



METROPOLIS

METROPOLIS CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8621



2023

First Quarterly Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Director(s)”) of Metropolis Capital Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), collectively and individually, accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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, the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive; and there are no other matters the omission of which would make this report or any statement herein or this report misleading.

Contents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5
MANAGEMENT DISCUSSION AND ANALYSIS	13
CORPORATE GOVERNANCE AND OTHER INFORMATION	17



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 RMB (Unaudited)	2022 RMB (Unaudited)
Revenue			
— Finance lease income		241,679	1,691,348
— Interest income arising from sale and leaseback arrangements		3,949,603	6,568,968
— Finance leasing advisory service income		4,577,103	7,899,461
— Interest income arising from factoring arrangements		1,807,953	945,105
Total revenue	4	10,576,338	17,104,882
Other income	4	532,192	623,735
Other gains and losses, net	4	(171,268)	(63,860)
Staff costs		(2,900,817)	(2,366,139)
Reversal/(Recognition) of loss allowance on financial lease receivables and receivables arising from sale and leaseback arrangements (collectively, the "Lease Receivables"), net		458,873	(2,200,354)
Recognition of loss allowances on factoring receivables (the "Factoring Receivables"), net		(480,724)	(49,610)
Other operating expenses		(6,206,635)	(2,355,847)
Finance costs	5	(3,234,717)	(4,340,271)
(Loss)/profit before tax	6	(1,426,758)	6,352,536
Income tax credit (expense)	7	7,251	(1,681,483)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 RMB (Unaudited)	2022 RMB (Unaudited)
(Loss)/profit and total comprehensive income for the period		(1,419,507)	4,671,053
(Loss)/profit and total comprehensive income for the period attributable to:			
— owners of the company		(1,402,559)	4,276,989
— non-controlling interests		(16,948)	394,064
		(1,419,507)	4,671,053
(Loss)/earnings per share			
— Basic (RMB cents)	8	(0.1)	0.4

Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2023

	Share capital RMB	Share premium RMB	Merger reserve RMB	Other reserve RMB	Statutory surplus reserve RMB	Retained profits RMB	Sub-total RMB	Non-controlling interests RMB	Total equity RMB
At 1 January 2022 (audited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,702,320	2,147,363	206,690,006	531,596	207,221,602
Profit and total comprehensive income for the period	-	-	-	-	-	4,276,989	4,276,989	394,064	4,671,053
At 31 March 2022 (unaudited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,792,320	6,424,352	210,966,995	925,660	211,892,655
At 1 January 2023 (audited)	8,503,450	208,490,971	(138,043,162)	121,889,064	3,702,320	(1,488,916)	203,053,727	18,108	203,071,835
(Loss)/profit and total comprehensive expense for the period	-	-	-	-	-	(1,402,559)	(1,402,559)	(16,948)	(1,419,507)
At 31 March 2023 (unaudited)	8,503,450	208,490,971	(138,043,971)	121,889,064	3,702,320	(2,891,475)	201,651,168	1,160	201,652,328

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

1. CORPORATE INFORMATION

Metropolis Capital Holdings Limited (the “Company”), which acts as an investment holding company, was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 29 June 2017. The Company’s registered office in the Cayman Islands is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business in Hong Kong is located at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong. The issued shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 12 December 2018.

The principal business of the Company is investment holding and the Group is principally engaged in finance leasing, finance leasing advisory and factoring services in the People’s Republic of China (the “PRC”).

The immediate and ultimate holding company of the Company is View Art, a limited liability company incorporated in the British Virgin Islands on 28 September 2007 which is 100% held and controlled by Mr. Chau David (“Mr. Chau” or the “Controlling Shareholder”).

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements (the “Unaudited Financial Statements”) for the three months ended 31 March 2023 (the “Reporting Period”) have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Group entities.

The Unaudited Financial Statements have not been audited by the Company’s independent auditor, but have been reviewed by the audit committee of the Board (the “Audit Committee”).

