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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 22 March 2021, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Agreement with Sichuan Jurun, pursuant to which ZM Leasing agreed to provide finance lease to Sichuan Jurun by way of sale and leaseback the Lease Assets to Sichuan Jurun.

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:	22 March 2021
Parties:	Lessor: ZM Leasing; and Lessee: Sichuan Jurun
Subject of the transaction:	ZM Leasing acquired the Leased Assets from Sichuan Jurun at a consideration of RMB8,000,000 (equivalent to approximately HK\$9,600,000). The Leased Assets will then be leased back to Sichuan Jurun. The consideration was funded by the internal resources of the Group.
Period of the lease term:	Twelve months, commencing from 20 April 2021. The principal amount of the lease is released to Sichuan Jurun on 22 March 2021.
Interest rate:	11% per annum.
Total lease amount payable by Sichuan Jurun to ZM Leasing:	RMB8,950,889 (equivalent to approximately HK\$10,741,067), comprising (i) the principal amount of RMB8,000,000 (equivalent to approximately HK\$9,600,000); (ii) the accrued interest of RMB70,889 (equivalent to approximately HK\$85,067) before commencement of the lease term; and (iii) the aggregate interest of RMB880,000 (equivalent to approximately HK\$1,056,000), is payable by 4 instalments on a quarterly basis.
Security deposit paid by Sichuan Jurun to ZM Leasing:	RMB80,000 (equivalent to approximately HK\$96,000), which is paid by Sichuan Jurun to ZM Leasing on 22 March 2021.
Sichuan Jurun's option to purchase the Leased Assets:	Upon the end of the lease term, provided that Sichuan Jurun has fulfilled all of its obligations under the Lease Agreement, Sichuan Jurun has the option to purchase the Leased Assets at a consideration of RMB100 (equivalent to approximately HK\$120).

The terms of the Lease Agreement, including the consideration for the Leased Assets, the lease amount and interest rate, were determined after arm's length negotiations between ZM Leasing and Sichuan Jurun with reference to the book value of the Leased Assets and the prevailing market rates for similar finance lease arrangements.

INFORMATION OF THE LEASED ASSETS

The Leased Assets are refinery equipment for the production of hydrogen peroxide.

As at 22 March 2021, the book value of the Leased Assets is approximately RMB13,777,272.00. Sichuan Jurun does not separately calculate the profits before and after tax of the Leased Assets.

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.

Sichuan Jurun is a company established in the PRC with limited liability. It is principally engaged in manufacturing and sale of hydrogen peroxide and products in relation to new energy technology. Sichuan Jurun is ultimately controlled by Yang Fuguo* (楊富國), Liu Weidong* (劉衛東) and Liu Pei* (劉培).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sichuan Jurun, Yang Fuguo* (楊富國), Liu Weidong* (劉衛東) and Liu Pei* (劉培) 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 Qitaihe Longpeng on 12 April 2018 and 24 July 2020 respectively and Sichuan Jurun on 31 March 2020.

Detailed terms in relation of the Previous Lease Agreements have been set out in the Company's announcements dated 18 April 2019, 31 March 2020 and 24 July 2020.

Both Sichuan Jurun and Qitaihe Longpeng are ultimately controlled by Yang Fuguo* (楊富國), Liu Weidong* (劉衛東) and Liu Pei* (劉培).

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
“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)
“Lease Agreement”	the lease agreement dated 22 March 2021 entered into between ZM Leasing and Sichuan Jurun, pursuant to which ZM Leasing has agreed to provide finance lease to Sichuan Jurun by way of sale and leaseback the Leased Assets to Sichuan Jurun
“Leased Assets”	certain refinery equipment for the production of hydrogen peroxide owned by Sichuan Jurun before entering into the 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 12 April 2018 between ZM Leasing and Qitaihe Longpeng, the lease agreement dated 31 March 2020 between ZM Leasing and Sichuan Jurun and the lease agreement dated 24 July 2020 between ZM Leasing and Qitaihe Longpeng
“Qitaihe Longpeng”	Qitaihe City Longpeng Coal Development Co., Ltd.* (七台河市隆鵬煤炭發展有限責任公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sichuan Jurun”	Sichuan Jurun New Energy Technology Co., Ltd.* (四川省聚潤新能源科技有限公司), 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, 22 March 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