

11 November 2019 (after trading hours)

Issuer

The Company

Placing Agent

Emperor Securities Limited

The Placing Agent has been appointed to place up to 160,000,000 Placing Shares at the Placing Price of HK\$0.162, on a best effort basis, to not less than six Placees. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than six Placees which will be professional, institutional, and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after the Placing.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the maximum number of Placing Shares under the Placing represent 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,600,000.

Placing Price

The Placing Price of HK\$0.162 per Placing Share represents (i) a discount of approximately 19.8% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 19.4% to the average of the closing prices per Share of HK\$0.201 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market conditions, prevailing market prices and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing commission

The Placing Agent will receive a placing commission calculated as 1.25% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed in accordance with the Placing Agreement. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size of the Placing and the prevailing market condition.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the last annual general meeting of the Company held on 8 May 2019, subject to the limit up to 20% of the aggregate number of shares of the Company in issue on that date, being 800,000,000 Shares. Up to the date of this announcement, no new Share has been allotted and issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. The maximum of 160,000,000 Placing Shares to be allotted and issued will fully utilise the General Mandate.

Conditions of the Placing

Completion is conditional upon:

- (i) the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Placing and the transactions contemplated thereunder having been obtained.

If the above conditions are not fulfilled by the Long Stop Date, the Placing Agreement shall, unless agreed by both parties to extend the Long Stop Date, terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the placement of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 consecutive trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

- (d) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement in a material respect which would affect the success of the Placing; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of notice to the Company pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the Placing Agreement.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion

The Placing shall complete on the Completion Date, being the date within three Business Days after the date on which all the conditions set out above in the paragraph headed "Conditions of the Placing" are satisfied or such other date as the Company and the Placing Agent may agree in writing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal business of the Group is the provision of vehicle finance leasing to its customers in the PRC.

Assuming all the 160,000,000 Placing Shares are successfully placed, the gross proceeds raised from the Placing will be approximately HK\$25.92 million. After taking into account the placing commission for the Placing and other relevant expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$25.44 million, representing a net price of approximately HK\$0.159 per Placing Share.

The Company intends to use the entire proceeds from the Placing for expanding the capital base for its vehicle finance leasing operations. The Board considers that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement		Upon Completion (assuming all the Placing Shares have been issued and allotted)	
	Number of Shares	%	Number of Shares	%
View Art Investment Limited (<i>Note</i>)	600,000,000	75.00	600,000,000	62.50
Public Shareholders	200,000,000	25.00	200,000,000	20.83
Placeses	—	—	160,000,000	16.67
	<u>800,000,000</u>	<u>100.00</u>	<u>960,000,000</u>	<u>100.00</u>

Note: View Art Investment Limited is wholly owned by Mr. Chau David, the chairman, the chief executive officer and an executive director of the Company.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of the net proceeds
30 November 2018	200,000,000 Shares issued under the Share Offer pursuant to the Prospectus	HK\$44.4 million	<p>As disclosed in the announcement of the Company dated 11 December 2018, it was intended that the net proceeds from the Share Offer would be used for the following purposes:</p> <ul style="list-style-type: none">(i) approximately 95.0% for expanding the Group's capital base for its finance leasing operations;(ii) the remaining approximately 5.0% would be used to provide funding for the Group's working capital and other general corporate purposes.	Used as intended

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Metropolis Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM (stock code: 8621)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the date within three Business Days after the date on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected persons”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 8 May 2019 to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries

“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Last Trading Day”	11 November 2019, being the last trading day for the Shares prior to this announcement
“Long Stop Date”	2 December 2019, or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing, on a best efforts basis, of up to 160,000,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 11 November 2019 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.162 per Placing Share
“Placing Shares”	up to 160,000,000 Shares to be placed under the Placing, each a “Placing Share”
“Prospectus”	the prospectus of the Company dated 30 November 2018 in relation to the Share Offer
“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

“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the initial public offering and placing of an aggregate of 200,000,000 Shares at the offer price of HK\$0.39 each, further details of which are set out in the Prospectus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Metropolis Capital Holdings Limited
Chau David

Chairman, chief executive officer and executive Director

Hong Kong, 11 November 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.