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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE LEASE AGREEMENT**

THE LEASE AGREEMENT

The Board announces that on 23 February 2021, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Agreement with Henan Tuonong, pursuant to which ZM Leasing agreed to provide finance lease to Henan Tuonong by way of sale and leaseback the Leased Assets to Henan Tuonong.

LISTING RULES IMPLICATIONS

The highest relevant percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Lease Agreement on a standalone basis does not exceed 5%. However, as the highest relevant percentage ratio when aggregated with the outstanding principal amounts and accrued interests under the Previous Lease Agreements exceeds 5% but all relevant percentage ratios are less than 25% and the Lease Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements set out in Rule 19.34 of the GEM Listing Rules.

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PRINCIPAL TERMS OF THE LEASE AGREEMENT

Date:	23 February 2021
Parties:	Lessor: ZM Leasing; and Lessee: Henan Tuonong
Subject of the transaction:	ZM Leasing acquired the Leased Assets from Henan Tuonong at a consideration of RMB3,000,000 (equivalent to approximately HK\$3,600,000). The Leased Assets will then be leased back to Henan Tuonong.
Period of the lease term:	Twenty-four months, commencing from 20 May 2021. The principal amount of the lease will be released to Henan Tuonong on 25 February 2021.
Interest rate:	12% per annum.
Total lease amount payable by Henan Tuonong to ZM Leasing:	RMB3,804,000 (equivalent to approximately HK\$4,564,800), comprising (i) the principal amount of RMB3,000,000 (equivalent to approximately HK\$3,600,000); (ii) the accrued interest of RMB84,000 (equivalent to approximately HK\$100,800) before commencement of the lease term; and (iii) the aggregate interest of RMB720,000 (equivalent to approximately HK\$864,000), is payable by 8 instalments.
Security deposit paid by Henan Tuonong to ZM Leasing:	RMB60,000 (equivalent to approximately HK\$72,000), which will be paid by Henan Tuonong to ZM Leasing on or before 25 February 2021.
Henan Tuonong's option to purchase the Leased Assets:	Upon the end of the lease term, provided that Henan Tuonong has fulfilled all of its obligations under the Lease Agreement, Henan Tuonong has the option to purchase the Leased Assets at a consideration of RMB100 (equivalent to approximately HK\$120).

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the sales of automobile glass with installation/repair services, trading of automobile glass, provision of business consultancy services and finance leasing services in the PRC.

Henan Tuonong is a company established in the PRC with limited liability. It is principally engaged in production and sale of biomass and organic fertilizers. Henan Tuonong is owned by Shenzhen Taiwo, which is beneficially owned as to 76.19% by Shenzhen Jiuhe Investment Development Co., Ltd.* (深圳市九合投資發展有限公司) (“**Shenzhen Jiuhe**”), 20% by Hainan Zunhe Energy Investment Management Centre (Limited Partnership)* (海南尊合能源投資管理中心(有限合夥)) (“**Hainan Zunhe**”) and 3.81% by Shenzhen Jiuhe Green Energy Investment Center (Limited Partnership)* (深圳九合綠能投資中心(有限合夥)) (“**Jiuhe Green Energy**”).

The shareholding percentages of Shenzhen Jiuhe are as follows:

- (1) 35% by Shenzhen Yunfuxin Technology Development Co., Ltd.* (深圳市雲福鑫科技發展有限公司), which is owned as to 80% by Li Guodong (李國棟) and 20% by Wang Yilei (王一雷);
- (2) 33% by Li Xuanxia (李璇俠); and
- (3) 32% by Jia Xiuchun (賈秀春).

Hainan Zunhe and Jiuhe Green Energy are limited partnerships. Hainan Zunhe has 5 partners, and Shenzhen Jiuhe is one of the partner. Jiuhe Green Energy has 3 partners, whereas Shenzhen Jiuhe contributed 1.64% to its capital. Other partners of Hainan Zunhe and Jiuhe Green Energy are private companies, the shareholders of which comprise companies in different industries as well as companies controlled by central, provincial or municipal governments of the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shenzhen Taiwo and its ultimate beneficial owners are Independent Third Parties at the relevant time.

REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT

The entering into of the Lease Agreement is expected to provide a stable revenue and cashflow to the Group.

The terms of the Lease Agreement have been agreed after arm's length negotiation between the parties. The Directors consider that the terms of the Lease Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

PREVIOUS LEASE AGREEMENTS

ZM Leasing entered into the Previous Lease Agreements with Jianping Xingwo, Henan Tuonong and Heilongjiang Jiansanjiang on 21 February 2020, 28 August 2020 and 23 February 2021 respectively. Detailed terms in relation of the Previous Lease Agreements have been set out in the Company's announcements dated 21 February 2020, 28 August 2020 and 23 February 2021 respectively. Henan Tuonong, Heilongjiang Jiansanjiang and Jianping Xingwo are all controlled by the same shareholder, namely Shenzhen Taiwo.

IMPLICATIONS UNDER THE GEM LISTING RULES

The highest relevant percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Lease Agreement on a standalone basis does not exceed 5%. However, as the highest relevant percentage ratio when aggregated with the outstanding principal amounts and accrued interests under the Previous Lease Agreements exceeds 5% but all relevant percentage ratios are less than 25% and the Lease Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements set out in Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions used in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	ZMFY Automobile Glass Services Limited (正美豐業汽車玻璃服務有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Heilongjiang Jiansanjiang”	Heilongjiang Jiansanjiang Nongken Jiuzhou Fangyuan Biomass New Material Co., Ltd.* (黑龍江省建三江農墾九州方圓生物質新材料有限公司), a company established in the PRC with limited liability
“Henan Tuonong”	Henan Tuonong Biomass New Material Co., Ltd.* (河南省拓農生物質新材料有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected person(s)
“Jianping Xingwo”	Jianping Xian Xingwo Biomass New Material Co., Ltd.* (建平縣興沃生物質新材料有限公司), a company established in the PRC with limited liability
“Lease Agreement”	the lease agreement dated 23 February 2021 entered into between ZM Leasing and Henan Tuonong, pursuant to which ZM Leasing has agreed to provide finance lease to Henan Tuonong by way of sale and leaseback the Leased Assets to Henan Tuonong
“Leased Assets”	carbonization equipments owned by Henan Tuonong before entering into of Lease Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao S.A.R. and Taiwan

“Previous Lease Agreements”	the lease agreement dated 21 February 2020 between ZM Leasing and Jianping Xingwo, the lease extension agreement dated 28 August 2020 between ZM Leasing and Henan Tuonong and the lease extension agreement dated 23 February 2021 between ZM Leasing and Heilongjiang Jiansanjiang
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Taiwo”	Shenzhen Taiwo Green Energy Development Co., Ltd.* (深圳泰沃綠色能源發展有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZM Leasing”	ZM Leasing (Tianjin) Limited* (正澤美業融資租賃(天津)有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent.

In this announcement, amounts quoted in RMB have been converted into HK\$ at a rate of RMB1.00 to HK\$1.2. Such exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.

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

Hong Kong, 23 February 2021

As at the date of this announcement, the executive Directors are Mr. Xia Xiufeng (Chairman and Chief Executive Officer), Mr. Lo Chun Yim and Mr. Lu Yongmin; the non-executive Director is Mr. Liu Mingyong; and the independent non-executive Directors 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>.

* For identification purposes only