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

3. APPLICATION OF NEW IFRSs

The preparation of the Unaudited Financial Statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Unaudited Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2022, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022 (the "2022 Audited Financial Statements").

The Unaudited Financial Statements have been prepared on the historical costs basis except for certain financial instruments that are measured at fair values.

The accounting policies and methods of computation applied in the preparation of the Unaudited Financial Statements are consistent with those applied in the preparation of the 2022 Audited Financial Statements except for the adoption of the new/revised IFRSs further described in the "Adoption of new/revised IFRSs" section which are relevant to the Group and effective for the Group's financial year beginning on 1 January 2023.

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

Adoption of new/revised IFRSs

In the Reporting Period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's Unaudited Financial Statements:

Amendments to IAS 39, IFRSs 4, 7, 9 and 16 Interest Rate Benchmark Reform —
Phase 2

The adoption of the new/revised IFRSs has no significance on the Unaudited Financial Statements. Other than the above new/revised IFRSs, at the date of authorisation of the Unaudited Financial Statements, the Group has not early adopted other new/revised IFRSs that have been issued but are not yet effective. The management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

4. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

An analysis of the revenue from the Group's principal activities, other income, other gains and losses is as follows:

	Three months ended 31 March	
	2023 RMB (Unaudited)	2022 RMB (Unaudited)
Finance leasing income		
<i>Vehicle finance leasing</i>	241,679	1,691,348
Interest income arising from sales and leaseback arrangements	3,949,603	6,568,968
Finance leasing advisory service income (Note i)	4,577,103	7,899,461
Interest income arising from factoring arrangements	1,807,953	945,105
Total revenue	10,576,338	17,104,882
Other income		
Bank interest income	82,966	31,340
Government subsidies (Note ii)	15,504	217,913
Others (Note iii)	433,721	374,482
	532,192	623,735
Other gains and losses, net		
Exchange loss, net	(171,268)	(63,860)
	(171,268)	(63,860)

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

Notes:

- (i) It represents income arising from provision of bundle services, including (i) intermediary services between individual clients with financing needs (the “Finance Leasing Advisory Customers”) and financial institutions (the “Finance Leasing Funders”) who provide sales and leaseback arrangement services and (ii) guarantee services to the Finance Leasing Advisory Customers in support for their application for certain leasing arrangements provided by the Finance Leasing Funders (the “Group’s Financial Guarantees”). The timing of revenue recognition of the Group’s revenue from provision of finance leasing advisory service was over time under IFRS 15.
- (ii) Government subsidies primarily consist of the fiscal support that the local government offers to the Group’s entities engaged in the finance leasing business in the PRC.
- (iii) Mainly due to the income generated from license plate leasing.

5. FINANCE COSTS

	Three months ended 31 March	
	2023 RMB (Unaudited)	2022 RMB (Unaudited)
Interest and charges on bank and other borrowings	3,223,496	4,099,536
Imputed interest expense arising from deposits received from finance lease customers	11,221	240,735
Total finance costs	3,234,717	4,340,271

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

6. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

	Three months ended 31 March	
	2023 RMB (Unaudited)	2022 RMB (Unaudited)
Depreciation of property and equipment	108,385	96,152
Total depreciation	108,385	96,152
Auditors' remuneration	343,750	312,500
Finance leasing advisory service costs	3,371,804	793,624
Professional fees	378,513	218,704
Other professional fees	749,662	245,582
Travelling and entertainment expenses	264,150	34,196
Office expenses	275,526	266,101
Expenses recognised under short-term leases	714,844	388,988
	6,098,249	2,259,695
Total other operating expenses	6,206,635	2,355,847
Directors' emoluments	322,939	317,159
Salaries, bonus and other benefits (excluding directors)	2,001,270	1,689,283
Retirement benefit scheme contributions (excluding directors)	576,608	359,697
Total staff costs	2,900,817	2,366,139

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

7. INCOME TAX CREDIT (EXPENSE)

	Three months ended 31 March	
	2023 RMB (Unaudited)	2022 RMB (Unaudited)
PRC enterprise income tax	–	2,243,974
Deferred tax charge	(7,251)	(562,491)
Total income tax expense	(7,251)	1,681,483

The Group is only subject to the enterprise income tax in the PRC.

