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**正美丰业**

**ZMFY Automobile Glass Services Limited**

**正美豐業汽車玻璃服務有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8135)**

## **PROFIT WARNING AND ADOPTION OF SHARE AWARD SCHEME**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group may record loss for the nine months ended 30 September 2015 as compared to profit for the corresponding period in 2014 based on the preliminary assessment by the Board of the financial information of the Group currently available.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

### **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it has approved the adoption of the Scheme on 12 October 2015. Under the Scheme, the Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Scheme as Selected Participants and such Selected Participants may be granted an Award of Award Shares or cash proceeds arising from the sale of such Award Shares based on the Actual Selling Price during the Award Period, which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

The Company will not make any further grant of Award which will result in the number of Shares granted under the Scheme exceeding 10% of the total number of issued Shares from time to time. The maximum number of Award which may be granted to a Selected Participant but unvested under the Scheme shall not exceed 3% of the total number of issued Shares from time to time.

The Scheme is not subject to the provisions of Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company.

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment by the Board of the financial information of the Group currently available, which has neither been reviewed by the audit committee of the Company nor audited by the auditors of the Company, the Group may record loss for the nine months ended 30 September 2015 as compared to profit for the corresponding period in 2014. The Board believes that the loss was mainly attributable to the decrease in revenue from automobile repair garages which encountered a decline in their businesses and the increase in the purchase prices of automobile glass, together causing the gross profit to drop during the reporting period. In addition, the Group incurred substantial legal costs and financial consultancy fees in this reporting period due to, inter alia, its existing legal proceedings in the Court of First Instance in the High Court of the Hong Kong Special Administrative Region.

The Company is in the process of finalising the unaudited financial results of the Group for the nine months ended 30 September 2015. Detailed information regarding the Group's unaudited financial results for the nine months ended 30 September 2015 will be set out in the third quarterly results announcement in compliance with the GEM Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it has approved the adoption of the Scheme on 12 October 2015. A summary of the principal terms of the Scheme is set out below:

### **PURPOSE**

The purpose of the Scheme is for the Group to reward and retain Selected Participants, and to encourage and motivate Selected Participants to strive for future developments and expansion of the Group in order to enhance the value of the Shares which will benefit the Group and its Shareholders as a whole. This Scheme shall be an incentive to encourage the Selected Participants to perform their best in achieving the goals of the Group and allow the Selected Participants to enjoy the results of the Company attained through their efforts and contributions through the grant of Award to the Selected Participants.

### **DURATION**

Subject to any early termination as may be determined by the Board pursuant to the Scheme, the Scheme will be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Award Shares granted prior to the expiry of the Award Period, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the terms of the Scheme.

## **ADMINISTRATION**

The Scheme will be subject to the administration of the Board in accordance with the terms of the Scheme. The Trustee will hold the Award Shares in accordance with the terms of the Trust Deed.

## **OPERATION**

The Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Scheme as Selected Participants, subject to the terms and conditions set out in the Scheme. In determining the Selected Participants, the Board will take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group. A Selected Participant may be granted an Award of Award Shares or cash proceeds arising from the sale of such Award Shares based on the Actual Selling Price during the Award Period, which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

The Company will pay to the Trustee such monies in such amount as approved by the Board, and may give directions or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the funds of the Trust as approved by the Board to acquire Shares or otherwise to apply any Returned Shares held in the Trust to satisfy any Award made or any expected or potential Award to be made under the Scheme.

Within a reasonable time period as agreed between the Trustee and the Company from time to time after receiving the amount or the direction to use such amount, the Trustee will apply the same towards the purchase of the Shares at the prevailing market price in order to satisfy any Award. Any excess amount provided will, subject to any request for refund of the excess amount as the Company may in its absolute discretion determine to make, be retained by the Trustee for the benefit of the Trust. Where the amount paid or caused to be paid by the Company or where the amount that the Trustee is directed by the Company to use is not sufficient to purchase all of the Shares required to satisfy any Award, the Trustee will acquire the maximum number of board lots of Shares that it is able to acquire with the net cash available in the fund of the Trust and the Company will provide further funds to the Trustee.

No Award will be made to Selected Participants and no payment will be made to the Trustees and no directions or recommendation to acquire Shares will be given to the Trustees under the Scheme where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the GEM Listing Rules and all applicable laws from time to time.

## **VESTING AND LAPSE**

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Upon satisfaction of the relevant vesting criteria and conditions or periods for the Award to be vested, the Board may at its absolute discretion:

- (a) direct and procure the Trustee to release the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by the Board in its absolute discretion from time to time; or
- (b) to the extent where it is in the reasonable opinion of the Company not practicable for the Selected Participant to receive the Award in Shares, direct and procure the Trustee to sell the number of Award Shares and pay the Selected Participant the proceeds arising from such sale based on the Actual Selling Price in cash.

