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

**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 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:   | 20 August 2021  |
| Parties:  | Lessor: ZM Leasing; and<br>Lessee: Qitaihe Longpeng   |
| Subject of the transaction:                                   | ZM Leasing acquired the Leased Assets from Qitaihe Longpeng at a consideration of RMB9,000,000 (equivalent to approximately HK\$10,800,000). The Leased Assets will then be leased back to Qitaihe Longpeng. The consideration was funded by the internal resources of the Group.                         |
| Period of the lease term:                                     | Twelve months, commencing from 20 August 2021. The principal amount of the lease was released to Qitaihe Longpeng on 20 August 2021.  |
| Interest rate:  | 10% per annum.  |
| Total lease amount payable by Qitaihe Longpeng to ZM Leasing: | RMB9,900,000 (equivalent to approximately HK\$11,880,000), comprising (i) the principal amount of RMB9,000,000 (equivalent to approximately HK\$10,800,000); and (ii) the aggregate interest of RMB900,000 (equivalent to approximately HK\$1,080,000), is payable by 4 instalments on a quarterly basis. |
| Security deposit paid by Qitaihe Longpeng to ZM Leasing:      | RMB450,000 (equivalent to approximately HK\$540,000), which was paid by Qitaihe Longpeng to ZM Leasing on 20 August 2021.   |
| Handling fee paid by Qitaihe Longpeng to ZM Leasing:          | RMB180,000 (equivalent to approximately HK\$216,000), which was paid by Qitaihe Longpeng to ZM Leasing on 20 August 2021.   |
| Qitaihe Longpeng's option to purchase the Leased Assets:      | Upon the end of the lease term, provided that Qitaihe Longpeng has fulfilled all of its obligations under the Lease Agreement, Qitaihe Longpeng 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 Qitaihe Longpeng 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 machineries for coal production.

As at July 2021, the book value of the Leased Assets was approximately RMB22,173,987.67. Qitaihe Longpeng 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 and finance leasing services in the PRC.

Qitaihe Longpeng is a company established in the PRC with limited liability. It is principally engaged in production and sale of coal, coal tar and gas. Qitaihe Longpeng 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, Qitaihe Longpeng, 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 Sichuan Jurun on 22 March 2021 and 21 April 2021 respectively.

Detailed terms in relation of the Previous Lease Agreements have been set out in the Company's announcements dated 22 March 2021 and 21 April 2021 respectively.

Both Qitaihe Longpeng and Sichuan Jurun 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 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 20 August 2021 entered into between ZM Leasing and Qitaihe Longpeng, pursuant to which ZM Leasing has agreed to provide finance lease to Qitaihe Longpeng by way of sale and leaseback the Leased Assets to Qitaihe Longpeng |
| “Leased Assets”                | machineries for coal production owned by Qitaihe Longpeng 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 22 March 2021 and the lease extension agreement dated 21 April 2021 between ZM Leasing and Sichuan Jurun   |
| “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, 20 August 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