Provision for the enterprise income tax in the PRC is calculated based on a statutory tax rate of 25% of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC, during the Reporting Period.

Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
(Loss)/earnings: (Loss)/profit for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	(1,402,559)	4,276,989
Number of shares: Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	960,000,000	960,000,000

No diluted (loss)/earnings per share was presented as there were no potential ordinary shares in issue during both periods.

9. DIVIDENDS

No dividends were paid, declared or proposed during the Reporting Period (three months ended 31 March 2022: nil). The Directors do not recommend the payment of a dividend in respect of the Reporting Period (three months ended 31 March 2022: nil).

Management Discussion and Analysis

BUSINESS REVIEW

According to the National Bureau of Statistics of the People's Republic of China (the "PRC"), the gross domestic product (GDP) in the first quarter of 2023 grew by approximately 4.5%, as compared to that of the same period in 2022, and approximately 2.2% on a quarter-on-quarter basis. With the rapid and stable transition of epidemic prevention and control, the PRC production demand has rebounded, market expectations and the economic operation has improved steadily.

The Group's revenue for the Reporting Period was approximately RMB10.6 million, which represented a decrease of approximately 38.2% from approximately RMB17.1 million for the three months ended 31 March 2022 (the "Corresponding Period"). The decrease in revenue was mainly attributable to the decrease in the Group's finance lease income, interest income arising from sales and leaseback arrangements, and financial leasing advisory service income. Nonetheless, the Group's interest income arising from factoring arrangements made good progress during the Reporting Period, the revenue thereof amounted to RMB1.8 million and accounted for approximately 17.1% of the total revenue for the Reporting Period.

With the PRC's economic recovery, the repayment of customers gradually improved and the Group's asset management work has gradually resumed to normal. At the same time, the Company also actively reviewed the credit risk control system and has taken remedial actions, such as suing long overdue customers in a timely manner and reclaiming and disposing of vehicles. The management considered that the overall quality of the Group's Loan Receivables remained under control. During the Reporting Period, the overall quality of the Group's assets has improved. Our Group expects that after a certain period of time, the Company's asset quality will further improve.

The management has been actively considering other business opportunities to bring a better return to its Shareholders. The management is considering to diversify the Group's existing business and broaden its source of income. The Group had established a new business entity to engage in trading in the PRC and may use its resources to invest in other industries in the future, so as to bring additional source of revenue to the Group and create value to its Shareholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Overall performance

During the Reporting Period, the Group recorded a revenue of approximately RMB10.6 million, representing a decrease of approximately 38.2% from approximately RMB17.1 million for the Corresponding Period. Affected by the lockdown measures implemented in 2022 to contain the local novel coronavirus (“COVID-19”) which flare-ups in Shanghai, the Group’s business suffered a short period of stagnation in the Reporting Period. Therefore, the Group experienced a significant reduction in its finance lease receivables balance and sale and leaseback arrangements receivable balance. During the Reporting Period, the Group’s finance lease income amounted to approximately RMB0.2 million, representing a decrease of approximately 85.7% from approximately RMB1.7 million for the Corresponding Period. Interest income arising from sales and leaseback arrangements amounted to approximately RMB3.9 million, representing a decrease of approximately 39.9% from approximately RMB6.6 million for the Corresponding Period. During the Reporting Period, the development of the Group’s finance leasing advisory business was not as good as the same period last year, resulting in a decrease of approximately RMB3.3 million in financial leasing advisory service income, or approximately 42.1%. However, interest income arising from factoring arrangements made good progress during the Reporting Period, the revenue thereof amounted to RMB1.8 million and accounted for approximately 17.1% of the total revenue for the Reporting Period.