Unless the Board determines otherwise, the circumstances under which all outstanding Award not yet vested will lapse immediately and will not vest to the Selected Participant on the relevant vesting date but become Returned Shares include, without limitation:

- (a) resignation of the Selected Participant's employment;
- (b) termination of the Selected Participant's employment or early termination of the contractual engagement with the Group by reasons of misconduct, conviction of any criminal offence or otherwise pursuant to law or employment or engagement contract;
- (c) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged; or
- (d) cessation to be an Eligible Person for reasons or events as determined by the Board at its absolute discretion.

## **NATURE OF AWARD**

Any Award granted under the Scheme but not yet vested is personal to the Selected Participant to whom it is made and will not be assignable or transferable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

A Selected Participant will only have a contingent interest in the Award which is referable to him/her subject to the vesting of such Award in accordance with the Scheme. A Selected Participant will have no right to any dividend or any of the Returned Shares which will be retained by the Trustee for the benefit of the Scheme.

The Trustee will not exercise the voting rights in respect of any Shares held under the Trust.

## **SCHEME LIMIT**

The Company will not make any further grant of Award which will result in the number of Shares granted under the Scheme exceeding 10% of the total number of issued Shares from time to time. The maximum number of Award which may be granted to a Selected Participant but unvested under the Scheme will not exceed 3% of the total number of issued Shares from time to time.

## **TERMINATION**

The Scheme will terminate on the earlier of (i) the expiry of the Award Period; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

The Scheme is not subject to the provisions of Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company.

## **DEFINITIONS**

|                        |                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Actual Selling Price” | the actual price (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) at which the Award Shares are sold on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company, the consideration receivable under the related scheme or offer; |
| “Adoption Date”        | 12 October 2015, being the date on which the Board approved the adoption of the Scheme;                                                                                                                                                                                                                                                                                        |
| “Award(s)”             | award(s) granted by the Board to the Selected Participants which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash as the Board may determine in accordance with the terms of the Scheme;                                                                                                                                           |
| “Award Period”         | the period commencing on the Adoption Date, and ending on the day immediately prior to the eighth anniversary date of the Adoption Date (or in case such date is not a Business Day, the Business Day immediately thereafter);                                                                                                                                                 |
| “Award Share(s)”       | the Share(s) granted to a Selected Participant in an Award and purchased by the Trustee to service the Scheme;                                                                                                                                                                                                                                                                 |
| “Board”                | the board of Directors;                                                                                                                                                                                                                                                                                                                                                        |
| “Business Day”         | any day (excluding Saturday and Sunday) on which banks in Hong Kong generally are open for business and the Stock Exchange is open for the business of dealing in securities;                                                                                                                                                                                                  |
| “Company”              | ZMFY Automobile Glass Services Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM;                                                                                                                                                                                                                                    |
| “Director(s)”          | the director(s) of the Company;                                                                                                                                                                                                                                                                                                                                                |

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|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Eligible Person(s)”      | any employee of the Group (including Director), adviser or consultant to the Group, provider of goods and/or services to the Group, or other person who, at the sole determination of the Board, may contribute or has contributed to the Group; provided that no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person; |
| “GEM”                     | the Growth Enterprise Market of the Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “GEM Listing Rules”       | the Rules Governing the Listing of Securities on GEM;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| “Group”                   | the Company and its subsidiaries;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Returned Shares”         | such Award Shares which are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares under the terms of the Scheme;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “Scheme”                  | the share award scheme adopted by the Company on 12 October 2015;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “Selected Participant(s)” | Eligible Person(s) approved for participation in the Scheme;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “SFC”                     | the Securities and Futures Commission;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the share capital of the Company;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Shareholder(s)”          | the shareholders of the Company;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “Trust”                   | the trust constituted by the Trust Deed to service the Scheme;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Trust Deed”              | a trust deed dated 12 October 2015 entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

“Trustee” the trustee appointed by the Company for the time being for the purpose of the Trust, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong;

“%” per cent.

By Order of the Board  
**ZMFY Automobile Glass Services Limited**  
**Xia Lu**  
*Executive Director*

Hong Kong, 12 October 2015

*As at the date of this announcement, the executive Directors are Ms. Xia Lu, Mr. He Changsheng and Mr. Li Honglin; the non-executive Directors are Mr. Xia Xiufeng (Chairman), Mr. Liu Mingyong and Mr. Qi Dianjiang; and the independent non-executive Directors are Mr. Chen Jinliang, Mr. Han Shaoli and Mr. Jiang Bin.*

*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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and 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 Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.zmfy.com.hk>.*