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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)**

**DELAY IN PUBLICATION OF ANNUAL RESULTS  
AND DESPATCH OF ANNUAL REPORT FOR  
THE YEAR ENDED 31 DECEMBER 2021;  
AND  
CONTINUED SUSPENSION OF TRADING**

This announcement is made by ZMFY Automobile Glass Services Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 11 March 2022 (the “**Announcement**”) in relation to the Alleged Guarantees and the suspension of director’s duties. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

**DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

Pursuant to Rules 18.49 and 18.48A of the GEM Listing Rules, the Company is required to publish (i) the preliminary announcement of results for the year ended 31 December 2021 (the “**2021 Annual Results**”), which is agreed with the auditors of the Company (the “**Auditors**”); and (ii) the annual report for the same financial year (the “**2021 Annual Report**”), on a date not later than three months after the end of the financial year of the Company, i.e. 31 March 2022.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the publication of the 2021 Annual Results and the despatch of the 2021 Annual Report will be delayed as the Company was unable to finalize the consolidated financial statements for the year ended 31 December 2021 including the financial impact of the Alleged Guarantees. As the Company does not possess any information in relation to the Alleged Guarantees, other than some civil mediation agreements issued by the People’s Court of various districts in Beijing (“**Mediation Agreements**”) mentioning about the Alleged Guarantees, the Company cannot provide to the Auditors with any actual details about the Alleged Guarantees. The Company is in the course of investigating the Alleged Guarantees and will provide more information to the Auditors once available. Thus, as at the date of this announcement, the Auditors are not able to perform or design additional audit procedures until the completion of the investigation on the Alleged Guarantees.

The Board acknowledges that the delay in the publication of the 2021 Annual Results and the 2021 Annual Report will constitute non-compliance with Rules 18.49 and 18.48A of the GEM Listing Rules.

For the reasons set out above, the Board is of the view that it would not be appropriate for the Company to publish its unaudited management account for the year ended 31 December 2021 at this stage as they may not accurately reflect the consolidated financial performance and positions of the Company and may confuse the Shareholders and potential investors.

The Company will publish further announcement(s) in due course to inform the Shareholders on the expected date of the release of the 2021 Annual Results as and when appropriate.

## **THE ALLEGED GUARANTEE**

The Board wishes to provide an update to Shareholders that based on the Mediation Agreements, the amounts involved in the Alleged Guarantees are approximately RMB27,000,000. The Group’s audited consolidated total assets, revenue and net loss for the year ended 31 December 2020 are RMB198,813,000, RMB80,469,000 and RMB20,659,000, respectively. Thus, the relative size of the amounts involved in the Alleged Guarantees compares to the total assets and revenue of the Group are 13.58% and 33.55% respectively. For the year ended 31 December 2021, the Group’s unaudited consolidated total assets, revenue and net loss are RMB156,233,000, RMB92,467,000 and RMB44,336,000, respectively. Thus, the relative size of the amounts involved in the Alleged Guarantees compares to the total assets and revenue of the Group are 17.28% and 29.20% respectively.

At present, to the best knowledge and information of the Company, only Mr. Lu has been found involved in the Alleged Guarantees. No other personnel nor other subsidiaries of the Company has been found to be involved in the Alleged Guarantees.

The Board believes that the Alleged Guarantees may lead to financial loss to Shangshi Kuaiche Corporate Service (Hengqin) Company Limited\* 上市快車企業服務(橫琴)有限公司 (“**SKCS**”). However, the Group intends to seek compensation from Mr. Lu and the guaranteed company in accordance with the PRC law, so as to minimise the Company’s loss. The Group is currently seeking relevant PRC legal advice for claiming compensation from Mr. Lu and the guaranteed company.

SKCS and its business segment, i.e. business consultancy services, are currently closed. In 2019, 2020, and 2021, SKCS's revenue was RMB930,000 (audited), RMB nil (audited) and RMB nil (unaudited), respectively; the revenue of its business segment in the same period was RMB1.81 million (audited), RMB nil (audited) and RMB nil (unaudited). Therefore, the Board believes that the Alleged Guarantees will not lead to the unsustainable operation of other business segments and operating subsidiaries of the Company in the future.

According to the Company's unaudited management account as of 31 December 2021, the Company's unaudited total assets are approximately RMB156,233,000 and unaudited net assets are approximately RMB132,685,000. On the premise that the contingent debts become actual debts (the "**Debts**") as a result of the creditors executing the judgments, the Board believes that the Company still has sufficient assets to repay the Debts after realisation or repay directly to avoid the liquidity risk.

The Company is in the process of appointing investigation committee and internal control adviser. The Board believes that the impact of the event of the Alleged Guarantees on the Company's financial situation needs to be further evaluated based on the progress of the litigation and recovery actions to be taken by the Company.

In response to the Alleged Guarantees, the Company has consulted its PRC lawyers on the Alleged Guarantees and actions to be taken by the Group. On 28 January 2022, the Company has taken actions to remove Mr. Lu as director and legal representative of various subsidiaries, which the Company expected to complete in May 2022. However, the specific completion time will depend on the State Administration for Industry and Commerce of the PRC.

The Board will also establish an independent investigation committee, comprising all independent non-executive Directors (the "**Investigation Committee**"), Mr. Jiang Bin will be proposed to be elected as the Chairman of the Investigation Committee to investigate the Alleged Guarantees, report the findings and take appropriate remedial actions, and to appoint internal control adviser to review the Company's internal control system. The Company will retain an internal control adviser to review the Company's internal system of the Company, make recommendation to the Board, make suggestion to the Board on any improvement to be made and take appropriate remedial actions.

The information contained in this announcement is subject to the investigation results on the Alleged Guarantees. The Company will issue further announcement(s) on any update in relation to the Alleged Guarantees as and when appropriate.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in shares of the Company on the GEM of the Stock Exchange has been halted with effect from 9:00 a.m. on 14 March 2022 and shall remain halted until further notice. Further announcement(s) will be made by the Company in this respect as and when appropriate.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

\* *For identification purposes only*

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

Hong Kong, 29 March 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Xia Xiufeng (Chairman and Chief Executive Officer), Mr. Lo Chun Yim and Mr. Lu Yongmin; the non-executive director of the Company is Mr. Liu Mingyong; and the independent non-executive directors of the Company are Mr. Jiang Bin, Mr. Luo Wenzhi and Mr. Wang Liang.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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>.*