However, the Group recorded a net loss after tax of approximately RMB1.4 million for the Reporting 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 Corresponding Period. The deterioration in financial performance for the Reporting 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 COVID-19 cases caused by the divergent variants of COVID-19 in Shanghai, the PRC, in 2022 where the Group experienced a significant reduction in its finance lease receivables balance and sale and leaseback arrangements receivable balance; (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.

Other income

During the Reporting Period, the Group’s other income amounted to approximately RMB0.5 million, representing a decrease of approximately 14.7% from approximately RMB0.6 million for the Corresponding Period. The decrease was primarily due to the decrease in government subsidies to the Group in respect of value added tax and corporate tax contribution.

Management Discussion and Analysis

Other gains and losses, net

During the Reporting Period, the Group's other gains and losses, net recorded a loss of approximately RMB0.2 million, representing an increase of approximately 168.2% from a loss of approximately RMB0.1 million for the Corresponding Period. The increase of other losses was primarily due to increase in the change in foreign exchange losses. The change in foreign exchange losses was due to the decrease in the exchange rate of Hong Kong dollar against Renminbi during the Reporting Period.

Staff costs

During the Reporting Period, the Group's staff costs amounted to approximately RMB2.9 million, representing an increase of approximately 22.6% from approximately RMB2.4 million for the Corresponding Period. Such increase was primarily attributable to the fact that the Group added new offices and recruited new employees for its business development around the end of 2022.

Other operating expenses

During the Reporting Period, the Group's other operating expenses amounted to approximately RMB6.2 million, representing an increase of approximately 163.5% from approximately RMB2.4 million during the Corresponding Period. The increase was mainly due to: (i) the increase in finance leasing advisory service costs approximately 324.9% from approximately RMB0.8 million for the Corresponding Period to approximately RMB3.4 million for the Reporting Period; (ii) the increase in legal expenses incurred due to the collection of the relevant receivables; and (iii) the increase in expenses recognised under short-term leases and travelling and entertainment expenses due to the expansion of business and increase in number of offices.

Reversal of loss allowances on the Lease Receivables and recognition of loss allowances on the Factoring Receivables

During the Reporting Period, there was a reversal of loss allowances on Lease Receivables of approximately RMB0.5 million, as compared to approximately RMB2.2 million of recognition of loss allowance made on Lease Receivables for the Corresponding Period. The reversal of loss allowances was mainly attributable to decrease in the gross amount of Lease Receivables due to the increase in recovery of lease payment collection.

During the Reporting Period, the Group recognised loss allowances on the Factoring Receivables of approximately RMB0.5 million, as compared to approximately RMB49,610 for the Corresponding Period. The Group recognised loss allowances on the Factoring Receivables mainly due to the increase in receivables arising from factoring arrangements.

Management Discussion and Analysis

Finance costs

During the Reporting Period, the Group's finance costs amounted to approximately RMB3.2 million, representing a decrease of approximately 25.5% from approximately RMB4.3 million during the Corresponding Period. The decrease of approximately RMB0.9 million was primarily attributable to the decrease in the interest and charges on bank and other borrowings as the balance of bank and other borrowings decreased to approximately RMB95.0 million as at the end of the Reporting Period, while the balance as at the end of the Corresponding Period was approximately RMB175.4 million. In addition, the imputed interest expense arising from deposits received from finance leasing customers decreased by approximately RMB0.2 million, as compared with that of the Corresponding Period.

Income tax credit

During the Reporting Period, the Group recorded an income tax credit of approximately RMB7,300 as the operation result was in a loss position. For the Corresponding Period, the income tax expense was approximately RMB1.7 million.

Dividend

The Board did not recommend any dividend for the Reporting Period (three months ended 31 March 2022: nil).

Corporate Governance and Other Information

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognises the importance of good corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules, and the Company has adopted the CG Code as its own code of corporate governance.

