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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 TRANSACTIONS  
IN RELATION TO  
THE LEASE EXTENSION AGREEMENTS**

**THE LEASE EXTENSION AGREEMENTS**

The Board announces that on 31 May 2022, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Extension Agreement A with Sichuan Jurun, pursuant to which the parties agreed to extend the period of the lease term of the Existing Lease Agreement A to 20 April 2023. Except as extended by the Lease Extension Agreement A, all other terms and provisions of the Existing Lease Agreement A shall continue in full force and effect.

The Board also announces that on 31 May 2022, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Extension Agreement B with Sichuan Jurun, pursuant to which the parties agreed to extend the period of the lease term of the Existing Lease Agreement B to 20 April 2023. Except as extended by the Lease Extension Agreement B, all other terms and provisions of the Existing Lease Agreement B shall continue in full force and effect.

**LISTING RULES IMPLICATIONS**

The highest relevant percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Lease Extension Agreement A and the Lease Extension Agreement B when aggregated with the Previous Lease Agreement is more than 5% but all relevant percentage ratios are less than 25%, the Lease Extension Agreement A and the Lease Extension Agreement B constitute discloseable transactions for the Company under the GEM Listing Rules and are subject to the notification and announcement requirements set out in Rule 19.34 of the GEM Listing Rules.

## THE LEASE EXTENSION AGREEMENTS

Reference is made to the announcements of the Company dated 22 March 2021 and 21 April 2021 (the “**Announcements**”) in respect of the finance lease and the lease extension with Sichuan Jurun respectively. Capitalised items used herein shall have the same meanings as those defined in the Announcements unless defined otherwise.

The Board announces that on 31 May 2022, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Extension Agreement A with Sichuan Jurun, pursuant to which the parties agreed to extend the period of the lease term of the Existing Lease Agreement A to 20 April 2023.

The Board also announces that on 31 May 2022, ZM Leasing, a direct wholly-owned subsidiary of the Company, entered into the Lease Extension Agreement B with Sichuan Jurun, pursuant to which the parties agreed to extend the period of the lease term of the Existing Lease Agreement B to 20 April 2023.

### PRINCIPAL TERMS OF THE LEASE EXTENSION AGREEMENT A

**Date:** 31 May 2022

**Parties:** Lessor: ZM Leasing; and  
Lessee: Sichuan Jurun

**Period of the lease term:** Twelve months, commencing from 20 April 2022

**Interest rate:** 11% per annum

**Total lease amount payable by Sichuan Jurun to ZM Leasing:** RMB8,880,000 (equivalent to approximately HK\$10,478,400), comprising (i) the principal amount of RMB8,000,000 (equivalent to approximately HK\$9,440,000); and (ii) the aggregate interest of RMB880,000 (equivalent to approximately HK\$1,038,400), is payable by four instalments on a quarterly basis.

The terms of the Existing Lease Agreement A and the Lease Extension Agreement A, including the consideration for the Leased Assets A, 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 A and the prevailing market rates for similar finance lease arrangements.

Except as extended by the Lease Extension Agreement A, all other terms and provisions of the Existing Lease Agreement A shall continue in full force and effect.

## INFORMATION OF THE LEASED ASSETS A

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

As at 30 April 2022, the book value of the Leased Assets A was approximately RMB11,150,669.98. Sichuan Jurun does not separately calculate the profits before and after tax of the Leased Assets A.

## PRINCIPAL TERMS OF THE LEASE EXTENSION AGREEMENT B

<b>Date:</b>	31 May 2022
<b>Parties:</b>	Lessor: ZM Leasing; and Lessee: Sichuan Jurun
<b>Period of the lease term:</b>	Twelve months, commencing from 20 April 2022
<b>Interest rate:</b>	11% per annum
<b>Total lease amount payable by Sichuan Jurun to ZM Leasing:</b>	RMB22,200,000 (equivalent to approximately HK\$26,196,000), comprising (i) the principal amount of RMB20,000,000 (equivalent to approximately HK\$23,600,000); and (ii) the aggregate interest of RMB2,200,000 (equivalent to approximately HK\$2,596,000), is payable by four instalments on a quarterly basis.

The terms of the Existing Lease Agreement B and the Lease Extension Agreement B, including the consideration for the Leased Assets B, 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 B and the prevailing market rates for similar finance lease arrangements.

Except as extended by the Lease Extension Agreement B, all other terms and provisions of the Existing Lease Agreement B shall continue in full force and effect.

## INFORMATION OF THE LEASED ASSETS B

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

As at 30 April 2022, the book value of the Leased Assets B was approximately RMB28,603,504.10. Sichuan Jurun does not separately calculate the profits before and after tax of the Leased Assets B.

## **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.

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 AGREEMENTS**

The entering into of the Lease Extension Agreement A and the Lease Extension Agreement B are expected to provide a stable revenue and cashflow to the Group.

The terms of the Lease Extension Agreement A and the Lease Extension Agreement B have been agreed after arm's length negotiation between the parties. The Directors consider that the terms of the Lease Extension Agreement A and the Lease Extension Agreement B 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 AGREEMENT**

ZM Leasing entered into the Previous Lease Agreement with Qitaihe Longpeng on 20 August 2021.

Detailed terms in relation of the Previous Lease Agreement have been set out in the Company's announcement dated 20 August 2021.

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 the GEM Listing Rules) in respect of the Lease Extension Agreement A and the Lease Extension Agreement B when aggregated with the outstanding principal amounts and accrued interests under the Previous Lease Agreement is more than 5% but all relevant percentage ratios are less than 25% and the Lease Extension Agreement A and the Lease Extension Agreement B constitute discloseable transactions for the Company under the GEM Listing Rules and are 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:

“Existing Lease Agreement A”	the lease agreement dated 22 March 2021 entered into between ZM Leasing and Sichuan Jurun, pursuant to which ZM Leasing agreed to provide finance lease to Sichuan Jurun by way of sale and leaseback the Leased Assets A to Sichuan Jurun
“Existing Lease Agreement B”	the lease extension agreement dated 21 April 2021 entered into between ZM Leasing and Sichuan Jurun, pursuant to which ZM Leasing agreed to extend the lease term to 20 April 2022
“Leased Assets A”	the leased assets under the Existing Lease Agreement A
“Leased Assets B”	the leased assets under the Existing Lease Agreement B
“Lease Extension Agreement A”	the lease extension agreement dated 31 May 2022 entered into between ZM Leasing and Sichuan Jurun, pursuant to which ZM Leasing has agreed to extend the period of the lease term of the Existing Lease Agreement A to 20 April 2023
“Lease Extension Agreement B”	the lease extension agreement dated 31 May 2022 entered into between ZM Leasing and Sichuan Jurun, pursuant to which ZM Leasing has agreed to extend the period of the lease term of the Existing Lease Agreement B to 20 April 2023
“Previous Lease Agreement”	the lease agreement dated 20 August 2021 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

In this announcement, amounts quoted in RMB have been converted into HK\$ at a rate of RMB1.00 to HK\$1.18. 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, 31 May 2022

*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 (suspended); 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*