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METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8621)

PROFIT WARNING

This announcement is made by Metropolis Capital 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 a review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2018, the Group is expected to record a decrease of approximately 90% in the profit before tax for the year ended 31 December 2018 as compared with that for the year ended 31 December 2017.

The significant decrease in profit before tax for the year ended 31 December 2018 is primarily attributable to the following factors:

- (i) a decrease by more than RMB6 million in other income recognised by the Company during the year of 2018 when compared to the year ended 31 December 2017 primarily due to (a) decrease in government subsidies to the Group in respect of refund upon levy of value-added tax; and (b) decrease in imputed interest income from related parties due to the settlement of loans by the related parties of the Group. As explained in the prospectus of the Company dated 30 November 2018, the refund upon levy mainly arose from machinery and equipment finance leasing and the scale of this aspect of the Group’s business was comparatively smaller in 2018 when compared to the previous years resulting in less government subsidies; and

- (ii) the net loss on foreign exchange differences of approximately RMB1.0 million arising mainly from exchange rate fluctuations on Hong Kong dollars to Renminbi as compared to a net gain on foreign exchange differences of approximately RMB1.5 million for the year ended 31 December 2017.

The Company is still in the process of finalising the audited consolidated results of the Group for the year ended 31 December 2018. 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 year ended 31 December 2018, which are subject to adjustments and finalisation and have not been reviewed or audited by the Company's auditors. The Shareholders and potential investors should refer to the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published by the end of March 2019, 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, 6 March 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 (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.