During the Reporting Period, the Group had complied with all the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1. Mr. Chau David is the Chairman and also the chief executive officer of the Company and he has been managing the Group's business and supervising the overall operations of the Group since its establishment. Having considered the nature and extent of the Group's operations, and Mr. Chau David's in-depth knowledge and experience in the leasing services, in particular vehicle finance leasing market and familiarity with the operations of the Group which is beneficial to the management and business development of the Group, and all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Mr. Chau David taking up both roles. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The share option scheme (the “Share Option Scheme”) was conditionally adopted by resolutions in writing passed by the sole Shareholder on 23 November 2018. As at 31 March 2023, no share option was granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the “SFO”) which were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to the Company and the Stock Exchange, were as follows:

1. Interest in shares or underlying shares of the Company (“Shares”)

Name of Director	Nature of interest and capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Chau David (Note 2)	Interest in controlled corporation	600,000,000 (L)	62.5%

Notes:

1. The letter “L” denotes long position of the Shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company. Therefore, Mr. Chau David is deemed, or taken to be, interested in all the Shares held by View Art Investment Limited for the purpose of the SFO.

Corporate Governance and Other Information

2. Interest in shares of associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest and capacity	Number of shares in the associated corporation (Note 1)	Approximate percentage of shareholding
Mr. Chau David (Note 2)	View Art Investment Limited	Beneficial owner	10 (L)	100%

Notes:

1. The letter "L" denotes long position of the shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company.

Save as disclosed above, as at 31 March 2023, none of the Directors or the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provision of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to the Company and the Stock Exchange.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 31 March 2023, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules on the Stock Exchange:

Name of shareholder	Nature of interest and capacity	Number of Shares (Note 1)	Approximate percentage of shareholding
View Art Investment Limited (Note 2)	Beneficial owner	600,000,000 (L)	62.5%

Notes:

1. The letter "L" denotes long position of the Shares.
2. Mr. Chau David beneficially and wholly owns View Art Investment Limited, which in turn holds approximately 62.5% of the issued share capital of the Company. Therefore, Mr. Chau David is deemed, or taken to be, interested in all the Shares held by View Art Investment Limited for the purpose of the SFO.

Save as disclosed above, as at 31 March 2023, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares and debentures which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance and Other Information

ADVANCE TO ENTITY

Pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules, a disclosure obligation arises where the relevant advance to an entity from the Group exceeds 8% under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules. As set out in the prospectus of the Company, the Group entered into finance leases with the following customers in the past few years which would give rise to disclosure obligation under Rule 17.15 of the GEM Listing Rules in the prospectus of the Company, and this obligation continued to exist as at 31 March 2023:

In 2018, the Group entered into finance leases with a corporate customer ("Customer E"), which is an independent third party, in respect of sale and leaseback of vehicles. The aggregate net financing amount under such finance leases was approximately RMB46.1 million for the year ended 31 December 2018. The total contract yield of such finance leases was approximately 22.7% (which was calculated by dividing the total finance leasing income by the aggregate net financing amount of such finance leases). The average term of the finance leases was approximately 36.0 months and Customer E would make either monthly or quarterly repayment to the Group. In 2020, the Group entered into a debt restructuring with Customer E, the aggregated net financing amount of such finance leases under the debt restructuring was approximately RMB52.14 million. The total contract yield of such finance leases under the debt restructuring was approximately 33.46% (which was calculated by dividing the total finance leasing income by the aggregate net financing amount of such finance leases). The average term of the finance leases under the debt restructuring was approximately 66 months and Customer E would make monthly repayment to the Group. Pursuant to Rule 17.15 of the GEM Listing Rules, the relevant advance to Customer E exceeded 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules.

Corporate Governance and Other Information

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, namely Mr. Lau Chung Wai (the chairman of the audit committee), Mr. Mo Luojiang and Mr. Lin Peicong. The audit committee, together with the management of the Company, has reviewed the accounting principles and policies adopted by the Group and unaudited condensed consolidated quarterly financial statements for the Reporting Period, together with this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

On behalf of the Board

Metropolis Capital Holdings Limited

Chau David

Chairman, chief executive officer and executive Director

Hong Kong

15 May 2023

As at the date of this report, 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